



## NOTICE OF REGULAR COUNCIL MEETING

In accordance with §38-431.02 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 Regular City Council meeting at 7:00 p.m., Wednesday, February 26, 2020. 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 recordings. Parents in order to exercise their rights may either file written consent with the City Clerk to such recordings, 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 REGULAR

De acuerdo con los Estatutos del Estado de Arizona A.R.S. §38-431.02, se le informa a los miembros del Cabildo y al público en general que el Alcalde y el Cabildo, tendrán una Junta Regular a las 7:00 p.m., el día Miercoles, 26 de Febrero del 2020. 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



## **AMENDED AGENDA**

**2/25/2020**

**AGENDA  
Regular Meeting  
San Luis City Council  
San Luis Council Chambers  
1090 E. Union Street  
San Luis, AZ 85349  
February 26, 2020  
7:00 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**
- 2. PLEDGE OF ALLEGIANCE**
- 3. INVOCATION**
- 4. PRESENTATION**
- 4. A.** Presentation of plaque to Apolinar Leon, former employee, in recognition of his 13 years of service with the City of San Luis. **(Fausto Gonzalez, Training & Programs Coordinator; Lizandro Galaviz, Director of Parks & Recreation; and Yolanda Dueñas, Facilities Supervisor)**
- 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**
  - Work Session held February 5, 2020
  - Regular Council meeting held February 12, 2020
- 5. B. DISBURSEMENTS FROM FEBRUARY 1, 2020 THROUGH FEBRUARY 14, 2020.**  
Total Disbursements \$718,074.14  
(Seven Hundred Eighteen Thousand, Seventy-Four Dollars and Fourteen Cents)

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

- 6. A. Discussion and possible action on any and all matters regarding the acceptance and approval for the filing of the Comprehensive Annual Financial Report for the City of San Luis, fiscal year ended June 30, 2019. **(Heinfeld, Meech & Co., P.C.)**
- 6. B. Discussion and possible action on any and all matters regarding the amendment to the Memorandum of Understanding between the City of San Luis, Arizona and San Luis Commercial Holdings, L.L.C., an Arizona limited liability company. **(Jenny Torres, Economic Development Manager)**
- 6. C. Discussion and possible action on any and all matters regarding a proposal for a city business license fee for the San Luis Regional Detention and Support Center. **(Kay Marion Macuil)**
- 6. D. Discussion and possible action on any and all matters regarding Order No. 2020-3. An Order of the Mayor and City Council of the City of San Luis approving and adopting a development agreement with Comite de Bien Estar, Inc. to purchase 20 acres of land for use as a city park. **(Kay Marion Macuil, City Attorney)**
- 6. E. Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2020-4. An order 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 overtime and mileage by approving an Intergovernmental Agreement and authorizing execution of Subrecipient Agreement Operation Stonegarden Grant Program Award - Overtime and Mileage between the State of Arizona through the Arizona Department of Homeland Security and the City of San Luis, Arizona through the San Luis Police Department. **(Richard Jessup, Chief of Police)**
- 6. F. Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2020-5. An Order 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 equipment by approving an Intergovernmental Agreement and authorizing execution of Subrecipient Agreement Operation Stonegarden Grant Program Award - Equipment between the State of Arizona through the Arizona Department of Homeland Security and the City of San Luis, Arizona through the San Luis Police Department. **(Richard Jessup, Chief of Police)**
- 6. G. Discussion and possible action on any and all matters regarding Subdivision Case No. 2019-0826F. A request by Core Engineering Group, PLLC, on behalf of Greater Yuma Port Authority, property owner, for the final plat approval for Magrino Industrial Park Unit 3 Subdivision. The property is located east of the commercial port of entry and south of County 25th Street. **(Jose A. Guzman, Director of Planning and Zoning)**

A. Staff presentation

B. Action on Subdivision Case No. 2019-0826F

**7. SUMMARY OF CURRENT EVENTS**

Events by Mayor, Council Members and/or City Manager pursuant to A.R.S. §38-431.02 (K).

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.

9. **EXECUTIVE SESSION**

Vote to hold an Executive Session pursuant to A.R.S. §§38-431.03(A)(1) and 38-431.03(A)(3)

Discussion and possible action to hold an executive session pursuant to A.R.S. §§38-431.03(A)(1) and 38-431.03(A)(3) on any and all matters relating to the position of Director of Public Works and the employment, assignment, appointment, and/or salaries of that position and/or discussion and legal advice with the attorney or attorneys of the city regarding same. **(Council Members Gloria Torres, Jose Ponce and Africa Luna-Carrasco)**

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

11. **ADJOURNMENT**



## PRESENTATION

### Regular City Council Meeting

4. A.

Meeting Date: 02/26/2020

---

#### Presentation Topic/Summary:

Presentation of plaque to Apolinar Leon, former employee, in recognition of his 13 years of service with the City of San Luis. **(Fausto Gonzalez, Training & Programs Coordinator; Lizandro Galaviz, Director of Parks & Recreation; and Yolanda Dueñas, Facilities Supervisor)**

---



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

5. A.

Meeting Date: 02/26/2020

---

#### Summary

#### **MINUTES OF**

- Work Session held February 5, 2020
  - Regular Council meeting held February 12, 2020
- 

#### Attachments

2/5/2020 WS

2/12/2019 RCM

---

**MINUTES**  
**Work Session**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**February 5, 2019**  
**6:30 p.m.**

**1. CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the work session to order at approximately 6:33 p.m.

**PRESENT:** Mayor Gerardo Sanchez  
Vice Mayor Maria Cecilia Cruz  
Council Member Mario Buchanan Jr.  
Council Member Jose Ponce  
Council Member Matias Rosales

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

**OTHERS PRESENT:** Tadeo A. De La Hoya, City Manager  
Sonia Cornelio, City Clerk  
Kay Marion Macuil, City Attorney  
Angel Ramirez, Fire Chief  
Eulogio Vera, Director of Public Works  
Francia Alonso, Assistant to Council/PIO  
James Einwaechter, Assistant Director of Public Works  
Jenny Torres, Economic Development Manager  
Jorge Mungaray, Information Technology Technician  
Jorge Perez, Billing & Collections Manager  
Lizandro Galaviz, Director of Parks & Recreation  
Maria Roldan, Assistant Director of Parks & Recreation  
Monica Castro, Director of Finance  
Richard Jessup, Chief of Police

**2. ITEMS FOR DISCUSSION ONLY:**

**2. A. Discussion and possible directions to staff on any and all matters regarding placement of electrical outlets at the city's retention basins. (Council Member Jose Ponce and Lizandro Galaviz, Director of Parks & Recreation)**

Mr. Lizandro Galaviz, Director of Parks & Recreation, informed that there are electrical outlets in some of the parks and retention areas. He stated that one of the challenges is that people were connecting different equipment that was damaging the breakers.

He added that his department does not have an on-call person, but coordinate with public works for when a sprinkler breaks or any problem that has to deal with irrigation of the park or retention basin. Mr. Galaviz informed that when people rent the ramadas; they are notified that there is no guarantee that the electrical outlets are going to work. He mentioned that the city charges only for the ramada rental; there is no fee for electrical outlets. He mentioned that he contacted the City of Yuma and City of Somerton to see if they provide electricity when they rent their ramadas and both cities do not provide electricity, because of the same issue San Luis faces. He commented that currently, staff is working in allowing water jumpers in some parks with a fee; currently, they are not allowed.

Council Member Mario Buchanan Jr. commented that he believes that providing electricity is a liability to the city, as they have not been used adequately.

Council Member Matias Rosales stated that by leaving the things ramadas currently have will not hurt anything, since the city will be liable if something happens by providing electricity.

Mayor Gerardo Sanchez stated that he agrees with Council Members Buchanan and Rosales.

Council Member Jose Ponce stated that the reason he brought this item for discussion is because he received some complaints from residents. He mentioned that he agrees with the other council members about not providing electricity if the city will be in liability. Council Member Jose Ponce stated that the contract should be specific and let people know that there is no electricity available in the ramada rental.

**2. B. Discussion and possible directions to staff on any and all matters regarding the city's participation in county-wide programs against street drugs, city's traffic safety programs and consequences for violators. (Council Member Jose Ponce and Richard Jessup, Chief of Police)**

**County-Wide Program Against Street Drugs**

Mr. Richard Jessup, Chief of Police, mentioned that as stated during the budget retreat, there are so many officers needed for every thousand residents, he added that fortunately, the crime rate in the community is not as high as in other municipalities. He mentioned that a few years ago the San Luis Police Department was part of the Yuma County Narcotic Task Force, the agreement was they will pay the salary of the officer assigned to them. As time went by, patrolling became more important; for this reason, the officer that was assigned to the task force was removed. He informed that during the last two (2) years, nobody had been placed back into the task force programs because the department needs to take care of its residents. Mr. Jessup stated that in the meantime (Homeland Security Investigations (HSI) has been allowed to come into the department detective bureau to use a space; also, the department is working with the U.S. Marshall Service in giving them an office space.

He stated that staff has also addressed the drug issues and have worked diligently in conjunction with Customs and Border Protection to stop the drug smuggling and is working in ways to stop this problem amongst high school and middle school students as they are the conduit across America to get these drugs into the nation. He added that staff has an on-going discussion with the partners in El Centro Police Department, Imperial County Sheriffs Department, California Highway Patrol, and other entities to start to tackle this opioid and methamphetamine epidemic. Mr. Jessup commented that he has been in several discussions with the Yuma County Sheriffs Department to see how soon an officer can be appointed to the task force. He mentioned that staff is working to allow an officer to work overtime with this task force and work their regular 40-hour shift at the department. He added that the other way to combat the drug problem in the community is through school programs and one of the ideas is to work with the San Luis High School and Middle School and create a program similar to the D.A.R.E. program. He informed that staff had done drug program presentations during their PTO's meetings.

### **City's Traffic Safety Programs**

Mr. Richard Jessup informed that the department is on track in bringing back the motor officer. He stated that there is a training scheduled with the Phoenix Police Department to have a supervisor and two (2) officers get their training. The cost for this training is approximately \$15,000.00, this is a three (3) week course, and they will be certified. He mentioned that traffic is an issue because the city is growing at a fast pace. He added that one of the ideas is to work with the municipal court and teach residents to get educated and not just pay the fine and look at different options as to what can be provided to educate all those driving around the city. Mr. Jessup stated that his department has been working diligently to do the best that can be done and inform the community the police department cares about the community's needs.

Mr. Angel Ramirez, Fire Chief, informed that his department has addressed the street drug problem in the community and has come up with the idea that spare times will be utilized to talk to young teenagers about the consequences of using Fentanyl. He added that the other idea is to work in an information pamphlet where high school and middle school students will be the target. He informed that during the year 2019, there were 26 overdoses and 4 in January 2020 and 2 in February 2020. Mr. Ramirez stated that it is very important to use public education and awareness in the community, especially in young teenagers.

Mayor Gerardo Sanchez stated that both the San Luis Police Department and San Luis Fire Department became very proactive when the Fentanyl problem first arrived in the community. He added not only the departments, but other organizations have been very active in educating teenagers. He thanked the San Luis Police Department for the continuous effort to inform the community, there is still a big problem, but it has been addressed through the media. He mentioned that, unfortunately, the public is not aware of the needs of the community. He asked both the Police and Fire Departments to continue to be more aggressive in the campaign against street drug use.

Mayor Gerardo Sanchez commented that he has been driving around town and have noticed that people ignore the 15 miles per hour in school zones and also ignoring stop signs. He asked the Police Department to enforce this and give no warnings to people.

Mr. Jessup stated that this is one of the discussions he has had with Lieutenant Miguel Alvarez, and the idea is to start driving unmarked vehicles to run on school zones. He mentioned that the community would be informed.

Mayor Gerardo Sanchez informed that the stop sign located by the Gadsden School District on 6<sup>th</sup> Avenue is bypassed during the night. He asked Chief Jessup to assigned a vehicle during the night to monitor this area. He also asked to monitor the curve on 10<sup>th</sup> Avenue that goes to Los Alamos Subdivision. He mentioned that the residents need to know that the city has not forgotten them, he asked to please continue to enforce traffic in that area. Mayor Gerardo Sanchez also commented about jaywalkers on Main Street.

Mr. Jessup replied that jaywalking on Main Street has also been addressed; he mentioned that there would be a bigger problem once construction of the San Luis Port of Entry I begins. He mentioned that this area would be enforced, and officers will concentrate in that area.

Council Member Matias Rosales mentioned that on the jaywalking problem, it is because a lot of the time, agricultural companies drop people in the business area, and they cross the street anywhere. He commented that to alleviate this problem, to talk to the companies and ask them not to unload people in the business area because farmers do not respect traffic. Council Member Matias Rosales also addressed the graffiti problem in the community, he added that he has noticed that it has increased and some areas have been tagged by the Police Department so that Public Works go and remove it.

Mr. Jessup replied that this problem has already been addressed with the Gang Enforcement Unit, which is back in town, and they will work on these areas. He mentioned that this has increased when the agricultural season starts in the community. He also mentioned that currently in Mexico, they have been suffering from a lot of crimes, and cartels are fighting to take over the territory, but he is unsure that the tagging has to do with that problem.

Council Member Matias Rosales stated that he had seen graffiti on Avenue F that has been there for a long time, and nothing has been done.

Mr. Jessup asked Council Member Matias Rosales to please contact him directly when something like that happens; he stated officers should be doing their work against graffiti.

Vice-Mayor Maria Cecilia Cruz thanked Fire Chief Angel Ramirez for starting the education program.

She suggested sharing videos on social media to reach out to more people. She agreed with Mayor Gerardo Sanchez about strictly enforcing speed limits, especially on Juan Sanchez Boulevard and 10<sup>th</sup> Avenue; she suggested installing a signal light in that area.

Mayor Gerardo Sanchez mentioned that once speed limits are enforced, the community will understand the importance.

Council Member Jose Ponce thanked Chief of Police Richard Jessup and Fire Chief Angel Ramirez for the great job they have done at their departments. He mentioned that he brought this item for discussion because of community complaints that he had received. He asked Mr. Jessup if there is a possibility to bring back the Neighborhood Watch Program.

Mr. Jessup replied that he had a conversation with Mr. Jose De La Vara, City Prosecutor, and Marco Santana, Police Lieutenant, about bringing back this program to the community.

Mayor Gerardo Sanchez thanked the San Luis Police and Fire Departments for a great job.

### **3. ADJOURNMENT**

Council Member Mario Buchanan Jr./Council Member Maria Cecilia Cruz to adjourn the work session at approximately 7:29 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye

**APPROVED:**

---

Gerardo Sanchez, Mayor

**ATTEST:**

---

Sonia Cornelio, City Clerk

**Certification**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session for the City Council of the City of San Luis, Arizona, held on February 5, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

---

Sonia Cornelio, City Clerk

**MINUTES**  
**Regular Council Meeting**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**February 12, 2020**  
**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  
Vice Mayor Maria Cecilia Cruz (telephonically)  
Council Member Mario Buchanan Jr.  
Council Member Jose Ponce  
Council Member Matias Rosales  
Council Member Gloria Torres

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

**OTHERS PRESENT:** Tadeo A. De La Hoya, City Administrator  
Jose Luis Cisneros, Acting City Clerk  
Kay Marion Macuil, City Attorney  
Angel Ramirez, Fire Chief  
Axel Chayra, IT Technician  
Carlos Muela, Police Officer  
Derek Duenas, IT Manager  
Enrique Lopez, Assistant Fire Chief  
Eulogio Vera, Director of Public Works  
Fausto Gonzalez, Training and Programs Coordinator  
Francia Alonso, Assistant to Council/PIO  
Ivan Gutierrez, Economic Development Assistant  
James Einwaechter, Assistant Director of Public Works  
Jenny Torres, Economic Development Manager  
Jesus Gaxiola, Maintenance Technician  
Jorge Perez, Billing & Collections Manager  
Jose A. Guzman, Director of Planning & Zoning  
Juan Maldonado, Mechanic  
Marco Santana, Police Lieutenant  
Maria A. Roldan, Assistant Director of Parks & Recreation  
Mauricio Monatano, Maintenance Technician  
Monica Castro, Director of Finance  
Noe Reyes, Maintenance Technician  
Oscar Barnett, Building Permit Technician  
Richard Bauermann, Fire Inspector  
Richard Jessup, Chief of Police  
Robert Fernandez, Fire Fighter  
Rosalva Leon, Acting Recruitment Coordinator

Sierra Harlan, Recreation Specialist  
Aracely Yanez, Resident  
Aurora G. Peña, Jardin de Eventos Ok'Asiones Owner  
Christian Cuevas, Simultaneous Interpreter  
Cesar Neyoy, Reporter  
Enrique Rivera, Resident  
Guillermina Fuentes, Resident  
Jose Villa, Resident  
Lucy Lopez, Reporter  
Sebastian Peña, Jardin de Eventos Ok'Asiones Owner

## **2. PLEDGE OF ALLEGIANCE**

Council Member Mario Buchanan Jr. led the Pledge of Allegiance.

## **3. INVOCATION**

Mr. Richard Jessup, Chief of Police led the invocation.

## **4. PROCLAMATIONS/PRESENTATION**

### **4.A. Proclamation – Career and Technical Education Month – February 2020**

Mr. Jose L. Cisneros, Acting City Clerk, read the proclamation in its entirety.

Mayor Gerardo Sanchez commented on the on the importance of technical education. He mentioned that the city is a member of 4Fonted, which was formed by mayors of Yuma county, and are focusing on promoting technical education as high schools in the area are lacking this type of education. He mentioned that Arizona Western College (AWC) has received a grant and they will be conducting efforts to provide more technical education careers in the Yuma and San Luis campuses. He commented that when manufacturers come to the area, they look at the technical skills of the workers. It is very important to do things like this as is very positive for the city and the community.

### **4.B. Proclamation – Teen Dating Violence Prevention and Awareness Month - February 2020**

Mr. Jose L. Cisneros, Acting City Clerk, read the proclamation in its entirety.

Mayor Gerardo Sanchez commented on the importance of discussing this topic, as it is something that does not get talked about, but occurs in this community. He mentioned that the statistics are true. It is unfortunate that this occurs but with the help of our Police and Fire Departments and by trying to educate the young population that it is not acceptable and against the law. Amberly's Place has always advocated for this cause and along the city's partners, a difference will be made in the community.

**4.C. Introduction of the City of San Luis new hires for the 4th quarter from October through December 2019. (Edgardo Carbajal, Acting Director of Human Resources)**

Mr. Fausto Gonzalez, HR Training & Programs Coordinator introduced the new hires for the fourth quarter, October to December, 2019.

Mayor Gerardo Sanchez welcomed all the new employees. He mentioned that the City of San Luis is one of the fastest growing communities in Arizona and thanked all the new employees for serving the community.

Council Member Matias Rosales commented that staff is doing a good job filling the positions that were vacant for a while, which are very much needed. He hopes that the departments get the support they need and that positions continue to be filled.

**CONSENT AGENDA**

**5. A. MINUTES OF**

- Regular Council meeting held January 22, 2020

**5. B. DISBURSEMENTS FROM JANUARY 11, 2020 THROUGH JANUARY 31, 2020.**

Total Disbursements \$949,132.38

(Nine Hundred Forty-Nine Thousand, One Hundred Thirty-Two Dollars and Thirty-Eight Cents)

**MOTION:** Council Member Gloria Torres/Council Member Mario Buchanan Jr. to approve the Consent Agenda as presented. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye
Council Member Gloria Torres	Aye

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

**6.A. Discussion and possible action on any and all matters regarding authorization to purchase a vehicle storage garage for the San Luis Police Department. (Richard Jessup, Chief of Police)**

Mr. Richard Jessup, Chief of Police, explained that the police department has been looking to expand the evidence room which was part of an audit. He mentioned that he is proud of the work the evidence department has been able to accomplish.

He explained that while they were working on the expansion of the evidence room, they realized a vehicle storage unit was necessary to store cars as evidence; a place where they could be kept safe, something that is necessary when cases are presented in court for prosecution. This type of storage will give the Police Department the ability to store vehicles and other types of evidence. He explained that before they had requested \$50,000.00 but were approved for \$30,000.00 to complete the project. Though, the the amount needed is \$31,479.21. The rest will be transferred from other Police Departmnet accounts to make up the difference of \$1,479.21.

Mayor Gerardo Sanchez commented that never in the history of San Luis had there ever been an audit of the evidence room and it being 100 per cent running the way its supposed to. He congratulated the Police Department for their hard work and reminded everyone of the importance of having secure evidence storage.

Chief Jessup explained the features of the storage unit.

Vice Mayor Maria Cecilia Cruz congratulated the Police Department for their accomplishments and reiterated the importance of providing the Police Department everything that they need to preserve and protect evidence.

**MOTION:** Council Member Jose Ponce/Vice Mayor Maria Cecilia Cruz to approve the purchase of a vehicle storage garage in the amount of \$31,479.21 as presented. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye
Council Member Gloria Torres	Aye

**6.B. Discussion and possible action on any and all matters regarding Order No. 2020-2. An order of the Mayor and City Council of the City of San Luis, Arizona, approving and adopting an amendment to extend to June 30, 2022, the Intergovernmental Agreement between the City of San Luis and Yuma Union High School District (YUHSD) #70 for funds supporting the San Luis Police Department's participation in the School Resource Officer overtime assignment at the San Luis High School. (Richard Jessup, Chief of Police and Marco Santana, Police Lieutenant)**

Mr. Richard Jessup, Chief of Police, explained how the departmnet has faced the problem of the shortage of officers and assigning School Resource Officers (SRO'S) at the local high school. He commented that the Police Department has certified at least six (6) or seven (7) officers in the SRO Program and they are looking to adding more.

This year, the Memorandum of Understanding(MOU) and Intergovernmental Agreement (IGA) are due for renewal; no changes have been made. They are pleased with the results they have obtained and he believes it is very important to continue to have representation from the Police Department at the high school as there is a fentanyl crisis going on. The Police Department is committed to providing all the support and resources the local schools need.

Mayor Gerardo Sanchez thanked the San Luis Police Department and the Yuma Union High School District for cooperating and providing funds for this program. He reiterated on the need for SRO'S in some of the communities schools. Population is growing and safety is first. He congratulated Mr. Jessup and his staff for thinking ahead and helping prevent a tragedy. He also thanked Council for supporting the Police Department.

**MOTION:** Council Member Mario Buchanan Jr./Council Member Jose Ponce to approve Order No. 2020-2.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye
Council Member Gloria Torres	Aye

**6.C. Public hearing followed by discussion and possible action on any and all matters regarding Conditional Use Permit Case No. 2019-0770. A request by Sebastian and Aurora G. Peña, owners, for a conditional use permit to allow outdoor live entertainment on property located at 780 N. Cesar Chavez Street, San Luis, Arizona. (Jose A. Guzman, Director of Planning and Zoning)**

**A. Open public hearing**

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

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye
Council Member Gloria Torres	Aye

**1. Staff presentation**

Mr. Jose Guzman, Director of Planning & Zoning, explained the purpose of the request is to allow outdoor live entertainment on the property located at 780 N. Cesar Chavez Street. This permit is to hold social events and live entertainment. Item was presented to the Planning & Zoning Commission in January. A neighbor was present at the meeting to complain about the loud music when the business was in use of the previous owner and it was used without a permit. She only had a permit for selling party supplies and they started renting the location for parties. Neighbors complained and when the owner was approached she decided to sell the property instead of applying for a permit. Staff recommends approval of Conditional Use Permit Case No. 2019-0770 subject to the following conditions:

1. Conditional Use will be valid for 1 year. After the year, the applicant will resubmit the application, and staff will review any complaints during the said time frame.
2. Hours of operations shall be as follows:
  - o Sunday through Thursday until 9 p.m. (21 Hours Military Time)
  - o Friday until 12:00 a.m. (midnight, 24 Hours Military Time)
  - o Saturday until 12:00 a.m. (midnight, 24 Hours Military Time)
3. Owner will remove existing shipping container from property before starting operations.
4. Owner will provide notarized letter from other property owners to provide the necessary parking spaces.

Mayor Gerardo Sanchez stated that the City of San Luis lacks a space like this; it is something that is needed. He mentioned that living on Cesar Chavez street is very unique, as one is able to have a business and residence at the same place. He asked if this area has been approved for Multi-Use.

Mr. Guzman replied that it is still being worked on as it has been a long process; signatures from all the property owners are required and they are trying to avoid that by not changing any of the uses allowed currently. It will probably be approved by April.

Mayor Gerardo Sanchez commented that it is a very unique street as it is the only street in the City of San Luis with that option. He reminded everyone that there are some restrictions to the noise and time of operation. He explained that he believed that the previous owner had a permit and explained how beautiful the location is.

Council Member Matias Rosales asked what item number four (4) in the list of conditions was.

Mr. Guzman explained that a notarized letter is required stating that another property allows the owners to park vehicles there; she has a second property for that use. Council Member Gloria Torres asked if the owners agreed with the conditions.

Mayor Gerardo Sanchez asked if the owners wanted to comment.

Aurora G. Peña, 1195 American Street, Jardin de Eventos Ok'Asiones Owner, stated that they are the most interested in this business. They want to provide a service to the community. They have installed cameras that are running 24/7 that will tell when issues arise. They want to add that if they are going to complain, to please let her know and not wait until the problems worsens. They are very open to comments.

Sergio Peña, son of Aurora Peña, commented that they have the best intentions; they need places like this in Town. He believes they can provide this service to the community and they are open to suggestions and comments. They will be willing to work with them.

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

Jose Villa, Cesar Chavez Street, mentioned that they have had many issues before with noise and the hours. He explained that they do not have anything against the new owners but it is hard to be next to the location as the times and noise levels are not being respected. It is also about parking spaces, trash, people, bottles after the parties. They have had issues with people. Once there was a party and it got out of hand. He mentioned that council thinks a place like this is needed but it has to be in the proper space. This is an open space. They do not mind that this place is outdoors but when you are talking about parties, it has to be in a proper place. He mentioned that he had already complained and gave an example, about Ruben Walshe, as he has a similar business and he is doing it right; offering parking and it is behind closed doors. He also mentioned that he collected 30 signatures but stopped because the original owner sold the property.

Guillermina Fuentes, 1630 N. 9<sup>th</sup> Ave., explained that she is in the Planning and Zoning Commission and that she has heard about this case. She understands that this part of the street is commercial/residential. It is very hard to make a decision like this, as how would you know whether it is right or wrong. She explained that she understands the concerns of the neighbors. She believes it is unfair when he is talking about the things that had happened with the previous owner and that they should give the new owners the opportunity to try to comply with what the Planning & Zoning Department is asking of them. They cannot say that the new owners are doing something wrong since they need to be given the opportunity to comply.

Council Member Jose Ponce asked Mr. Guzman if the city needed to run a variance on this business.

Mr. Guzman answered that it was not needed, as it is listed as a conditional use, allowed in the zoning area. Letters were mailed to all the property owners; there was a citizen review meeting where they allow the neighbors to comment and talk to the applicant and no comments were received from the public. Only one person commented at the Planning & Zoning Commission Meeting.

Mayor Gerardo Sanchez explained that there are some restrictions to time limits and he thinks it is very important. His biggest concern was allowing the permit up to two (2) or three (3) in the morning. It is too late, as it is an open area. So having those restrictions up until midnight on a weekend is a good idea.

Mayor Gerardo Sanchez commented that this it is up to the owner to make it right as previous owners failed and now we have new owners that want to do it legally and want an opportunity. This permit is only for one (1) year, and we should see if they comply.

Council Member Matias Rosales added that other businesses are allowed to have outdoor events and they get the Conditional Use Permit. They have not received any complaints as of recently. He stated that he had met with the owner to answer some questions and it appeared to do smaller parties like baby showers and she is ok with the hours. He believes its fair to give them an opportunity, as the permit can always be revoked.

Council Member Mario Buchanan Jr. asked if the neighbors were notified as he only sees one (1) concerned citizen. How many people showed up at the Planning & Zoning Commission Meeting.

Mr. Guzman stated that the same person showed up and spoke at the meeting.

Mayor Gerardo Sanchez asked how many letters were sent.

Mr. Guzman answered that approximately 42 letters were sent.

## **B. Close public hearing**

**MOTION:** Council Member Mario Buchanan Jr./Council Member Matias Rosales to close the public hearing. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye
Council Member Gloria Torres	Aye

## **C. Action on Conditional Use Permit Case No. 2019-0770**

**MOTION:** Council Member Matias Rosales/Council Member Gloria Torres to approve Conditional Use Permit Case No. 2019-0770 with the conditions as presented by staff. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye
Council Member Gloria Torres	Aye

## 7. SUMMARY OF CURRENT EVENTS

Mayor Gerardo Sanchez commented that he had attended a meeting with stakeholders regarding Port of Entry I and Port of Entry II. He explained that meetings have been very productive not only because the the Arizona Department of Transportation (ADOT) was there but the truck companies who are crossing are also participating. He mentioned that in a two (2) month time period, there has ben a 50 per cent increase in in truck traffic. For the City of San Luis it is significant. During this time last year, close to 3,000 trucks were crossing, now there are over 5,000 trucks using Port of Entry II. This means more jobs and business for the community and for Arizona. Investments in cooling facilities, multi-million dollar investments are occurring. He was very happy to see people from Mexicali that are no longer crossing through California, but they are crossing through San Luis. He is very grateful for work ADOT is doing for the community as well as the federal agencies that were present. As opposed to the past, they now want to participate. A governor's representative, the customs director and subdirector from Mexico were there as well, and they want to participate. Both ports will see a lot of changes in the next three (3) years; a lot of construction that is going to happen. Between 14 and 16 lanes coming from Mexico to the U.S. and five (5) new lanes going to an underpass down in Avenida Morelos. He is happy to see the different agencies coming together and he is awaiting for all the changes that will occur in the coming years. He wants to make sure the public is aware that the city will change and the way business is conducted will change as well. The amount of people crossing will triple. He is asking for help from the state, ADOT and Senators. He wants to make sure that they are investing in the port but in the City of San Luis as well. He thanked Council Member Matias Rosales, Vice Mayor Maria Cecilia Cruz and staff for being a part of these meetings. He wants to see the city grow but make sure public safety departments are well staffed. He thanked council for supporting the changes the city is going through and that the city keeps providing the necessary resources to the community.

Council Member Matias Rosales commented that he attended the Greater Yuma Economic Development Corporation Investor Luncheon; the need for technical education was discussed there, specially in Yuma County which lacks trade school education. Many students leave for college and they do not return or they work at call centers. He stated that together with 4Fronted and the Greater Yuma Economic Development Coroporation, have created Bill HB2810, which will help the rural communities to bring investment into the communities including infrastructure.

He also assisted to the first meeting for the Natural Gas Feasibility Study last week. He met with community stakeholders as well. This is something the community needs as it is growing, the port of entry is being expanded and there is opportunity for the expansion of industry.

Mr. Eulogio Vera, Director of Public Works, commented on the bridge closure. He mentioned that they have hired a contractor and they have started work on the bridge. They started work on Monday and the faulty connection was found. It was located under the approach lapse and had to break about 14 inches of concrete and rebar to get to the problem. The material used was innapropriate for that type of connection. The goal for the Public Works Department is to have the work done in the next two (2) weeks.

Mayor Gerardo Sanchez thanked Mr. Vera and commented that the safety of the residents will not be jeopardized because people are impatient. People think that the city has the staff to address these type of problems. He explained that the proper equipment and materials will be used to get this done so in the future this will not happen again. He explained that this could end up costing upwards of \$80,000.00. He wants to make sure it is done the correct way and the work will not be rushed. He reiterated that safety comes first even though this might be an inconvenience to residents.

Mr. Eulogio Vera explained that work might take up to two (2) weeks and his department are waiting for the recommendations of the structural engineer as is something very specialized.

Mayor Gerardo Sanchez asked why the city does not have a structural engineer on staff.

Mr. Vera replied that there is only one (1) structural engineer in the Yuma area and he is hard to contract. The contractor who is performing the work was able to do the work the soonest and they will hire the structural engineer directly and provide the recommendation as part of the repairs.

Mayor Gerardo Sanchez commended Mr. Vera and his department for doing things right as they have been repairing things from the 1980's and early 1990's. He also commended the Police Department for being proactive in dealing with traffic.

Mr. Vera commented that it was difficult for them because the problem was just discovered and they were unable to inform the public on any updates. He thanked Highway Users for helping with traffic control.

Mr. Tadeo A. De La Hoya, City Administrator, added that the Office of Public Affairs was unable to provide updates as no information was available. He understands the desperation of the public, but safety comes first. He did not want to misinform the community with the wrong information.

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

Enrique Rivera, 1425 Washington Street, San Luis, AZ, is once again addressing Council and representing his fellow taxi cab drivers to protest the Taxi Cab Ordinance as its affecting their income, which allows them to pay their bills. This ordinance also affects their emotional and psychological state. When he was informed about this problem was coming their way, he started suffering from anxiety, fear and insecurity to the point that he ended up in the hospital. The doctor informed him that the motive for his anxiety was caused by stress due to something that was worrying him. He is telling his story so that Council can see that this is affecting the psychological and economic well being of the taxi drivers. Their families are also suffering due to issues they are suffering from. Their work will not be the same. He is asking Council to listen and to think how this will affect many families. Their income, rent, and other bills will be affected and they will have to seek help from the government in order to survive.

He is pleading Council to listen to them and asking for them not to limit their work space. Let them work, that is all they are asking for. They are not opposed to be moved, they just want to have the same opportunity that is being given to 35 taxis. There are drivers who have been working for more than 20 years and he believes it is unfair to be left out for a reform that he believes its discriminatory, as it only benefits some and not others. This should be fair, they all pay the same permit fees to the city. Now they are saying that letters are arriving in the mail that they can only work in the border until February 24. We had agreed that this will take effect until the month of June. He is asking Council members to please do not play with their feelings, this is a serious issue. Their livelihoods are on the line. They leave their hopes in their hands, and he hopes they are able to come to a solution to their problems. He thanked Council for listening and he hope that thanks to them, their children will succeed in the future.

Council Member Jose Ponce stepped out at 8:00 p.m..

Council Member Jose Ponce returned to his seat at 8:02 p.m..

Aracely Yanez, 4032 San Francisco Street, she will talk about the taxi ordinance as well. She has compiled a list of six (6) points regarding this issue. Last time she talked about the photos of the taxi cabs that are kept in residences. For her, this will continue to be a problem since the owners of those cabs have an office, for which they were made to organize themselves, they will not have their taxis in their office. Second point, the owners of the taxis, of the 35 places by the border, 10 to 15 cabs in line, are owned by people residing in Mexico. Here they do not pay any bills or have obligations and they have five (5) or six (6) taxis, contrary to people who live here, that have bills, they have a house, and obligations, and the money stays here, they are being set aside, like a type of discrimination, this is what she referring to. The same point with the offices, the offices are being shared, she has names and companies who are sharing offices, that was a pre-requisite that was required for the 35 spots, compared to them who have two(2) or three (3) cabs who did not want to do that, they are being affected economically, and its affecting because they were unable to secure a spot there. Why, because they are being asked to have five (5) or more cabs. They want to do things right, and the people who are sharing offices and the money is going to Mexico, it is unfair for her. Her money stays in the United States and the city. When they have the spots, just because they have an address the their daughter or sister, they have the priviledge of having their five (5) taxicabs in the 35 spots that were allowed by the border. The ordinance, after Mr. Elias Gonzalez, he kept them informed. If a permit was expired, he would expel the people and he would tell them they could no longer work there. The first notice she received was the ordinance, aside from the fees, without a notice. She never saw anything in a newspaper, that there was a person that represents them. She believes the only person that came to meetings was Mr. Serpas. They were never informed that meetings were being held and that taxi cabs were discussed. She never agreed of him being their representative. Something else that its going to affect them is the people, for example, who owns two (2) cabs, she has never formed an alliance with anybody. She does not want to acuse her fellow cab drivers or companies, but for example, Central got their office where Buchanan's used to be, at the entrance.

All her fellow cab drivers who have 27's in their car, the numbers that end in 2727, they would ask what they are going to do. And they would say that they do not need to go to the meetings. She wondered why, because their boss has their office by the entrance and they will forward the calls and they will pick people up. She asked herself, they have it easy for the owners who reside in Mexico. What will happen to people who live here, their money stays here, what will happen with them. We are not being given the opportunity of being at the designated place. They also pay the extra \$50 per year to have that place. For these reasons she believes they are being discriminated and maybe they do not know what is going on behind closed doors, that is why she is taking the time to let them know how things are working behind closed doors. She believes she has the same right to have a spot by the border and it should be fair.

Brian Rasmus, 2257 S. 42<sup>nd</sup> Ave, Yuma, AZ, stated that he loves coming down to San Luis. He is the Acting Sheriff for the Yuma County Democratic Party. He wants to make sure his organization is reflected all across Yuma County in terms of membership, values, and what they work for. They are working hard for this year's election that are getting ready for it. He mentioned that he received 18 applications for new precinct committee members from San Luis. They are working hard so that every citizen exercises their right to vote. Ninety per cent of the work they do is ensuring people vote. He is here to celebrate that and to inform that they will be increasing activity here in San Luis and Somerton, hosting trainings for their volunteers. They would also like to look for opportunities for them to collaborate and make sure people know of their voting rights before election day. He looks forward to working with the city.

## 9. ADJOURNMENT

**MOTION:** Council Member Mario Buchanan Jr./Council Member Jose Ponce to adjourn the Regular Council meeting at approximately 8:12 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	Aye
Council Member Mario Buchanan Jr.	Aye
Council Member Jose Ponce	Aye
Council Member Matias Rosales	Aye
Council Member Gloria Torres	Aye

**APPROVED:**

---

Gerardo Sanchez, Mayor

**ATTEST:**

---

Sonia Cornelio, City Clerk

**CERTIFICATION**

I HEREBY CERTIFY THAT THE FOREGOING MINUTES ARE A TRUE AND CORRECT COPY OF THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF THE CITY COUNCIL, SAN LUIS, ARIZONA HELD ON FEBRUARY 12, 2020. I FURTHER CERTIFY THAT THE MEETING WAS DULLY CALLED AND HELD AND THAT A QUORUM WAS PRESENT.

---

Sonia Cornelio, City Clerk



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

5. B.

Meeting Date: 02/26/2020

---

#### Summary

#### **DISBURSEMENTS FROM FEBRUARY 1, 2020 THROUGH FEBRUARY 14, 2020.**

Total Disbursements \$718,074.14

(Seven Hundred Eighteen Thousand, Seventy-Four Dollars and Fourteen Cents)

---

#### Attachments

Disbursements

---



# City of San Luis

Finance Department

RECEIVED

2020 FEB 20 A 8:01

CITY OF SAN LUIS  
OFFICE OF THE CITY CLERK

## COUNCIL MEETING FEBRUARY 26, 2020 Disbursement Reports from 2/1/2020 to 2/14/2020

<u>Bank Accounts</u>	<u>Check Date</u>	<u>Amount</u>	<u>Schedule</u>
Payroll Check Account	2/5/2020	\$ 326,787.13	Schedule A
Accounts Payable Check Account	2/6/2020	\$ 236,575.73	Schedule B
Payroll Check Account	2/10/2020	\$ 4,421.55	Schedule C
Accounts Payable Check Account	2/13/2020	\$ 150,289.73	Schedule D

**Total Disbursements:        \$ 718,074.14**

Please contact Ms. Monica Castro prior to the meeting if additional information is needed.

Prepared by Angelica V. Castro:

*Angelica V. Castro*  
*Monica Castro*

Verified by Director of Finance: \_\_\_\_\_

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

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

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

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



Schedule A

# Pay Day Register

Pay Date Range 01/18/20 - 01/31/20

Pay Batch 202003

PSPRS POLICE DB RATE - TIER	2,901.91	37,933.54	ATTORNEY- ALL & CLERICAL-	70.07	31,850.78
PSPRS POLICE DB RATE - TIER	2,543.11	21,829.29	AUTO SERVICE/ REPAIR	230.82	8,273.46
PSPRS POLICE DB RATE - TIER 2	1,044.76	8,967.95	BUILDING- NOC OPER BY	1,052.41	29,071.79
PSPRS POLICE DB RATE - TIER 3	2,037.66	20,499.49	BUS COMPANY AND DRIVERS	169.16	3,064.49
STANDARD LIFE ADDTNL	924.53	.00	CLERICAL OFFICE/ LIBRARY/	258.08	107,533.26
TRANSWESTERN MEXICAN	96.50	.00	Electrician	59.11	1,882.40
U.S. MEX DENTAL - EE &	592.48	.00	FIREFIGHTERS & DRIVERS	3,102.85	88,148.25
U.S. MEX DENTAL - EE &	63.48	.00	GARBAGE/ ASH/ REFUSE	280.10	4,481.60
UNITED WAY	14.00	.00	MUNICIPAL/ TOWN/	81.74	4,670.60
US & MEX DENTAL= FAMILY	634.08	.00	PARKS- NOC ALL EMPLOYEES	581.88	18,770.25
US & MEX HEALTH = C	6,141.80	.00	POLICE OFFICERS	4,245.18	96,921.69
US & MEX HEALTH = FAMILY	5,041.30	.00	RECREATION- ALL EMPLOYEES/	253.50	18,502.92
US & MEX HEALTH = SP	898.80	.00	SEWAGE DISPOSAL/ PLANT	700.72	20,370.03
VSP - VISION FAMILY	621.72	.00	Street or Road Construction	1,930.65	24,042.62
Net	<u>\$326,787.13</u>		WATERWORKS OPERATIONS	587.29	16,924.77
			Total	<u>\$13,664.97</u>	

Direct Deposits	Amount
1st Bank Yuma	23,875.50
ACADEMY BANK	1,656.30
Bank of America	1,643.08
BBVA COMPASS	938.22
Charles Sch	200.00
Chase Bank	147,390.85
CHASE BANK CA	1,089.81
chase centro	1,042.53
Federal Credit Union	34,949.04
FF CREDIT UNION	1,675.66
FIREFIGHTER FIRST CREDIT UNION	3,091.28
GREEN DOT BANK	991.84
National Bank	650.00
Navy Federal	16,850.46
NetSpend Corporation DD	120.00
NORTH ISLAND CREDIT UNION	648.70
Sunbank	1,409.92
USAA FEDERAL SAVING	3,056.49
WASHINGTON FEDERAL	1,370.76
Wells Fargo	60,752.48
Total	<u>\$303,402.92</u>
Check	\$23,384.21

Received by  
Debra Luna

Date:

Approved by  
C. Luna 02.05.2020

# Payment Register

From Payment Date: 2/3/2020 - To Payment Date: 2/6/2020

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
93073	02/06/2020	Open			Accounts Payable	BILL LUKE CHRYSLER-JEEP &	\$45,847.90		
93074	02/06/2020	Open			Accounts Payable	BOUND TREE MEDICAL, LLC.	\$5,720.15		
93075	02/06/2020	Open			Accounts Payable	LAWSON PRODUCTS INC.	\$5,264.05		
93076	02/06/2020	Open			Accounts Payable	SUPPORT PAYMENT CLEARINGHOUSE	\$3,618.25		
93077	02/06/2020	Open			Accounts Payable	THE ROACH PEST CONTROL	\$350.00		
93078	02/06/2020	Open			Accounts Payable	ULINE, INC.	\$2,718.43		
93079	02/06/2020	Open			Accounts Payable	YUMA WINNELSON CO.	\$4,819.21		
93080	02/06/2020	Open			Accounts Payable	ADULT AND PEDIATRIC REHAB	\$100.00		
93081	02/06/2020	Open			Accounts Payable	CAMPA, OMAR	\$10.00		
93082	02/06/2020	Open			Accounts Payable	CLARK, ANTHONY	\$25.00		
93083	02/06/2020	Open			Accounts Payable	COMITE DE BIENESTAR INC	\$100.00		
Type Check Totals:									
1BYPAYABLE - 1st BY Accounts Payable Totals								\$236,575.73	

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	121	\$236,575.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>121</b>	<b>\$236,575.73</b>	<b>\$0.00</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	121	\$236,575.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>121</b>	<b>\$236,575.73</b>	<b>\$0.00</b>

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	121	\$236,575.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>121</b>	<b>\$236,575.73</b>	<b>\$0.00</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	121	\$236,575.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>121</b>	<b>\$236,575.73</b>	<b>\$0.00</b>

Prepared By:  
Maggie Dominguez  
Date: Maggie D.  
2/6/20

# Payment Register

From Payment Date: 2/3/2020 - To Payment Date: 2/6/2020

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
<u>Check</u>									
92963	02/05/2020	Open			Accounts Payable	YUMA COUNTY WATER USERS	\$250.00		
92964	02/05/2020	Open			Utility Management Refund	ANCHETA, WALTER & BERTHA	\$18.82		
92965	02/05/2020	Open			Utility Management Refund	BECERRA MUNOZ, ANDRES	\$59.52		
92966	02/05/2020	Open			Utility Management Refund	CABRERA, ADRIAN	\$33.07		
92967	02/05/2020	Open			Utility Management Refund	CHURCH, CAMERON	\$93.36		
92968	02/05/2020	Open			Utility Management Refund	FERNANDEZ, FERNANDO	\$208.66		
92969	02/05/2020	Open			Utility Management Refund	FLORES, MARCO A. & ROCIO	\$28.93		
92970	02/05/2020	Open			Utility Management Refund	GARGES, CAROLINA, A	\$176.58		
92971	02/05/2020	Open			Utility Management Refund	GOMEZ, OSCAR & AMBER	\$33.65		
92972	02/05/2020	Open			Utility Management Refund	GUERRERO, MIGUEL & NORMA CHAIRES	\$198.40		
92973	02/05/2020	Open			Utility Management Refund	GUERRERO, MARIA DE JESUS	\$177.69		
92974	02/05/2020	Open			Utility Management Refund	HERNANDEZ, YOLANDA	\$27.95		
92975	02/05/2020	Open			Utility Management Refund	KONTRIN, HRISTIJAN	\$78.82		
92976	02/05/2020	Open			Utility Management Refund	MACHUCA, LETICIA	\$205.67		
92977	02/05/2020	Open			Utility Management Refund	MARTINEZ, YAJAIRA	\$100.00		
92978	02/05/2020	Open			Utility Management Refund	MELENDREZ, OSCAR	\$184.22		
92979	02/05/2020	Open			Utility Management Refund	NAVARRO, TRINIDAD	\$80.86		
92980	02/05/2020	Open			Utility Management Refund	NOEMI VALDEZ & JOSE R VALENZUELA	\$114.72		
92981	02/05/2020	Open			Utility Management Refund	PAYAN, MICHELLE, A	\$84.40		
92982	02/05/2020	Open			Utility Management Refund	RIEDEL CONSTRUCTION INC	\$16.73		
92983	02/05/2020	Open			Utility Management Refund	RIEDEL CONSTRUCTION INC	\$22.35		
92984	02/05/2020	Open			Utility Management Refund	ROBLEDO RUIZ, JESSICA	\$100.02		
92985	02/05/2020	Open			Utility Management Refund	SALMOS 127:1 LLC	\$20.71		
92986	02/05/2020	Open			Utility Management Refund	SANCHEZ, ESPIRIDION	\$207.72		
92987	02/05/2020	Open			Utility Management Refund	SANDOVAL, MARIA G & VIRIRIANA	\$123.15		
92988	02/06/2020	Open			Accounts Payable	BOUCHER, MICHELLE	\$59.00		

# Payment Register

From Payment Date: 2/3/2020 - To Payment Date: 2/6/2020

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
92989	02/06/2020	Open			Accounts Payable	CANO, AMERICA	\$242.00		
92990	02/06/2020	Open			Accounts Payable	CARLOS, FERNANDO	\$750.00		
92991	02/06/2020	Open			Accounts Payable	CIFUENTES, ANGELICA	\$242.00		
92992	02/06/2020	Open			Accounts Payable	CORNELIO, SONIA	\$242.00		
92993	02/06/2020	Open			Accounts Payable	ENCINAS, JOSE	\$209.00		
92994	02/06/2020	Open			Accounts Payable	FERNANDEZ, JENI	\$215.00		
92995	02/06/2020	Open			Accounts Payable	GARCIA-BONILLA, ELIZABETH	\$242.00		
92996	02/06/2020	Open			Accounts Payable	JUAREZ, NANCY	\$59.00		
92997	02/06/2020	Open			Accounts Payable	LOPEZ, MELISSA	\$242.00		
92998	02/06/2020	Open			Accounts Payable	SANTANA, MARCO	\$59.00		
92999	02/06/2020	Open			Accounts Payable	24-7 GET FIT SL, LLC	\$1,012.00		
93000	02/06/2020	Open			Accounts Payable	AFLAC	\$4,194.68		
93001	02/06/2020	Open			Accounts Payable	ALBERT HOLLER & ASSOCIATES	\$2,000.00		
93002	02/06/2020	Open			Accounts Payable	ALSCO, INC	\$1,287.26		
93003	02/06/2020	Open			Accounts Payable	AMBERLY'S PLACE	\$3,484.00		
93004	02/06/2020	Open			Accounts Payable	AMETZA ARIZONA LLC	\$1,723.61		
93005	02/06/2020	Open			Accounts Payable	ANGEL'S TOWING SERVICE/AUTO SALES	\$150.00		
93006	02/06/2020	Open			Accounts Payable	APPLIED PRODUCTS GROUP LLC	\$10,643.51		
93007	02/06/2020	Open			Accounts Payable	AZ STATE PRISON COMPLEX - YUMA	\$161.00		
93008	02/06/2020	Open			Accounts Payable	AZ STATE PRISON COMPLEX - YUMA	\$89.00		
93009	02/06/2020	Open			Accounts Payable	BORDER GYM FITNESS LLC	\$440.00		
93010	02/06/2020	Open			Accounts Payable	DANA-KEPNER COMPANY INC.	\$16,204.51		
93011	02/06/2020	Open			Accounts Payable	DESERT EXCAVATING	\$600.00		
93012	02/06/2020	Open			Accounts Payable	DESERT VALLEY SERVICES, INC	\$632.29		
93013	02/06/2020	Open			Accounts Payable	DESTINY SOFTWARE, INC	\$3,500.00		
93014	02/06/2020	Open			Accounts Payable	FNP-C & ASSOCIATES PLLC	\$180.00		
93015	02/06/2020	Open			Accounts Payable	FRESH TERRA SERVICES LLC	\$2,505.00		
93016	02/06/2020	Open			Accounts Payable	GETHSEMANI FOOD MINISTRY	\$3,000.00		
93017	02/06/2020	Open			Accounts Payable	HANSBERGER REGRIGERATION & ELECTRIC CO	\$748.00		
93018	02/06/2020	Open			Accounts Payable	HEINFELD, MEECH & CO., P.C.	\$797.05		
93019	02/06/2020	Open			Accounts Payable	IRON MOUNTAIN INC	\$66.70		
93020	02/06/2020	Open			Accounts Payable	JAMES COOKE & HOBSON INC.	\$24,590.70		
93021	02/06/2020	Open			Accounts Payable	JAMES DAVEY AND ASSOCIATES	\$19,505.00		
93022	02/06/2020	Open			Accounts Payable	LEAGUE OF AZ CITIES & TOWNS	\$100.00		
93023	02/06/2020	Open			Accounts Payable	LEGROS, BRIAN, SEAN	\$10.50		
93024	02/06/2020	Open			Accounts Payable	LOOMIS	\$1,672.99		
93025	02/06/2020	Open			Accounts Payable	MANHATTANLIFE ASSURANCE CO	\$305.99		
93026	02/06/2020	Open			Accounts Payable	MASSMUTUAL FINANCIAL GROUP	\$40.00		
93027	02/06/2020	Open			Accounts Payable	MASTER AUTO GLASS LLC	\$241.32		
93028	02/06/2020	Open			Accounts Payable	MCNEECE BROS. OIL COMPANY, INC	\$2,559.35		
93029	02/06/2020	Open			Accounts Payable	MEMBERSHIP LOCKBOX 4047	\$1,953.00		
93030	02/06/2020	Open			Accounts Payable	MENDEZ ROBLES, NAZZER, O	\$4,491.14		
93031	02/06/2020	Open			Accounts Payable	MGM INTERNET SOLUTIONS, INC	\$53.00		
93032	02/06/2020	Open			Accounts Payable	NEW YORK LIFE INSURANCE CO.	\$169.12		
93033	02/06/2020	Open			Accounts Payable	O'REILLY AUTO PARTS	\$1,398.77		

# Payment Register

From Payment Date: 2/3/2020 - To Payment Date: 2/6/2020

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
93034	02/06/2020	Open			Accounts Payable	OCHOA, ANTONIO	\$150.00		
93035	02/06/2020	Open			Accounts Payable	ONE SOURCE DISTRIBUTOR LLC	\$2,549.84		
93036	02/06/2020	Open			Accounts Payable	PEDIATRIC EMERGENCY STANDARDS, INC	\$270.00		
93037	02/06/2020	Open			Accounts Payable	PLOTTER DOCTORS, LLC	\$341.98		
93038	02/06/2020	Open			Accounts Payable	PREPAID LEGAL SERVICES	\$112.60		
93039	02/06/2020	Open			Accounts Payable	PURCHASE POWER	\$1,080.45		
93040	02/06/2020	Open			Accounts Payable	QUINONEZ, FRANCISCO	\$300.00		
93041	02/06/2020	Open			Accounts Payable	R&M ELECTRIC SUPPLY LLC	\$1,615.55		
93042	02/06/2020	Open			Accounts Payable	R.L. JONES INSURANCE SERVICES INC.	\$360.00		
93043	02/06/2020	Open			Accounts Payable	RAMIREZ ADVISORS INTER- NATIONAL,LLC	\$4,166.66		
93044	02/06/2020	Open			Accounts Payable	REAL COFFEE, LLC	\$214.61		
93045	02/06/2020	Open			Accounts Payable	REAL PURIFIED WATER LLC	\$69.79		
93046	02/06/2020	Open			Accounts Payable	SAM'S CLUB	\$615.25		
93047	02/06/2020	Open			Accounts Payable	SIMS MACKIN, LTD.	\$2,100.00		
93048	02/06/2020	Open			Accounts Payable	SOUTH YUMA COUNTY LANDFILL	\$13,956.08		
93049	02/06/2020	Open			Accounts Payable	STANDARD INSURANCE CO.	\$1,939.25		
93050	02/06/2020	Open			Accounts Payable	TEK TIME SYSTEMS INC.	\$309.99		
93051	02/06/2020	Open			Accounts Payable	THOMSON WEST PUBLISHING CO.	\$700.84		
93052	02/06/2020	Open			Accounts Payable	TITLE BOXING	\$453.75		
93053	02/06/2020	Open			Accounts Payable	TRANSWESTERN INSURANCE ADMIN	\$193.00		
93054	02/06/2020	Open			Accounts Payable	TRUCKMATES LLC	\$495.82		
93055	02/06/2020	Open			Accounts Payable	TUMEX CORP.	\$360.00		
93056	02/06/2020	Open			Accounts Payable	TYLER TECHNOLOGIES, INC.	\$3,000.00		
93057	02/06/2020	Open			Accounts Payable	VERIZON WIRELESS MESSAGING SVC	\$4,787.18		
93058	02/06/2020	Open			Accounts Payable	VISION SERVICE PLAN OF ARIZONA	\$4,041.97		
93059	02/06/2020	Open			Accounts Payable	YUMA AUTO REBUILDERS	\$617.71		
93060	02/06/2020	Open			Accounts Payable	YUMA CO. AIRPORT AUTHORITY INC	\$167.79		
93061	02/06/2020	Open			Accounts Payable	YUMA NURSERY SUPPLY	\$2,962.03		
93062	02/06/2020	Open			Accounts Payable	YUMA WINLECTRIC CO.	\$734.92		
93063	02/06/2020	Open			Accounts Payable	BALSINO, PETER, M	\$6.85		
93064	02/06/2020	Open			Accounts Payable	CALIFORNIA STATE DISBURSEMENT UNIT	\$92.30		
93065	02/06/2020	Open			Accounts Payable	CHARGO PA, GURSTEL	\$26.95		
93066	02/06/2020	Open			Accounts Payable	FOP/ALC	\$345.00		
93067	02/06/2020	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$100.00		
93068	02/06/2020	Open			Accounts Payable	SAN LUIS POLICE OFFICERS ASSOC	\$360.00		
93069	02/06/2020	Open			Accounts Payable	UNITED WAY OF YUMA COUNTY INC.	\$14.00		
93070	02/06/2020	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS ASSOC	\$92.50		
93071	02/06/2020	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS- IAFF	\$925.00		
93072	02/06/2020	Open			Accounts Payable	AUTOZONE STORES, INC	\$1,656.59		



Schedule C

# Pay Day Register

Pay Date Range 02/01/20 - 02/29/20

Pay Batch 202002M

Pay Batch 202002M Total

Employees in Pay Batch 7

Female Employees in Pay Batch 3

Hours Description	Hours	Gross	Withholdings and Deductions	Gross Base	Benefits	Gross Base
102 - SALARY	.0000	7,550.00	Gross	7,700.00	Dental Council	265.31 .00
806 - TELEPHONE STIPEND	.0000	150.00	Imputed Income		EODCRS - COUNCIL	108.00 1,800.00
<b>Total</b>	<b>0.0000</b>	<b>\$7,700.00</b>	FEDERAL TAX WITHHOLDING	112.78	EODCRS - DISABILITY	2.26 1,800.00
			SOCIAL SECURITY TAX	477.40	EODCRS/EORP LEGACY RATE	997.74 1,800.00
			MEDICARE	111.67	Health Council	6,693.88 .00
			STATE WITHHOLDING	151.60	Retirement Council EORP	3,532.23 5,750.00
			Council Retirement EORP	588.50	Vision Council	76.37 .00
			Dental Council	147.98	<b>Total</b>	<b>\$11,675.79</b>
			EODCRS - COUNCIL	144.00	Workers' Comp	
			EODCRS - DISABILITY	2.26	MUNICIPAL/ TOWN/	134.77 7,700.00
			GARNISHMENT	220.86	<b>Total</b>	<b>\$134.77</b>
			Medical Council	1,216.20	Direct Deposits	
			MISCELLANEOUS	55.00	1st Bank Yuma	729.53
			Vision Council	50.20	Chase Bank	688.14
			<b>Net</b>	<b>\$4,421.55 ✓</b>	Federal Credit Union	918.98
					Sunbank	919.82
					WASHINGTON FEDERAL	751.40
					Wells Fargo	413.68
					<b>Total</b>	<b>\$4,421.55</b>
					Check	\$0.00

Prepared by:  
Debora Luna

Date:

# Payment Register

From Payment Date: 2/10/2020 - To Payment Date: 2/13/2020

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
93125	02/13/2020	Open			Accounts Payable	RAY ALLEN MANUFACTURING, LLC.	\$91.95		
93126	02/13/2020	Open			Accounts Payable	REDBURN TIRE COMPANY	\$1,905.21		
93127	02/13/2020	Open			Accounts Payable	REYNOSO, NIGEL	\$91.00		
93128	02/13/2020	Open			Accounts Payable	RUIZ, OSCAR	\$91.00		
93129	02/13/2020	Open			Accounts Payable	RWC INTERNATIONAL LTD	\$3,086.57		
93130	02/13/2020	Open			Accounts Payable	SANFORD, JAMES	\$700.93		
93131	02/13/2020	Open			Accounts Payable	SIRCHIE FINGER PRINT LABORATORIES	\$68.42		
93132	02/13/2020	Open			Accounts Payable	SPRAGUES SPORTS INC.	\$85.30		
93133	02/13/2020	Open			Accounts Payable	SUN RENTAL AND SALES INC.	\$443.47		
93134	02/13/2020	Open			Accounts Payable	THE HOME DEPOT	\$40.12		
93135	02/13/2020	Open			Accounts Payable	THE LIGHTHOUSE INC	\$2,375.84		
93136	02/13/2020	Open			Accounts Payable	VERIZON WIRELESS MESSAGING SVC	\$4,731.41		
93137	02/13/2020	Open			Accounts Payable	YUMA AUTO REBUILDERS	\$5,900.56		
93138	02/13/2020	Open			Accounts Payable	YUMA COUNTY HEALTH DEPT.	\$2,912.00		
93139	02/13/2020	Open			Accounts Payable	YUMA COUNTY HUMANE SOCIETY	\$4,166.67		
93140	02/13/2020	Open			Accounts Payable	YUMA COUNTY PUBLIC HEALTH	\$840.00		
93141	02/13/2020	Open			Accounts Payable	YUMA NURSERY SUPPLY	\$56.98		
93142	02/13/2020	Open			Accounts Payable	Z TRENDS INC	\$343.09		
Type Check Totals:									
1BYPAYABLE - 1st BY Accounts Payable Totals								\$150,289.73	

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	59	\$150,289.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>59</b>	<b>\$150,289.73</b>	<b>\$0.00</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	59	\$150,289.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>59</b>	<b>\$150,289.73</b>	<b>\$0.00</b>

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	59	\$150,289.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>59</b>	<b>\$150,289.73</b>	<b>\$0.00</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	59	\$150,289.73	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>59</b>	<b>\$150,289.73</b>	<b>\$0.00</b>

Prepared By:  
Maggie Dominguez  
Date: 2/13/2020

# Payment Register

From Payment Date: 2/10/2020 - To Payment Date: 2/13/2020

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
93084	02/10/2020	Open			Accounts Payable	DNK PLUMBING SUPPLY	\$1,652.43		
93085	02/10/2020	Open			Accounts Payable	ARIZONA DEPT OF ECONOMIC SECUR	\$1,039.63		
93086	02/10/2020	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$220.86		
93087	02/11/2020	Open			Accounts Payable	CHASSIS DYNAMICS LLC	\$2,808.51		
93088	02/11/2020	Open			Accounts Payable	ZEPEDA, CESAR	\$133.00		
93089	02/13/2020	Open			Accounts Payable	4 IMPRINT	\$342.46		
93090	02/13/2020	Open			Accounts Payable	AMETZA ARIZONA LLC	\$746.51		
93091	02/13/2020	Open			Accounts Payable	ANGEL'S TOWING SERVICE/AUTO SALES	\$150.00		
93092	02/13/2020	Open			Accounts Payable	APPLIED PRODUCTS GROUP LLC	\$10,643.51		
93093	02/13/2020	Open			Accounts Payable	ARCTIC GLACIER USA INC	\$129.00		
93094	02/13/2020	Open			Accounts Payable	ARIZONA MUNICIPAL RISK	\$824.29		
93095	02/13/2020	Open			Accounts Payable	ARIZONA SOUTHWEST UNIFORMS LLC	\$598.70		
93096	02/13/2020	Open			Accounts Payable	AUTOZONE STORES, INC	\$3,878.61		
93097	02/13/2020	Open			Accounts Payable	B&H PHOTO & ELECTRONICS CORP.	\$215.53		
93098	02/13/2020	Open			Accounts Payable	BLUE STREAK SIGNS, LLC	\$458.04		
93099	02/13/2020	Open			Accounts Payable	BOUND TREE MEDICAL, LLC.	\$560.18		
93100	02/13/2020	Open			Accounts Payable	CDWG	\$2,025.05		
93101	02/13/2020	Open			Accounts Payable	DESERT DOCUMENT SHREDDERS, LLC	\$140.00		
93102	02/13/2020	Open			Accounts Payable	DESERT WATER	\$55.90		
93103	02/13/2020	Open			Accounts Payable	FENCING BY S.K. L.L.C.	\$175.00		
93104	02/13/2020	Open			Accounts Payable	FLEET SERVICES INC	\$759.43		
93105	02/13/2020	Open			Accounts Payable	FLORES, NORBERTO	\$79.68		
93106	02/13/2020	Open			Accounts Payable	GAITAN, CESAR	\$91.00		
93107	02/13/2020	Open			Accounts Payable	GALVAN, AURELIO, JR	\$91.00		
93108	02/13/2020	Open			Accounts Payable	GUEVARA, ALAN	\$91.00		
93109	02/13/2020	Open			Accounts Payable	HILL BROTHERS CHEMICAL CO.	\$5,994.72		
93110	02/13/2020	Open			Accounts Payable	JCG TECHNOLOGIES INC.	\$642.90		
93111	02/13/2020	Open			Accounts Payable	KINGHOSE INDUSTRY LLC	\$454.22		
93112	02/13/2020	Open			Accounts Payable	LARA, PAULINO	\$91.00		
93113	02/13/2020	Open			Accounts Payable	LIBERTY MOTORSPORTS	\$373.88		
93114	02/13/2020	Open			Accounts Payable	LOU'S GLOVES, INC	\$780.00		
93115	02/13/2020	Open			Accounts Payable	MCNEECE BROS. OIL COMPANY, INC	\$31,479.50		
93116	02/13/2020	Open			Accounts Payable	MOBILE CONCEPTS TECHNOLOGY LLC	\$37,434.42		
93117	02/13/2020	Open			Accounts Payable	NAPA AUTO PARTS	\$300.00		
93118	02/13/2020	Open			Accounts Payable	NEW HORIZONS LEARNING GROUP	\$7,500.00		
93119	02/13/2020	Open			Accounts Payable	OFFICE DEPOT	\$7,293.16		
93120	02/13/2020	Open			Accounts Payable	ONE SOURCE DISTRIBUTOR LLC	\$518.09		
93121	02/13/2020	Open			Accounts Payable	PACHECO, CARLOS	\$91.00		
93122	02/13/2020	Open			Accounts Payable	PACIFIC MEDICAL WASTE	\$63.49		
93123	02/13/2020	Open			Accounts Payable	PURCELL TIRE CO.	\$1,358.51		
93124	02/13/2020	Open			Accounts Payable	QUINONEZ, FRANCISCO	\$75.00		



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

6. A.

**Meeting Date:** 02/26/2020

**Department Head:** Monica Castro, Director of Finance, Finance Department

**Submitted By:** Monica Castro, Director of Finance, Finance Department

**Action Requested:** Motion

---

#### ITEM:

Discussion and possible action on any and all matters regarding the acceptance and approval for the filing of the Comprehensive Annual Financial Report for the City of San Luis, fiscal year ended June 30, 2019. **(Heinfeld, Meech & Co., P.C.)**

#### SUMMARY:

The Comprehensive Annual Financial Report (CAFR) is an audit of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the city as of and for the year ended June 30, 2019 (CAFR 2019). The audit was conducted in accordance with auditing standards generally accepted in the United States of America and was performed for the purpose of complying with A.R.S. §9-481. The report is available online.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO ACCEPT AND APPROVE THE FILING OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE CITY OF SAN LUIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019.**

N/A

---

#### 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 ASSOCIATED WITH THIS ITEM.

---

#### Attachments

CAFR FY 2019

---



*Smile*  
SAN LUIS

San Luis City Hall

1090

COMPREHENSIVE  
**ANNUAL  
FINANCIAL  
REPORT**

FOR THE FISCAL YEAR ENDED  
**JUNE 30, 2019**



CITY OF SAN LUIS, AZ  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year ended  
June 30, 2019

City of San Luis, Arizona

*Prepared by:  
Department of Finance*

**CITY OF SAN LUIS, ARIZONA  
Comprehensive Annual Financial  
Report for the Fiscal Year Ended June 30, 2019**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	3
GFOA Certificate of Achievement	8
Organizational Chart	9
List of Elected and Appointed Officials	10
<b>II. FINANCIAL SECTION</b>	
<b>Independent Auditors' Report</b>	12
<b>A. Management's Discussion and Analysis</b>	16
<b>B. Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	34
Statement of Activities	36
<b>Fund Financial Statements</b>	
<b>Governmental Funds:</b>	
Balance Sheet	42
Reconciliation of the Balance Sheet to the Statement of Net Position	43
Statement of Revenues, Expenditures, and Changes in Fund Balance	45
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	46
Statement of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual – General Fund	47
Budget and Actual – Highway User Fund	48
<b>Proprietary Fund Financial Statements</b>	
Statement of Net Position	50
Statement of Revenues, Expenses, and Changes in Fund Net Position	52
Statement of Cash Flows	54
<b>Notes to the Financial Statements</b>	57
<b>C. REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>Schedule of the City's Proportionate Share of the Net Pension Liability Cost Sharing</b>	
Pension Plans	111
<b>Schedule of Changes in the City's Net Pension Liability and Related Ratios Agent</b>	
Pension Plans	113
<b>Schedule of City's Pension Contributions</b>	115

Note to Required Supplementary Information	116
--	-----

#### **D. OTHER SUPPLEMENTARY INFORMATION**

Non-Major Governmental Funds	
Combining Statements:	
Combining Balance Sheet	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	120
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual – Special Revenue Funds	122
Schedule of Revenues, Expenditures, and Changes in Fund Balance:	
Budget and Actual – Debt Service Funds	126
Budget and Actual – Capital Projects Funds	127
Component Unit Financial Statements	
Statement of Net Position	128
Statement of Revenues, Expenses, and Changes in Fund Net Position	129
Statement of Cash Flows	130

#### **III. STATISTICAL SECTION**

Financial Trends:	
Net Position by Component	133
Changes in Net Position	134
Fund Balances, Governmental Funds	136
Changes in Fund Balances, Governmental Funds	137
Revenue Capacity:	
Program Revenues	138
Government-wide Revenues by Function	139
Tax Revenues by Source, Governmental Funds	140
Intergovernmental Revenues by Source, Governmental Funds	141
City Transaction Privilege Taxes By Category	142
Sales Tax Payers - By Category	143
Debt Capacity:	
Ratios of Outstanding Debt by Type	144
Pledge Revenue Coverage -CIC/GADA	145
Pledge Revenue Coverage – Government	146
Pledge Revenue Coverage – Enterprise	147
Computation of Direct and Overlapping Debt	148
Demographic and Economic Information:	
Demographic and Economic Statistics	149
Major Employers within the City	150
Full-time Equivalent Employees by Function	151
Operating Information:	
Utility Statistical Data – Billings	152
Utility Statistical Data – Accounts	153
Utility Statistical Data – Rates	154
Utility Statistical Data – Consumption	155
Building Permits and Home Sales	156
Operating indicators by Function	157
Capital Assets by Function	158



## **INTRODUCTORY SECTION**





# City of San Luis

## Finance Department

---

December 23, 2019

**Honorable Mayor, City Council, City Manager and Citizens of the City of San Luis, Arizona:**

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. Laws of the State of Arizona require that all local governments publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of San Luis for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The internal control framework is designed both to protect the government's assets from loss, theft or misuse and to allow the compilation of sufficient reliable information for the preparation of financial statements. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the data, as presented in this report, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City on both a city-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, Heinfeld, Meech & Co., P.C., whose report is included herein. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements are free from material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the City of San Luis, Arizona for the fiscal year ended June 30, 2019, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is located at the front of the financial section of this report.

The independent audit of the financial statements of San Luis is usually part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements. A grant reform that increased single-audit threshold, changed audit rules for fiscal years beginning on or after January 1, 2015. As a result of the new rules, the City was required to undergo a single-audit due to the expended amounts that exceeded the \$750,000 margin in federal dollars during the audited year. In addition, the City is required to make records available for review or audit by appropriate officials of the federal agencies and the U.S. Government Accountability Office.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's and provides an introduction, overview, and analysis of the basic financial statements. The discussion and analysis that complements this letter of transmittal should be read in combination with it.

### **Profile of the Government**

The City of San Luis, incorporated in 1979, is located in the southwestern corner of Arizona immediately adjacent to both Mexico and California. It currently occupies 30 squares miles and serves a population of approximately 34,000. The City of San Luis is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time. Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and six Council Members, all elected on a non-partisan basis. The Mayor is elected at-large for a four-year term. Council members are elected, for four-year terms, with four members elected every two years. The City Council is responsible for passing ordinances, adopting the budget, appointing committee, commission, and board members, and appointing the positions of City Manager, City Attorney, and Magistrate. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

Between the 2000 census and the 2010 census the City's population increased by over 66.46 percent, from approximately 15,400 to approximately 25,500. The estimated current population is approximately 36,000 increasing 41% from 2010 to 2018. Based on current projections, population growth trends are expected to continue, at the same pace. While having a positive impact, this growth will continue to present challenges to the City in providing its current level of services.

The City provides a full range of municipal services, including police and fire protection, solid waste services, water and sewer services, construction and maintenance of streets, recreational and cultural activities, planning and zoning services, and general administrative services. San Luis offers a wide range of community facilities including, one gym, one cultural center, one senior center, one youth center, one activity center, one swimming pool, and 5 parks encompassing 60 acres.

This report includes financial statements on both a government-wide and a fund basis for the primary government as well as its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Criteria used by the City for inclusion of activities in preparing its

financial statements are in conformity with GASB Statement No.14, "*The Financial Reporting Entity*". Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and two blended component units, the San Luis Community Facilities District and the San Luis Employees' Self Insurance Health Fund as discussed further in Note 1.A of the notes to the financial statements.

### **Financial information**

**Internal Control:** Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting information is compiled to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management

**Budget Control:** The City of San Luis, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. The city's expenditure limitation for fiscal year 2019 was \$46 million.

The annual operating budget which is adopted by ordinance each fiscal year serves as the base for the City's financial planning and control. Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display all of the City's financial operations including funding for one corporation outside the City's organizational structure. The Council adopted a Strategic Plan for San Luis, and in order to implement the Strategic Plan, each department and intergovernmental agency receiving City funds was asked to address the strategies in its requested budget documents. The City Manager submits the annual balanced budget to City Council before June each year. A public hearing on the budget is held in the middle of June with an expected budget adoption by June 30. The City is required to publish specific information, notices, and hold public hearings as defined by state statute. After all these requirements are met, the City may adopt the budget by August 15 or soon thereafter.

### **Economic Condition of City of San Luis, Arizona**

#### **Factors Affecting Financial Condition**

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

#### **Local economy**

The City of San Luis continues to experience economic growth. Retail trade, agriculture and manufacturing forms a large portion of the local economy.

The real estate sector continues to experience substantial interest in new developments. In this fiscal year, over 600 new residential lots were developed and approximately 300 residential building permits were issued this year. Several residential subdivisions are under construction which will provide 600 new residential lots this coming year.

Significant investments were made in commercial and industrial development including a new \$2 million gas station, \$1.2 million improvements to an existing commercial facility, a \$4 million textile manufacturing facility and \$9 million warehouse facility creating over 80 jobs. Furthermore, the federal government invested \$6 million in a pedestrian facility at the San Luis I Port of Entry.

Major developments in the pipeline includes a commercial mix use development to include a hotel, gas station, medical office space and retail store. In addition, a 75,000 SF medical mall project is under construction with an investment of \$22 million expected to be completed in June 2020.

A 3 Phase multi-million-dollar mix use project expected to be completed in the next 2 years. Phase I is a 20,000 SF charter school to serve 300 students and employ 20 people. Phase II is a 50,000 SF executive office and Phase III includes a building for medical and dental office. A \$1.8 million expansion of a charter school is under the review process as well as a 3 phase manufacturing plan with an investment of \$4 million.

The City also is a significant economic presence thanks to the state prison that provides employment to more than 900 professional and staff. In addition, since San Luis is a border/US Port of entry, the U.S. Government departments of INS, Customs and U.S. Marshall Prison facilities provide hundreds of jobs stationed in San Luis. Currently, a \$248 million modernization of the San Luis I Port of Entry project is in the presidential budget. This project will double the amount of vehicle lanes entering the United States.

The City continues to face many important growth issues, and its citizens and municipal government are committed to finding solutions for the future. San Luis growth is estimated to reach a population of 72,566 in 2040.

City of San Luis will continue to take advantage of its strategic location and create a sustainable economy that will increase the quality of life for its residents.

### **Long-Term Financial Planning**

The City's financial planning process is guided by the budget process. This process includes the annual budget that each department presents for review followed by acceptance, reductions or additions depending on revenue and expenditure forecasts. Needless to say that the budget process includes input from City Council, the City Manager and citizens and includes community budget hearings. The City Council formally adopts the budget for the following year by the end of June.

It is customary for the water, wastewater and sanitation funds to initiate bi-annually a review of existing rate study that extends over a ten-year financial forecast in order to determine the long-term funding availability. The City Council reviews the updated financial plans and the associated rates necessary to support the enterprise funds and their capital projects.

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Luis for its CAFR for the fiscal year that ended June 30, 2018.

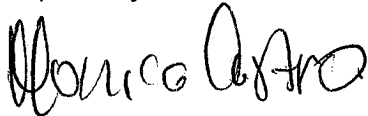
The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, with contents conforming to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for last fiscal year. We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

The preparation of this Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the staff of the Finance Department as well as the excellent cooperation and assistance of other City employees who contributed to its preparation. Sincere appreciation also must be given to the Mayor and the governing Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of San Luis' finances. We also wish to thank the City's Independent Auditors, Heinfeld, Meech & Co., P.C., for their assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,

A handwritten signature in black ink that reads "Monica Castro". The signature is written in a cursive, flowing style.

Monica Castro, CPA  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of San Luis  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# CITY COUNCIL



Elected officials

As of June 30, 2019

*Gerardo Sanchez*  
*Mayor*

*Matias Rosales*  
*Councilmember*  
*Africa L. Carrasco*  
*Councilmember*  
*Gloria Torres*  
*Councilmember*

*Maria C. Cruz*  
*Vice Mayor*  
*Mario Buchanan*  
*Councilmember*  
*Jose Ponce*  
*Councilmember*



Appointed officials

*Tadeo De La Hoya*  
*City Manager*

*Attorney*  
*City Clerk*  
*Economic Development Manager*  
*Director of Parks and Recreation*  
*Director of Finance*  
*Fire Chief*  
*Chief of Police*  
*Information Technology Manager*  
*Magistrate*  
*Director of Planning & Zoning*  
*Acting HR Manager*  
*Risk & Property Manager*  
*Senior Services Manager*  
*Billing and Collection Manager*

*Kay Macuil*  
*Sonia Cornelio*  
*Jenny Torres*  
*Lizandro Galaviz*  
*Monica Castro*  
*Angel Ramirez*  
*Richard Jessup*  
*Derek Duenas*  
*Nohemy Echavarria*  
*Jose Guzman*  
*Edgar Carbajal*  
*Maria Sabori*  
*Aracely DeLaHoya*  
*Jorge Perez*

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, and Members of the City Council  
City of San Luis, Arizona

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, the aggregate remaining fund information and the respective budgetary comparisons for the General Fund and the Highway Users Fund of City of San Luis, Arizona (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of San Luis, Arizona, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Highway Users Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principle***

As described in Note 1, the City/Town implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, for the year ended June 30, 2019, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

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

***Other Information***

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the City of San Luis, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of San Luis' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of San Luis, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
December 23, 2019

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

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

As management of the City of San Luis, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements, which follow this discussion and analysis.

**FINANCIAL HIGHLIGHTS**

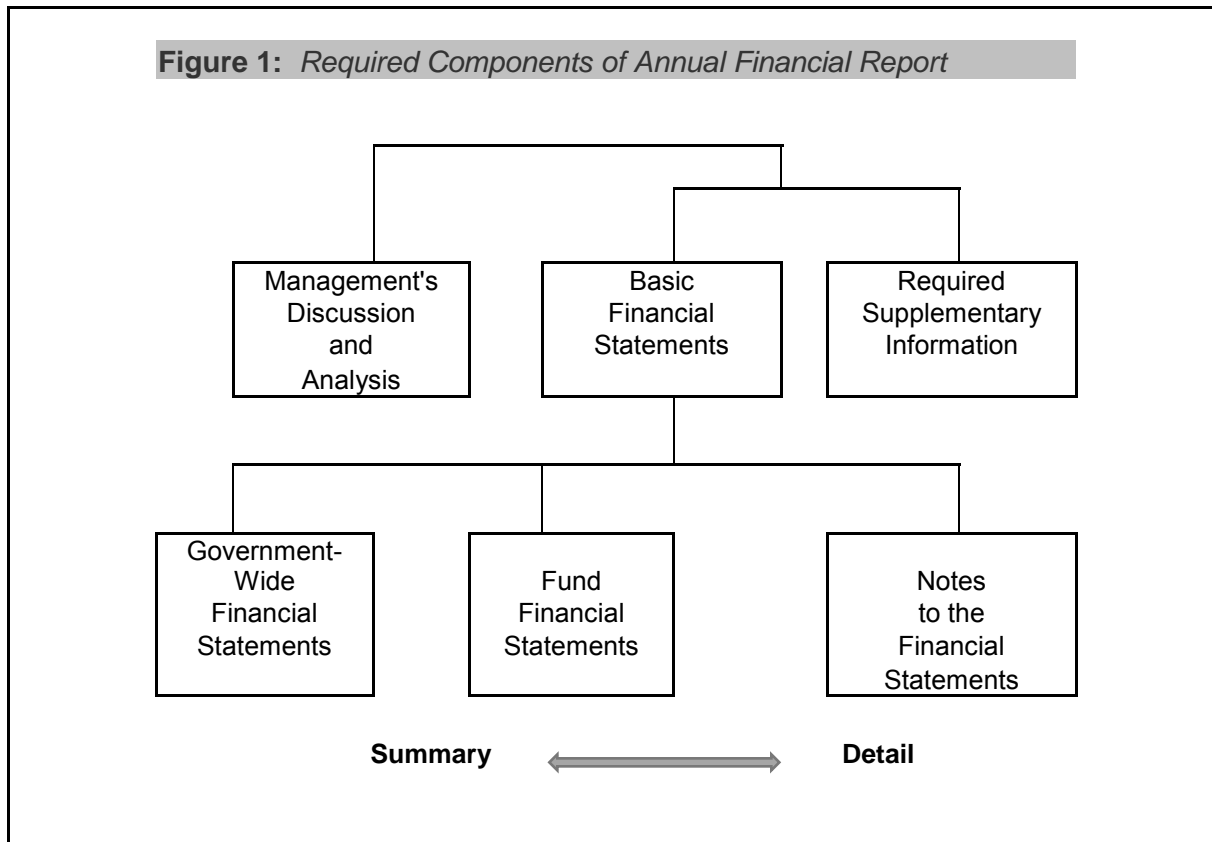
- The assets and deferred outflows of the City exceeded the liabilities and deferred inflows at the close of the fiscal year by \$92.7 million.
- The City's net position of governmental activities increased approximately \$10.7 million to \$63.3 million and business-type activities increased \$4.4 million to \$29.4 million representing 68 percent and 32 percent respectively, of the total net position of \$92.7 million.
- As of the close of the fiscal year the City's governmental funds reported combined ending fund balances of \$18.5 million, an increase of \$4.2 million over the prior year. Approximately 18.5 percent of this amount, or \$3.4 million, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15.2 million, or 90.1 percent of total general fund expenditures for the fiscal year.
- General revenues from governmental activities accounted for \$19.1 million in revenues or 58 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$13.9 million or 42 percent of total governmental activities. The City had \$13.6 million of program revenues related to business-type activities.
- The City had \$21.9 million in expenses related to governmental activities; of which \$13.9 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$19.1 million were adequate to provide for the costs of these programs. The City had \$10.5 million in expenses related to business-type activities that were offset by program specific charges for services or capital grants and contributions.
- Among major governmental funds, the general fund had \$21.8 million in revenues, which primarily consisted of taxes, licenses and permits, fines and forfeitures, intergovernmental, and rental revenues. The total expenditures of the general fund were \$16.9 million. The general fund's fund balance increased from \$11.9 million to \$15.3 million. The highway users fund had revenues of \$3.2 million, which consisted primarily of intergovernmental revenues, and expenditures of \$2.7 million.
- The City's total long-term liabilities decreased from 69.2 million to 64.5 million during the current fiscal year. This decrease was due to the City making scheduled principal payments on its debt.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the fiscal condition of the City.

The following diagram shows how the required components of this comprehensive annual financial report are arranged and relate to one another.



**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a financial statement of a private-sector business. These statements are prepared under the full-accrual basis of accounting where all the current year's revenues and expenses are included regardless of when cash is received or paid. The government-wide statements provide short and long-term information about the City's financial status as a whole. These two statements report the City's net position and how they have changed. The statement of net position and the statement of activities help to determine if the City is in a better financial position as a result of the current year's activities.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

The *statement of net position* reflects the City's net position at the end of the fiscal year. The net position of the City are the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to evaluate the City's financial condition.

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

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

- **Governmental activities** – Most of the City's basic services are included here, such as general government, public safety, health and welfare, culture and recreation, community development, and public works and streets. Sales taxes, intergovernmental, licenses and permits, and fines and forfeitures revenue finance most of these activities.
- **Business-type activities** – The services provided by the City included here are water, wastewater, business center, sanitation, ambulance services, and business incubator. The services are financed through user fees and charges.
- **Discretely presented component unit** – The City includes the activities of another entity in its report – The San Luis Facility Development Corporation, which owns the Detention Facility. Although legally separate, the "component unit" is required to be included for fair presentation in conformity with Generally Accepted Accounting Principles. Financial information for the component unit is reported separately from the financial information for the primary government.

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

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

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

The City maintains 9 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, highway users and municipal projects bond funds, all of which are considered to be major funds. Data from the other 6 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules in the other supplementary information section presented immediately following the notes to the financial statements.

- **Proprietary funds.** The City has two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses separate enterprise funds to account for its water, wastewater, business center, sanitation, ambulance and business incubator, all five of which are presented as major funds of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City. The City uses an internal service fund to account for its self-insurance programs. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included with the governmental activities in the government-wide financial statements.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also includes certain *required supplementary information* concerning the City's progress in funding its obligation to provide health insurance benefits to retirees and pension benefits to its Public Safety employees, EORP and other post-employment benefit information. Required supplementary information can be found immediately following the notes to the financial statements.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, (see figure 2) assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92.7 million as of June 30, 2019. By far the largest portion of the City's net position (75 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure); less any related debt still outstanding, that was used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion 7.8 percent of the City's net position, 7.3 million at June 30, 2019 represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, 15.4 percent at June 30, 2019 may be used to meet the government's ongoing obligations to its citizens and creditors.

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2019 and 2018.

Figure 2	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$24,354,335	\$21,576,182	\$14,562,100	\$14,196,880	\$38,916,435	\$35,773,062
Capital assets	68,762,018	63,259,250	52,902,683	50,936,814	121,664,701	114,196,064
<b>Total Assets</b>	<b>93,116,353</b>	<b>84,835,432</b>	<b>67,464,783</b>	<b>65,133,693</b>	<b>160,581,136</b>	<b>149,969,126</b>
<b>Total Deferred Outflow of Resources</b>	<b>3,205,666</b>	<b>2,989,699</b>	<b>1,596,916</b>	<b>1,717,202</b>	<b>4,802,582</b>	<b>4,706,901</b>
Long-term liabilities	26,393,735	30,124,091	35,434,299	39,080,072	61,828,034	69,204,163
Other liabilities	3,832,984	3,514,619	3,493,279	2,173,669	7,326,263	5,688,288
<b>Total Liabilities</b>	<b>30,226,719</b>	<b>33,638,710</b>	<b>38,927,578</b>	<b>41,253,741</b>	<b>69,154,297</b>	<b>74,892,451</b>
<b>Total Deferred inflow of Resources</b>	<b>2,756,139</b>	<b>1,535,065</b>	<b>724,464</b>	<b>556,509</b>	<b>3,480,603</b>	<b>2,091,574</b>
<b>Net Position</b>						
Net Investment in Capital assets	52,027,709	47,586,157	19,200,217	16,864,092	71,227,926	64,450,249
Restricted	6,287,051	2,981,920	978,691	284,192	7,265,742	3,266,111
Unrestricted	5,024,402	2,083,278	9,230,749	7,892,361	14,255,151	9,975,639
<b>Total net position</b>	<b>\$63,339,161</b>	<b>\$52,651,356</b>	<b>\$29,409,657</b>	<b>\$25,040,645</b>	<b>\$92,748,818</b>	<b>\$77,692,000</b>

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

**Changes in net position**

**Governmental Activities:** Net position in governmental activities saw an increase of \$10.7 million. The reasons for this change can be summarized as follows:

- Program revenues covered 63 percent of total governmental expenses, increasing from 38 percent from last year to 63 percent. This is a 25 percent increase in total governmental expense coverage. Overall, revenues exceeded expenses resulting in the increase in net position.
- Program revenues totaled \$13.9 million, which was an increase of \$5.4 million from the previous year. Due primarily to a 132.3 percent increase in charges for services, a 18.5 percent increase in operating grants and a 52.4% percent increase in capital grants. These increases reflect the ongoing economic growth experienced locally and nationally over the past years.
- General revenues are used to support program activities citywide. Total general revenues increased from the prior year by \$ 1.1 million totaling \$19.1 million. This amounts to an overall increase in total revenue of 6 percent.
- Expenses totaled \$21.9 million, a 2.5 percent decrease compared to the previous year.
- For governmental activities city sales taxes represents 29.5 percent of the total revenues, being the largest single source of funds, followed by state share revenues representing 26.1 percent and 20.9 percent of capital grants and contributions.

**Business-type Activities:** Net position of the enterprise funds at the end of the year amounted to \$29.4 million. The Enterprise Funds had an increase in net position of \$4.4 million. Overall, total revenues exceeded expenses for all the proprietary funds, with the exception of business incubator.

Expenses totaled \$10.5 million, a 1.5 percent decrease compared to prior year.

Capital contributions and investment earnings increased in comparison with prior year a 16 percent and 285 percent respectively, offset by a decrease in charges for services. This decrease is caused by an increase to the allowance for doubtful account in the ambulance fund to appropriately reflect the accounts receivable the ambulance fund might not collect.

The last rate increase from city rate study to compensate for historical shortfalls took place on July 1<sup>st</sup>, 2017. The steady rate increases over the past years are also contributors to the increase in net position for the enterprise funds.

For Business-type activities, the largest part of the revenue is attributable to Charges for Services - Program Revenues, which is made up of 35.3 percent Water, 31.7 percent Wastewater, 16.2 percent Ambulance, and 11.6 percent Sanitation.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

Figure 3	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues:						
Charges for services	\$4,611,810	\$1,985,216	\$12,411,706	\$12,756,708	\$17,023,516	\$14,741,925
Operating grants and contributions	2,372,433	2,002,228			2,372,433	2,002,228
Capital grants and contributions	6,874,510	4,511,855	1,214,350	1,046,430	8,088,860	5,558,285
General Revenues:						
City sales taxes	9,720,729	8,978,743			9,720,729	8,978,743
Franchise taxes	437,765	435,767			437,765	435,767
State shared revenues	8,609,052	8,407,534			8,609,052	8,407,534
Investment earnings	296,968	182,505	285,758	74,278	582,725	256,783
Development fees			552,832		552,832	
<b>Total Revenues</b>	<b>32,923,267</b>	<b>26,503,849</b>	<b>14,464,646</b>	<b>13,877,417</b>	<b>47,387,912</b>	<b>40,381,266</b>
Expenses						
General Government	5,691,431	6,163,171			5,691,431	6,163,171
Public Safety	8,248,004	8,144,859			8,248,004	8,144,859
Health and Welfare	183,081	213,634			183,081	213,634
Culture and Recreation	2,726,204	2,579,256			2,726,204	2,579,256
Community Development	1,035,590	987,340			1,035,590	987,340
Public Works & Streets	3,436,305	3,810,361			3,436,305	3,810,361
Interest on Long-Term Debt	550,817	541,343			550,817	541,343
Water			2,955,792	2,696,643	2,955,792	2,696,643
Wastewater			3,624,956	3,648,877	3,624,956	3,648,877
Business Center			669,248	1,016,409	669,248	1,016,409
Sanitation			1,305,797	1,141,085	1,305,797	1,141,085
Business Incubator			182,586	173,272	182,586	173,272
Ambulance Services			1,721,285	1,946,014	1,721,285	1,946,014
<b>Total expenses</b>	<b>21,871,431</b>	<b>22,439,965</b>	<b>10,459,664</b>	<b>10,622,300</b>	<b>32,331,094</b>	<b>33,062,264</b>
Increase/(decrease) in net position	11,051,836	4,063,884	4,004,982	3,255,117	15,056,818	7,319,001
Transfer	-364,030	-407,435	364,030	407,435		0
Net position – beginning, as restated	52,651,355	48,994,906	25,040,645	21,378,093	77,692,000	70,372,999
<b>Net position - ending</b>	<b>\$63,339,161</b>	<b>\$52,651,355</b>	<b>\$29,409,657</b>	<b>\$25,040,645</b>	<b>\$92,748,818</b>	<b>\$77,692,000</b>

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the City's funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the City governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balance available for appropriations can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's major governmental funds include the General fund, the Highway Users fund and the Debt Service fund. The remaining governmental funds are considered non-major.

At June 30, 2019, the City's governmental funds reported combined fund balance of \$18.5 million, an increase of \$4.2 million from prior year.

The general fund is the chief operating fund of the City. At the end of the current year fiscal year, the City's fund balance available in the general fund was \$15.3 million and the total fund balance was \$18.5 million. As a measure of the general fund's liquidity, unassigned fund balance represents approximately 90.1 percent of total general fund expenditures, while total fund balance represents approximately 90.5 percent of that same amount. A fund balance percentage of 15 to 20 percent of expenditures is typically considered a sign of financial health.

**Governmental and Business-type activities.** The following table (Figure 4) presents the cost of the major City functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

- The cost of all governmental activities this year was \$21.9 million. The cost of all business-type activities this year was \$10.5 million.
- Federal, State, and County governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$27.5 million.
- The net cost of governmental activities of \$8.0 million was financed by general revenues of \$19.1 million, which are made up of primarily taxes and state shared revenues.
- Business type activities showed an increase in changes to net position of \$4.4 million in the fiscal year ended June 30, 2019 as compared to the prior fiscal year. The steady increase in user rates over the past years have played a significant role to this result. In addition, grants, capital contributions received, and investment earnings increased in significantly in comparison with prior year.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

<b>Figure 4 - Activities</b>	Total Expenses	Net (Expense)/ Revenue
<b>Governmental Activities</b>		
General Government	\$ 5,691,431	\$ (1,252,855)
Public Safety	8,248,004	(7,311,831)
Public Works and Streets	3,436,305	4,506,661
Health and Welfare	183,081	(183,081)
Culture and Recreation	2,726,204	(2,453,736)
Community Development	1,035,590	(767,020)
Interest on Long-Term Debt	550,817	(550,817)
<b>Total Expenses</b>	<b>21,871,431</b>	<b>(8,012,678)</b>
<b>Business-Type Activities</b>		
Water	2,955,792	2,034,950
Wastewater	3,624,956	912,554
Business Center	669,248	(69,248)
Sanitation	1,305,797	138,725
Ambulance Services	1,721,285	293,129
Business Incubator	182,586	(143,717)
<b>Total Expenses</b>	<b>10,459,664</b>	<b>3,166,393</b>
<b>Total</b>	<b>\$ 32,331,094</b>	<b>\$ (4,846,285)</b>

**Discretely Component Unit**

The Detention Facility, which is a legally separate component unit from the financial statements of the City of San Luis, presents at June 30, 2019, a deficit of 1.5 million. This is an increase of 11.7 million when compared to the \$13.2 million deficit from last year. The reason for this favorable result is due to a change in the accounting method. At inception, the building and subsequent building expansion were depreciated at 20 years. In order to reflect appropriately the life of the asset and to be consistent with City of San Luis depreciation policy we changed the depreciation method to 45 years, instead of 20 years. There was also a considerable increase in revenue and expenses due to an increase in bed count occupancy due to the current political environment. Revenues increased 56 percent in comparison to prior year and expenditures increased 52 percent.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**BUDGETARY HIGHLIGHTS**

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the general fund and all major funds. These statements compare the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

The City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendment to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriation that become necessary to maintain services.

General Fund revenues for fiscal year 2019 were \$ 3.0 million more than projected. Key differences between final estimated revenues and actual revenues were as follows:

- An increase in inmate population caused an increase in the rent revenue originated from the San Luis Detention Facility. The fees collected from this facility have a fixed fee component, in addition to a variable fee driven by the number of inmates.
- There was a significant increase in tax revenue. This is the result of an increase in housing developments, which have contributed to an increase in construction sales.

General Fund expenditures were 3.2 million less than the revised fiscal year 2019 budget due to the following:

- Per City of San Luis incentive policy, we can assist investors to bring new business to the City. In the budget FY 2019, City of San Luis allocated \$500,000 to assist investor in the development of a Hotel. This project experienced some delays in FY 2019, and it has been included again in budget for FY 2020.
- City of San Luis has struggled in filling its open positions in various departments, particularly in the Police and Fire Department. This has contributed to a significant variance in operating budget for these two departments.
- Construction of the first phase of a fleet shop was budgeted for \$450,000. There were delays in securing the design; hence, the project did not come to fruition in 2019.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS**

As of June 30, 2019, the City had invested \$180.4 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets prior to depreciation. Total depreciation expense for the year was \$3.2 million for the governmental activities and \$2.0 million for the business-type-activities.

The following schedule (Figure 5) presents capital asset balances for the fiscal year ended June 30, 2019.

**CAPITAL ASSETS**

Figure 5	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 2,073,972	\$ 1,531,972	\$ 685,239	\$ 685,239	\$ 2,759,211	\$ 2,217,211
Construction in progress	775,827	933,622	107,468	800,157	883,295	1,733,779
Buildings and Improvements	25,452,080	24,492,880	9,812,282	8,860,617	35,264,362	33,353,497
Machinery and equipment	11,880,275	11,571,732	10,090,660	9,119,143	21,970,935	20,690,875
Infrastructure	61,148,638	58,336,651	58,336,651	56,295,688	119,485,289	114,632,339
Total	<u>\$ 101,330,792</u>	<u>\$ 96,866,857</u>	<u>\$ 79,032,299</u>	<u>\$ 75,760,844</u>	<u>\$ 180,363,092</u>	<u>\$ 172,627,701</u>

Major capital asset events during the current fiscal year included the following:

- In 2001 the Public Health Community Facilities District (PHCFD) entered into a 30 year lease agreement with WAAHEC, such agreement stipulates that buildings and improvements constructed in PHCFD land are property of the PHCFD. Accordingly, the building and improvements for \$880,000 have been added to the Capital assets.
- Completion of reconstruction of Roadway International Plaza I Arden & Guiu at a cost of \$476,625.
- Developer contributed construction of infrastructure in subdivisions Santa Cecilia I, and Santa Cecilia II in the amount of \$1.9 Million and \$2.1 million respectively.
- Developer contributed construction of water and wastewater lines in subdivisions Santa Cecilia I, and Santa Cecilia II in the amount of \$653,020 and \$ 561,330 respectively.

Additional information on the City's capital assets can be found in Note 5 of this report.

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**DEBT ADMINISTRATION**

At year end, the City's debts represent Revenue Bonds in the amount of \$49.3 million for both governmental and business-type activities that are backed solely by specified revenue sources (i.e., taxes and fees collected). The remainder which is composed of loans and notes are paid from user fees and charges and others.

The following schedule presents a summary of the City's outstanding long-term obligations for the fiscal year ended June 30, 2019.

**OUTSTANDING DEBT  
(Revenue Bonds, Capital Leases, Notes and Loan Payable)**

Figure 6	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ 14,546,314	\$ 15,231,768	\$ 34,744,986	\$ 36,427,536	\$ 49,291,301	\$ 51,659,304
Capital leases	265,209	297,873	262,367	339,795	527,576	637,668
Note payable	174,463	270,762	243,768	57,843	418,231	328,605
<b>Total</b>	<b>\$ 14,985,986</b>	<b>\$ 15,800,402</b>	<b>\$ 35,251,121</b>	<b>\$ 36,825,174</b>	<b>\$ 50,237,108</b>	<b>\$ 52,625,576</b>

Additional information on the City's long-term obligations can be found in Notes 7 through 10 of this report.

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

The City's revenues and expenditures/expenses are affected by changes in international, national and local economic factors. Economic growth can be measured by various factors. Highlights of the economic factors that affected the City this past fiscal year are explained below:

- The yearly total number of visitors crossing the border in the City increased considerably for private vehicles as well as pedestrians crossing which is a good indication that retail sales have increased. Conversely, when comparing the current year to the previous year data on a month-to-month basis there seemed to be no consistency in the pattern as to when the peak or the low month occurred for both the former and the latter (source: Greater Yuma Economic Development Corporation, GYEDC).

Figure 7	BORDER CROSSING					
	FY 2019			FY 2018		
	Per Month High	Per Month Low	Daily Average	Per Month High	Per Month Low	Daily Average
Class						
Vehicles	279,305	218,228	8,263	294,516	256,731	9,079
Pedestrians	273,033	156,686	6,721	363,727	151,796	7,499
Commercial	4,511	1,799	88	3,230	1,857	77

**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**ECONOMICS FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)**

- General fund revenues come from three main sources: local taxes, state taxes and intergovernmental. The City of San Luis, like all Arizona cities, places significant reliance on collected sales tax. Overall, sales tax revenues encompassed 51 percent of the 19.1 million general revenues in fiscal year 2019. Our composition of sales taxes is made up of retail trade, wholesale trade, construction activities, and communications all showed progress in a stabilized economy during 2019, with the exception of retail sales which slightly declined 3.9 percent in comparison to prior year.
- The City also receives significant revenue allocations from the State for income tax, sales tax, gas tax, and motor vehicle tax. These revenue sources are placed in the City's General Fund, to support the City's day-to-day activities.

There is quite a bit of opportunity and business potential still available within the City.

Plan for a major hotel complex from 2011, designed to enhance the overall concept of the downtown area has been revisited by the developer. The realization of the project will attract major new commercial and office developments enhancing the economic outlook for the City.

A 3 Phase multi-million-dollar mix use project expected to be completed in the next 2 years. Phase I is a 20,000 square foot charter school to serve 300 students and employ 20 people. Phase II is a 50,000 square foot executive office and Phase III includes a building for medical and dental office.

The City continues to face many important growth issues, and its citizens and municipal government are committed to finding solutions for the future. The City maintains a strong commitment to sustainability and cost-effective services while delivering the same quantity and the best quality of services to its constituents.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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



## **BASIC FINANCIAL STATEMENTS**



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**CITY OF SAN LUIS, ARIZONA**  
**STATEMENT OF NET POSITION**  
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Detention Facility
<b>ASSETS</b>				
Current assets:				
Equity in Pooled Cash	\$3,628,848	\$1,143,464	\$4,772,312	\$ -
Cash and Cash Equivalents	3,128,653	568,404	3,697,057	3,517,233
Investments	12,016,054	12,303,547	24,319,599	-
Receivables (net of allowance)	2,211,920	1,529,830	3,741,750	2,944,551
Prepaid items	142,634	143,031	285,665	-
Internal Balances	1,190,982	(1,190,982)	-	-
Inventories	152,172	-	152,172	-
Notes receivable	-	64,806	64,806	-
Due from other governments	1,883,072	-	1,883,072	-
Total current assets	<u>24,354,335</u>	<u>14,562,100</u>	<u>38,916,433</u>	<u>6,461,784</u>
Noncurrent assets:				
Restricted Investment	1,690,747	668,155	2,358,902	5,537,444
Land	2,073,972	685,239	2,759,211	661,359
Construction in progress	775,827	107,468	883,295	-
Buildings and improvements	25,452,080	9,812,282	35,264,362	34,129,886
Machinery and equipment	11,880,275	10,090,660	21,970,935	329,194
Infrastructure	61,148,638	58,336,651	119,485,289	-
Accumulated depreciation	(34,259,521)	(26,797,772)	(61,057,293)	(7,944,862)
Total noncurrent assets	<u>68,762,018</u>	<u>52,902,683</u>	<u>121,664,701</u>	<u>32,713,021</u>
<b>Total assets</b>	<u>93,116,353</u>	<u>67,464,783</u>	<u>160,581,135</u>	<u>39,174,804</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pension	3,090,333	511,821	3,602,154	-
Deferred Loss on Refunding	115,333	1,085,095	1,200,428	441,743
<b>Total deferred outflows of resources</b>	<u>3,205,666</u>	<u>1,596,916</u>	<u>4,802,582</u>	<u>441,743</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$1,002,247	\$463,573	\$1,465,820	\$ 4,188,587
Claims payable	284,423	-	284,423	-
Accrued payroll and taxes	994,199	53,415	1,047,614	-
Court bonds payable	72,981	-	72,981	-
Customer deposits	350	426,010	426,360	-
Retainage	-	101,317	101,317	-
Accrued interest	320,503	676,135	996,638	426,130
Accrued principal	567,325	-	567,325	-
Current portion of Long Term Debt	558,956	1,772,829	2,331,785	2,235,000
Unearned Revenue	32,000	-	32,000	-
Total Current Liabilities	<u>3,832,984</u>	<u>3,493,279</u>	<u>7,326,263</u>	<u>6,849,717</u>
Non current liabilities				
Pension	11,892,897	1,861,624	13,754,521	-
Non-current portion of long term debt	14,500,838	33,572,675	48,073,513	34,252,977
Total non current liabilities	<u>26,393,735</u>	<u>35,434,299</u>	<u>61,828,034</u>	<u>34,252,977</u>
<b>Total liabilities</b>	<u>30,226,719</u>	<u>38,927,578</u>	<u>69,154,296</u>	<u>41,102,694</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to pension	2,583,231	533,544	3,116,775	-
Deferred gain on refunding	172,908	190,920	363,828	-
<b>Total deferred inflows of resources</b>	<u>2,756,139</u>	<u>724,464</u>	<u>3,480,603</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in capital assets	52,027,709	19,200,217	71,227,926	(8,870,657)
Restricted for:				
Debt service	-	-	-	5,111,314
Capital Project	2,313,172	978,691	3,291,863	-
Assessment Districts	417,210	-	417,210	-
Employee Benefit Trust	3,075,725	-	3,075,725	-
HURF	188,882	-	188,882	-
Restricted for other purposes	292,062	-	292,062	-
Unrestricted	<u>5,024,402</u>	<u>9,230,749</u>	<u>14,255,151</u>	<u>2,273,197</u>
<b>Total net position</b>	<u>\$63,339,161</u>	<u>\$29,409,657</u>	<u>\$92,748,817</u>	<u>(\$1,486,146)</u>

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



**City of San Luis**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$5,691,431	\$3,544,657	\$4,919	\$889,000
Public safety	8,248,004	423,258	322,859	190,056
Public works and streets	3,436,305	371,427	1,776,085	5,795,454
Health and welfare	183,081	-	-	-
Culture and recreation	2,726,204	272,468	-	-
Community development	1,035,590	-	268,570	-
Interest on long-term debt	550,817	-	-	-
Total governmental activities	<u>21,871,431</u>	<u>4,611,810</u>	<u>2,372,433</u>	<u>6,874,510</u>
Business-type activities:				
Water	2,955,792	4,382,952	-	607,790
Wastewater	3,624,956	3,930,950	-	606,560
Business Center	669,248	600,000	-	-
Sanitation	1,305,797	1,444,522	-	-
Ambulance Services	1,721,285	2,014,413	-	-
Business Incubator	182,586	38,869	-	-
Total business-type activities	<u>10,459,664</u>	<u>12,411,706</u>	<u>-</u>	<u>1,214,350</u>
Total primary government	<u>\$ 32,331,094</u>	<u>\$ 17,023,516</u>	<u>\$ 2,372,433</u>	<u>\$ 8,088,860</u>
<b>Component Unit</b>				
Detention Facility	<u>\$26,996,933</u>	<u>\$26,703,542</u>	<u>\$ -</u>	<u>\$ -</u>
Total component unit	<u>\$26,996,933</u>	<u>\$26,703,542</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:  
Taxes:  
City sales taxes for general purposes  
Franchise taxes  
State shared revenue (not restricted)  
Investment earnings  
Development Fees  
Transfer  
Total general revenues and transfers  
Changes in net position  
Net position - beginning, as restated  
Net position - ending

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

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

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Detention Facility</b>
(\$1,252,855)	\$ -	(\$1,252,855)	\$ -
(7,311,831)	-	(7,311,831)	-
4,506,661	-	4,506,661	-
(183,081)	-	(183,081)	-
(2,453,736)	-	(2,453,736)	-
(767,020)	-	(767,020)	-
(550,817)	-	(550,817)	-
<u>(8,012,678)</u>	<u>-</u>	<u>(8,012,678)</u>	<u>-</u>
	2,034,950	2,034,950	
-	912,554	912,554	
-	(69,248)	(69,248)	
-	138,725	138,725	
-	293,129	293,129	
-	(143,717)	(143,717)	
<u>-</u>	<u>3,166,393</u>	<u>3,166,393</u>	<u>-</u>
<u>\$ (8,012,678)</u>	<u>\$ 3,166,393</u>	<u>\$ (4,846,285)</u>	<u>\$</u>
			<u>(\$293,391)</u>
			<u>(\$293,391)</u>
9,720,729	-	9,720,729	-
437,765	-	437,765	-
8,609,052	-	8,609,052	-
296,968	285,758	582,725	154,717
	552,832	552,832	-
(364,030)	364,030	-	-
<u>18,700,483</u>	<u>1,202,620</u>	<u>19,903,103</u>	<u>154,717</u>
10,687,806	4,369,012	15,056,818	(138,673)
<u>52,651,355</u>	<u>25,040,645</u>	<u>77,691,999</u>	<u>(1,347,473)</u>
<u>\$ 63,339,161</u>	<u>\$ 29,409,657</u>	<u>\$ 92,748,817</u>	<u>\$ (1,486,146)</u>



## **FUND FINANCIAL STATEMENTS**



## **GOVERNMENTAL FUNDS**

**CITY OF SAN LUIS, ARIZONA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<b>MAJOR FUNDS</b>				Total Governmental Funds
	General	Highway Users	Debt Service	Non-Major Funds	
<b><u>ASSETS</u></b>					
Equity in Pooled Cash	\$ 2,951,764	\$ -	\$ -	\$ 677,085	\$ 3,628,848
Investments	9,271,711	446,751	-	2,297,594	12,016,056
Restricted Investments		-	1,690,747		1,690,747
Accounts receivable (net)	1,887,819	-	2,232	90,374	1,980,425
Due from governmental entities	1,535,164	250,312	-	97,596	1,883,072
Due from other funds	2,487,783		-		2,487,783
Prepaid items	63,098	278	857	78,400	142,634
Supplies Inventory	13,977	138,195	-	-	152,172
<b>Total assets</b>	<b>\$ 18,211,316</b>	<b>\$ 835,536</b>	<b>\$ 1,693,837</b>	<b>\$ 3,241,049</b>	<b>\$ 23,981,737</b>
<b><u>LIABILITIES</u></b>					
Liabilities:					
Accounts payable	\$ 689,219	\$ 185,624	\$ -	\$ 127,405	\$ 1,002,247
Accrued payroll and taxes	984,050	10,149	-	-	994,199
Due to other funds		312,409	984,392	-	1,296,802
Court bonds payable	72,981	-	-	-	72,981
Customer deposits	350	-	-	-	350
Accrued interest		-	320,503	-	320,503
Accrued principal		-	567,325		567,325
Unearned Revenue	19,200	-	-	12,800	32,000
<b>Total liabilities</b>	<b>1,765,800</b>	<b>508,181</b>	<b>1,872,220</b>	<b>140,205</b>	<b>4,286,406</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue	1,122,832	-	-	81,730	1,204,562
<b>Total Deferred inflows of resources</b>	<b>1,122,832</b>	<b>-</b>	<b>-</b>	<b>81,730</b>	<b>1,204,562</b>
<b><u>FUND BALANCES (DEFICITS)</u></b>					
Non-spendable					
Non spendable in form	77,075	138,473	857	78,400	294,805
Restricted for:					
HURF	-	188,882	-	-	188,882
Other Purposes	-	-	-	292,062	292,062
Assesment Districts		-		335,480	335,480
Impact Fees				2,313,172	2,313,172
Unassigned	15,245,609	-	(179,241)	-	15,066,368
<b>Total fund balances</b>	<b>15,322,684</b>	<b>327,354</b>	<b>(178,384)</b>	<b>3,019,114</b>	<b>18,490,769</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 18,211,316</b>	<b>\$ 835,536</b>	<b>\$ 1,693,836</b>	<b>\$ 3,241,049</b>	<b>\$ 23,981,737</b>

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

**CITY OF SAN LUIS, ARIZONA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

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

Total governmental fund balances		\$ 18,490,768
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 101,330,791	
Less accumulated depreciation	<u>(34,259,521)</u>	67,071,270
Some Receivables are not available to pay current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Municipal Court	786,521	
LaSalle	336,311	
Assesments	81,730	
Intergovernmental	<u>-</u>	1,204,562
Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		
		(57,575)
Deferred outflows and inflows of resources related to pensions are applicable to future period and therefore are not reported in the funds		
Deferred outflows of resources related to pension	3,090,333	
Deferred inflows of resources related to pension	<u>(2,583,231)</u>	507,102
The assets and liabilities of the internal service fund, which is used by management to charge the cost of insurance to individual funds, are included in governmental activities in the statement of net position.		
		3,075,725
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Net pension liability	(11,892,897)	
Revenue bonds payable	(13,978,989)	
Capatl Lease Payable	(265,209)	
Compensated absences payable	(641,133)	
Note payable	<u>(174,462)</u>	<u>(26,952,691)</u>
<b>Net position of governmental activities</b>		<b>\$ <u>63,339,161</u></b>

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



**CITY OF SAN LUIS, ARIZONA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>MAJOR FUNDS</b>				Total Governmental Funds
	General	Highway Users	Debt Service Fund	Non-Major Governmental Funds	
<b>REVENUES</b>					
Taxes	\$ 10,158,495	\$ -	\$ -	\$ -	\$ 10,158,495
Special assessments				335,006	335,006
Licenses and permits	843,768	-	-		843,768
Intergovernmental	8,609,052	2,804,155	-	1,223,490	12,636,697
Charges for services	101,775	-	-	763,955	865,730
Fines and forfeitures	270,007	-	-	224,821	494,828
Investment earnings	178,783	35,565	36,654	40,945	291,947
Rents	1,358,079	-	-		1,358,079
Other	304,536	371,427	-	2,500	678,463
<b>Total revenues</b>	<b>21,824,495</b>	<b>3,211,147</b>	<b>36,654</b>	<b>2,590,717</b>	<b>27,663,013</b>
<b>EXPENDITURES</b>					
Current:					
General government	5,248,380	-	-	171,578	5,419,958
Public safety	7,701,341	-	-	520,065	8,221,406
Public works and streets	-	1,628,617	-	66,436	1,695,053
Health and welfare	258,917	-	-	-	258,917
Culture and recreation	2,511,205	-	-	18,637	2,529,842
Community development	824,189	-	1,293	283,024	1,108,506
Capital outlay	237,386	1,042,629	-	1,238,145	2,518,160
Debt service	-	-	-	-	-
Interest	2,854	-	641,005	-	643,859
Principal	141,265	-	567,325	-	708,590
<b>Total expenditures</b>	<b>16,925,538</b>	<b>2,671,246</b>	<b>1,209,624</b>	<b>2,297,885</b>	<b>23,104,293</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,898,956</b>	<b>539,901</b>	<b>(1,172,970)</b>	<b>292,832</b>	<b>4,558,720</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	1,192,968	243,196	1,436,164
Transfers out	(1,528,170)	(243,196)	-	(28,828)	(1,800,194)
Issuance of capital lease	12,302	-	-	-	12,302
<b>Total other financing sources (uses)</b>	<b>(1,515,868)</b>	<b>(243,196)</b>	<b>1,192,968</b>	<b>214,368</b>	<b>(351,728)</b>
<b>Net Change in fund balances</b>	<b>3,383,088</b>	<b>296,705</b>	<b>19,998</b>	<b>507,200</b>	<b>4,206,992</b>
<b>Fund balance - beginning, as restated</b>	<b>11,939,597</b>	<b>30,648</b>	<b>(198,383)</b>	<b>2,511,915</b>	<b>14,283,777</b>
<b>Fund balance (deficit) - ending</b>	<b>\$ 15,322,684</b>	<b>\$ 327,353</b>	<b>\$ (178,384)</b>	<b>\$ 3,019,115</b>	<b>\$ 18,490,768</b>

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

**CITY OF SAN LUIS, ARIZONA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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

Net change in fund balances - total governmental funds	\$4,206,992
--	-------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense in the current period.

Expenditures for capitalized assets	2,097,384	
Less current year depreciation	<u>(3,197,904)</u>	(1,100,520)

Some Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the Governmental funds.

Municipal Court	(28,342)	
Capital Contribution	4,915,692	
LaSalle	336,311	
Intergovernmental grant and special assessments	<u>31,574</u>	5,255,235

The issuance of long term debt provides current financial resources to governmental funds, while the repayments of Long Term Debt principal are expenditures in the governmental funds that consumes the current financial resources of governmental funds; however, neither transaction has any effect on net position.

Principal Accrued	327,325	
Principal Accrued	240,000	
Issuance of Capital Lease	(12,302)	
Capital Lease Payable	44,966	
Note Payable Principal Repayment	<u>96,300</u>	696,289

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

Current year pension contributions	1,454,054	
Pension Expense	<u>(583,319)</u>	870,735

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

Loss on disposal of assets	(3,153)	
Amortization of Deferred bond items	93,043	
Compensated absences	<u>(81,358)</u>	8,532

The Internal Service Fund is used by management to charge the cost of insurance to the individuals funds. The changes in net position of the Internal Service Fund is reported with governmental activities.

750,544

**Change in net position in governmental activities**

**\$10,687,806**

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

**CITY OF SAN LUIS, ARIZONA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Taxes	\$8,935,600	\$8,935,600	\$10,158,495	\$1,222,895
Licenses and permits	587,600	587,600	843,768	256,168
Intergovernmental	8,575,000	8,575,000	8,609,052	34,052
Charges for services	99,600	99,600	101,775	2,175
Fines and forfeitures	253,500	253,500	270,007	16,507
Investment earnings	90,500	90,500	178,783	88,283
Rents	226,900	226,900	1,358,079	1,131,179
Other	91,100	91,100	304,536	213,436
<b>Total revenues</b>	<b>18,859,800</b>	<b>18,859,800</b>	<b>21,824,494</b>	<b>2,964,694</b>
<b>Expenditures:</b>				
General government:				
City Council	1,339,260	1,211,323	827,875	383,448
City Administration	1,278,420	584,470	441,264	143,206
City Clerk	257,230	328,597	296,276	32,321
City Attorney	431,770	431,770	378,318	53,452
City Prosecutor	303,050	304,130	258,826	45,304
Finance	842,420	853,520	827,359	26,161
Human Resources	473,810	479,730	378,337	101,393
Municipal Court	675,590	680,740	598,946	81,794
Information Technology	432,160	438,750	418,636	20,114
Facilities	341,900	348,600	336,179	12,421
Fleet Services	217,320	220,020	180,767	39,253
Risk & Property	137,530	137,530	62,825	74,705
Non Departmental	163,400	243,240	242,773	467
Public Safety				
Police Department	5,330,670	5,471,880	5,171,648	300,232
Fire Department	2,857,230	3,025,700	2,529,694	496,006
Health and Welfare				
Senior Services	256,480	277,130	258,917	18,213
Culture and Recreation				
Cultural Center	263,330	265,160	261,820	3,340
Parks Ground	1,371,200	1,404,580	1,350,583	53,997
Parks - Recreation	410,490	426,000	407,078	18,922
Youth Center	280,780	285,370	258,894	26,476
Aquatic Center	276,040	287,520	232,830	54,690
Community Development				
Development Services	378,400	378,400	278,947	99,453
Building Safety	343,510	350,800	287,846	62,954
Economic Development	338,430	338,430	257,396	81,034
Capital Outlay	1,213,990	1,208,790	237,386	971,404
Debt Service				
Interest and Fiscal Changes	2,250	2,950	2,854	96
Principal Retirement	138,850	141,350	141,265	85
<b>Total expenditures</b>	<b>20,355,510</b>	<b>20,126,480</b>	<b>16,925,538</b>	<b>3,200,942</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,495,710)</b>	<b>(1,266,680)</b>	<b>4,898,956</b>	<b>6,165,636</b>
<b>Other financing sources (uses):</b>				
Capital lease agreement			12,302	12,302
Transfers out	(2,357,025)	(2,357,025)	(1,528,170)	(828,855)
<b>Total other financing sources (uses)</b>	<b>(2,357,025)</b>	<b>(2,357,025)</b>	<b>(1,515,868)</b>	<b>(816,553)</b>
<b>Change in fund balances</b>	<b>(3,852,735)</b>	<b>(3,623,705)</b>	<b>3,383,088</b>	<b>7,006,793</b>
<b>Fund balances - beginning</b>	<b>4,323,222</b>	<b>3,887,452</b>	<b>11,939,597</b>	<b>8,052,145</b>
<b>Fund Balances - ending</b>	<b>\$ 470,487</b>	<b>\$ 263,747</b>	<b>\$ 15,322,685</b>	<b>\$ 15,058,938</b>

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

CITY OF SAN LUIS, ARIZONA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
HIGHWAY USERS FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,533,900	\$ 2,533,900	\$2,804,155	\$270,255
Investment Earnings	21,400	21,400	35,565	14,165
Other	202,800	202,800	371,427	168,627
<b>TOTAL REVENUES</b>	<u>2,758,100</u>	<u>2,758,100</u>	<u>3,211,147</u>	<u>453,047</u>
<b>EXPENDITURES</b>				
Current				
Public Works and Streets	2,084,410	2,182,660	1,628,617	554,043
Capital Outlay	1,202,520	1,177,020	1,042,629	134,391
<b>Total Expenditures</b>	<u>3,286,930</u>	<u>3,359,680</u>	<u>2,671,246</u>	<u>688,434</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(528,830)</u>	<u>(601,580)</u>	<u>539,901</u>	<u>1,141,481</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(260,000)</u>	<u>(260,000)</u>	<u>(243,196)</u>	<u>(16,804)</u>
<b>Total other financing sources (uses)</b>	<u>(260,000)</u>	<u>(260,000)</u>	<u>(243,196)</u>	<u>(16,804)</u>
<b>Change in fund balances</b>	<u>(788,830)</u>	<u>(861,580)</u>	<u>296,705</u>	<u>1,158,285</u>
<b>Fund balances - beginning, as restated</b>	<u>(1,087,520)</u>	<u>(1,408,955)</u>	<u>30,648</u>	<u>1,439,603</u>
<b>Fund Balances - ending</b>	<u>\$ (1,876,350)</u>	<u>\$ (2,270,535)</u>	<u>\$ 327,353</u>	<u>\$ 2,597,888</u>

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

## **PROPRIETARY FUND FINANCIAL STATEMENTS**

**CITY OF SAN LUIS, ARIZONA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	Enterprise Funds			
	Water	Wastewater	Sanitation	Business Incubator
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash	\$	\$ 128,518	\$	\$
Cash and cash equivalents	370,004	-	-	-
Investments	7,786,278	4,517,269	-	-
Accounts receivable (net)	500,145	137,962	43,726	3,474
Notes receivable	64,806	-	-	-
Prepaid items and other assets	93,784	16,609	13,030	150
<b>Total current assets</b>	<b>8,815,017</b>	<b>4,800,358</b>	<b>56,756</b>	<b>3,624</b>
Non-current assets:				
Restricted Investments	667,689	-	-	-
Land	190,271	150,757	-	-
Buildings and improvements	-	1,902,764	26,596	2,007,718
Infrastructure	24,628,850	33,707,801	-	-
Machinery and equipment	2,436,913	2,099,321	2,217,831	136,264
Construction in progress	3,350	96,646	-	-
Accumulated depreciation	(8,010,486)	(11,906,143)	(1,757,585)	(209,226)
<b>Total non-current assets</b>	<b>19,916,587</b>	<b>26,051,146</b>	<b>486,842</b>	<b>1,934,756</b>
<b>Total assets</b>	<b>28,731,604</b>	<b>30,851,504</b>	<b>543,598</b>	<b>1,938,380</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pension	77,390	108,305	36,576	-
Deferred loss on refundings	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>77,390</b>	<b>108,305</b>	<b>36,576</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	142,030	181,920	77,097	3,029
Estimated Claims and judgements	-	-	-	-
Accrued payroll and taxes	10,902	15,209	3,438	541
Due to other funds	158,892	-	39,494	496,783
Customer deposits	415,101	6,800	-	4,109
Retainage payable	101,317	-	-	-
Accrued interest	238,635	278,618	-	-
Current portion of long-term debt	374,480	468,874	67,562	1,180
<b>Total current liabilities</b>	<b>1,441,357</b>	<b>951,421</b>	<b>187,591</b>	<b>505,642</b>
Non-current liabilities:				
Pension	530,273	795,410	265,137	-
Non-current portion of long-term debt	10,640,571	12,557,187	189,325	346
<b>Total non-current liabilities</b>	<b>11,170,844</b>	<b>13,352,597</b>	<b>454,462</b>	<b>346</b>
<b>Total liabilities</b>	<b>12,612,201</b>	<b>14,304,018</b>	<b>642,053</b>	<b>505,988</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pension	68,380	102,569	34,190	-
Deferred inflow on refundings	90,057	100,863	-	-
<b>Total deferred inflow</b>	<b>158,437</b>	<b>203,432</b>	<b>34,190</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	8,163,746	14,273,059	243,074	1,934,755
Restricted for Capital Project	60,945	917,746	-	-
Restricted for Employee Benefit Trust	-	-	-	-
Unrestricted	7,813,665	1,261,554	(339,143)	(502,363)
<b>Total net position</b>	<b>\$ 16,038,356</b>	<b>\$ 16,452,359</b>	<b>\$ (96,069)</b>	<b>\$ 1,432,392</b>

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

Ambulance Services	Enterprise Funds		Internal Service Fund
	Business Center	Total	Insurance Fund
\$ 1,014,946	\$	\$ 1,143,464	\$
-	198,400	568,404	3,128,653
-	-	12,303,547	-
794,522	50,001	1,529,830	231,495
-	-	64,806	-
19,458	-	143,031	-
<u>1,828,926</u>	<u>248,401</u>	<u>15,753,082</u>	<u>3,360,148</u>
-	466	668,155	-
-	344,211	685,239	-
-	5,875,204	9,812,282	-
-	-	58,336,651	-
536,387	2,663,944	10,090,660	-
-	7,472	107,468	-
<u>(153,069)</u>	<u>(4,761,263)</u>	<u>(26,797,772)</u>	<u>-</u>
<u>383,318</u>	<u>4,130,034</u>	<u>52,902,683</u>	<u>-</u>
<u>2,212,244</u>	<u>4,378,435</u>	<u>68,655,765</u>	<u>3,360,148</u>
289,550	-	511,821	-
-	1,085,095	1,085,095	-
<u>289,550</u>	<u>1,085,095</u>	<u>1,596,916</u>	<u>-</u>
59,422	75	463,573	-
-	-	-	284,423
23,325	-	53,415	-
-	495,813	1,190,982	-
-	-	426,010	-
-	-	101,317	-
7,507	151,375	676,135	-
105,733	755,000	1,772,829	-
<u>195,987</u>	<u>1,402,263</u>	<u>4,684,261</u>	<u>284,423</u>
270,804	-	1,861,624	-
190,215	9,995,031	33,572,675	-
<u>461,019</u>	<u>9,995,031</u>	<u>35,434,299</u>	<u>-</u>
<u>657,006</u>	<u>11,397,294</u>	<u>40,118,560</u>	<u>284,423</u>
-	-	-	-
328,405	-	533,544	-
-	-	190,920	-
<u>328,405</u>	<u>-</u>	<u>724,464</u>	<u>-</u>
120,951	(5,535,368)	19,200,217	-
-	-	978,691	-
-	-	-	3,075,725
<u>1,395,432</u>	<u>(398,396)</u>	<u>9,230,749</u>	<u>-</u>
<u>\$ 1,516,383</u>	<u>\$ (5,933,764)</u>	<u>\$ 29,409,657</u>	<u>\$ 3,075,725</u>

**CITY OF SAN LUIS, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET FUND POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Enterprise Funds		
	Water	Wastewater	Sanitation
<b>Operating revenues:</b>			
Charges for services	\$ 4,271,011	\$ 3,930,054	\$ 1,408,126
Rent	-	-	-
Other	111,942	896	36,396
<b>Total operating revenues</b>	<u>4,382,953</u>	<u>3,930,950</u>	<u>1,444,522</u>
<b>Operating expenses:</b>			
Cost of sales and services	1,910,980	2,148,748	1,201,434
Insurance Premiums/Claims	-	-	-
Depreciation	614,010	968,664	99,400
<b>Total operating expenses</b>	<u>2,524,990</u>	<u>3,117,412</u>	<u>1,300,834</u>
<b>Operating income (loss)</b>	<u>1,857,963</u>	<u>813,538</u>	<u>143,688</u>
<b>Nonoperating revenues (expenses):</b>			
Investment earnings	194,117	90,207	-
Development Fees	-	552,832	-
Interest and fiscal charges	(430,802)	(507,544)	(4,963)
<b>Total nonoperating revenues (expenses)</b>	<u>(236,685)</u>	<u>135,495</u>	<u>(4,963)</u>
Income before Contributions and Transfers	1,621,278	949,033	138,725
Capital contributions	607,790	606,560	-
Transfer in	-	28,828	-
<b>Changes in net position</b>	<u>2,229,068</u>	<u>1,584,421</u>	<u>138,725</u>
<b>Total net position, beginning of year</b>	<u>13,809,290</u>	<u>14,867,938</u>	<u>(234,794)</u>
<b>Total net position, end of year</b>	<u>\$ 16,038,358</u>	<u>\$ 16,452,359</u>	<u>\$ (96,069)</u>

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

Enterprise Funds				Internal Service Fund
Business Incubator	Ambulance Services	Business Center	Total	Insurance Fund
\$ -	\$ 2,005,913	\$ -	\$ 11,615,104	\$ 2,711,758
36,367	-	600,000	636,367	-
2,502	8,500	-	160,236	-
<u>38,869</u>	<u>2,014,413</u>	<u>600,000</u>	<u>12,411,707</u>	<u>2,711,758</u>
135,999	1,640,594	76,287	7,114,042	-
-	-	-	-	1,966,234
<u>46,587</u>	<u>73,184</u>	<u>190,897</u>	<u>1,992,742</u>	<u>-</u>
<u>182,586</u>	<u>1,713,778</u>	<u>267,184</u>	<u>9,106,784</u>	<u>1,966,234</u>
<u>(143,717)</u>	<u>300,635</u>	<u>332,816</u>	<u>3,304,923</u>	<u>745,524</u>
-	-	1,432	285,756	5,020
-	-	-	552,832	-
<u>-</u>	<u>(7,507)</u>	<u>(402,064)</u>	<u>(1,352,880)</u>	<u>-</u>
-	(7,507)	(400,632)	(514,292)	5,020
<u>(143,717)</u>	<u>293,129</u>	<u>(67,816)</u>	<u>2,790,632</u>	<u>750,544</u>
-	-	-	1,214,350	-
-	-	335,202	364,030	-
<u>(143,717)</u>	<u>293,129</u>	<u>267,386</u>	<u>4,369,012</u>	<u>750,544</u>
<u>1,576,108</u>	<u>1,223,253</u>	<u>(6,201,150)</u>	<u>25,040,645</u>	<u>2,325,181</u>
<u>\$ 1,432,391</u>	<u>\$ 1,516,382</u>	<u>\$ (5,933,764)</u>	<u>\$ 29,409,657</u>	<u>\$ 3,075,725</u>

**CITY OF SAN LUIS, ARIZONA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019**

	Enterprise Funds		
	Water	Wastewater	Sanitation
<b><u>Increase/(Decrease) In Cash and Cash Equivalents</u></b>			
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 4,432,754	\$ 3,903,390	\$ 1,438,056
Cash payments to suppliers for goods and services	(1,552,571)	(1,156,572)	(845,790)
Cash payments to employees for services	(614,507)	(852,018)	(298,070)
<b>Net cash provided by (used for) operating activities</b>	<b>2,265,676</b>	<b>1,894,799</b>	<b>294,196</b>
<b>Cash flows from noncapital and related financing activities:</b>			
Transfers from other funds	-	-	-
Increase (decrease) due to other funds	(560,738)	-	(198,415)
<b>Net cash provided by (used for) noncapital and related financing activities</b>	<b>(560,738)</b>	<b>-</b>	<b>(198,415)</b>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from debt issuance	-	-	246,842
Development Fees	-	552,832	-
Payments for capital acquisitions	(659,013)	(692,460)	(276,743)
Principal paid on long-term debt	(346,035)	(431,381)	(60,917)
Interest paid on long-term debt	(483,138)	(564,682)	(4,963)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(1,488,187)</b>	<b>(1,135,691)</b>	<b>(95,781.00)</b>
<b>Cash flows from investing activities:</b>			
Investment income (loss)	194,116	90,207	-
<b>Net cash provided by investing activities</b>	<b>194,116</b>	<b>90,207</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>410,866</b>	<b>849,316</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year, as restated</b>	<b>8,413,105</b>	<b>3,796,472</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 8,823,971</b>	<b>\$ 4,645,788</b>	<b>-</b>
<b><u>Reconciliation of Operating Income (loss) to</u></b>			
<b><u>Net Cash Provided by (Used for) Operating Activities</u></b>			
<b>Operating income (loss)</b>	<b>\$ 1,857,963</b>	<b>\$ 813,538</b>	<b>143,688</b>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	614,010	968,664	99,400
Difference between pension expense and pension contributions	(138,259)	42,444	(17,179)
Change in assets and liabilities:			
(Increase)/ decrease in accounts receivable	968	(28,010)	(6,467)
(Increase)/ decrease in prepaid items and other assets	(15,061)	316	37,328
Increase/ (decrease) in accounts payable	(106,919)	96,047	41,521
Increase/ (decrease) in customer deposits	48,834	450	-
Increase/ (decrease) in retainage payable	-	-	-
Increase/ (decrease) in accrued payroll and taxes	1,291	1,460	(1,142)
Increase/ (decrease) in unearned revenue	-	-	-
Increase/ (decrease) in compensated absences payable	2,850	(110)	(2,952)
<b>Total adjustments</b>	<b>407,713</b>	<b>1,081,262</b>	<b>150,509</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 2,265,676</b>	<b>\$ 1,894,799</b>	<b>\$ 294,196</b>

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

Business Incubator	Enterprise Funds			Total	Internal Service
	Ambulance Services	Business Center			Insurance Fund
\$ 34,631	\$ 2,085,958	\$ 600,412	\$ 12,495,201	\$ 2,712,508	
(97,937)	(459,273)	(537,108)	(4,649,252)	(1,840,212)	
(38,269)	(1,147,739)	-	(2,950,603)	-	
<u>(101,576)</u>	<u>478,946</u>	<u>63,304</u>	<u>4,895,347</u>	<u>872,296</u>	
-	-	335,202	335,202	-	
119,106	-	495,813	(144,235)	-	
<u>119,106</u>	<u>-</u>	<u>831,015</u>	<u>190,968</u>	<u>-</u>	
-	-	-	246,842	-	
-	-	-	552,832	-	
(17,530)	-	(401,529)	(2,047,276)	-	
-	(77,428)	(830,000)	(1,745,761)	-	
-	(9,853)	(378,144)	(1,440,780)	-	
<u>(17,530)</u>	<u>(87,281)</u>	<u>(1,609,673)</u>	<u>(4,434,143)</u>	<u>-</u>	
-	-	1,432	285,755	5,020	
-	-	1,432	285,755	5,020	
-	391,665	(713,922)	937,925	877,316	
-	623,280	912,787	13,745,645	2,251,337	
-	\$ 1,014,946	\$ 198,866	\$ 14,683,569	\$ 3,128,653	
<u>\$ (143,717)</u>	<u>\$ 300,635</u>	<u>\$ 332,816</u>	<u>3,304,923</u>	<u>\$ 745,524</u>	
46,587	73,184	190,897	1,992,742	-	
-	5,458	-	(107,536)	-	
(2,827)	71,544	412	35,621	750	
-	(9,418)	-	13,165	-	
(415)	11,666	(415,497)	(373,598)	126,022	
580	-	-	49,863	-	
-	-	(45,324)	(45,324)	-	
56	7,274	-	8,939	-	
(1,991)	-	-	(1,991)	-	
151	18,603	-	18,542	-	
<u>42,141</u>	<u>178,311</u>	<u>(269,512)</u>	<u>1,590,423</u>	<u>126,772</u>	
<u>\$ (101,576)</u>	<u>\$ 478,946</u>	<u>\$ 63,304</u>	<u>\$ 4,895,345</u>	<u>\$ 872,296</u>	

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting standards.

During the year ended June 30, 2019, the City implemented the provisions of GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. This Statement requires enhanced note disclosures and clarifies which liabilities governments should include when disclosing information related to debt.

**A. Reporting Entity**

The City of San Luis (the “City”) was incorporated in 1979 under the provision of the Arizona Constitution and is located on the Arizona-Sonora Mexico border. The City is a municipal entity governed by an elected Mayor and council.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 61, The Financial Statement Entity – Omnibus. The City is the primary government unit. Component units are financially accountable to the City. Financial accountability exists if the primary government appoints a voting majority of the entity’s governing body and (1) it is able to impose its will on that organization, or (2) there is a potential for the organization to provide financial benefit, or impose financial burdens on the primary government. Component units meeting the criteria have been accounted for as “blended” component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City’s operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City.

Blended Component Units

*The Public Health Community Facilities District (PHCFD)* was created in 1999 under the provisions of Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes. The District is considered by law to be an independent political sub-division of the state, and separate from the City. Council members serve as the Board of Directors. The purpose of the entity is to provide land for the development of the Regional Center for Border Health which will revert along with the development to the City at the end of the term. The District leases the land under a 30-year agreement to Western Arizona Area Health Education Center, Inc. (WAAHEC), an unrelated not-for-profit corporation for \$2,500 per year. The activity is reported in the San Luis Community Facilities District Fund.

*The San Luis Employees’ Self Insurance Health Fund (ESI)* was formed for the purpose of managing the health insurance fund and is governed by five Board members. The Board consists of three non-staff members, one member of Council and one member from the Human Resources Department. Although it is legally separate from the City, the Trust is reported as if it were part of the City government, because its sole purpose is to provide services exclusively to City employees through a self-insured plan. Employees are covered

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

100 percent by the plan and pay on the average \$250 for family or dependent care. The activity of the ESI is reported as the Insurance Fund, an internal service fund.

No separate financial statements are prepared for the blended component units.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the primary government but for which omission would cause the primary government's financial statements to be misleading or incomplete. The component units below do not meet the criteria for blended presentation and therefore, they are reported separately from the primary government.

*The San Luis Facility Development Corporation (SLFDC)* was incorporated in 2005 exclusively for the purpose of financing, owning, and/or operating one or more public projects that affect economic development in the City of San Luis, Arizona or San Luis County and to provide facilities, equipment, and other physical plant and related support to the project. It is governed by a Board of five Directors of which two are members of City Council. The Corporation was used in April 2014 and July 2014 to refinance two bond issues that were originally used to build and extend the detention facility respectively. The City General Fund receives certain revenues in form of a bed tax from the operations. The activity is reported in the City's Detention Facility Fund.

No separate financial statements are prepared for the discretely presented component units.

Joint Ventures

A joint venture (JV) is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. A "jointly governed organization" is an organization that meets all the JV criteria except the participants do not retain on-going financial interest or responsibility.

The City participates under a membership provision with two other entities in a jointly governed organization, the Greater San Luis Port Authority, Inc. (GYPA) which is directed by a seven person board. The GYPA was established in September 8, 2000, as a nonprofit corporation for the purpose of promoting and developing the new port district through cooperative regional effort of government entities (members), within the Yuma County region and to ensure the economic wellness of the San Luis area. Members are required to pay a fee of \$50,000 per year for operational expenses of the corporation. The City carries in its budget an annual appropriation of \$50,000 to retain its membership. The City does not retain an on-going financial interest or an on-going financial responsibility in the GYPA. Complete financial statements of the GYPA may be obtained from the GYPA's office at P.O. Box 4601, San Luis, AZ 85349.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

Related Organizations

The City's officials are also responsible for appointing the board members of other organizations; however, the City's accountability for these organization does not extend beyond the making of appointments and therefore they are not included as part of the financial statements.

The following are related organizations that are excluded from the reporting entity:

- San Luis Police Activities/Athletics League
- San Luis AZ Chamber of Commerce
- East San Luis Community Facility District

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled

**Government Wide Financial Statements** – The Government Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Transfers in and out

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

**Governmental Fund Financial Statements** – All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both “*measurable*” and “*available*”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

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

Reconciliations of the fund financial statements to the Government-Wide Financial Statements are provided to explain the differences.

Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

The City reports the following major governmental funds.

General – This fund is the general operating fund of the City. It accounts for all financial resources of the City, except those required to be accounted for in other funds.

Highway Users – This fund accounts for the revenue received from the State for public works and streets.

Debt Service Fund– This fund accounts for the construction of the City’s various construction projects.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

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

**Special Revenue Funds**

- Police Grants and Special Revenues
- Judicial Collection Enhancement
- Assessment Districts
- San Luis Community Facilities District
- Community Development

**Capital Projects Funds**

- Capital Outlay Reserve

**Proprietary Fund Financial Statements** - Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following proprietary funds:

Water – This fund accounts for the City's water operations.

Wastewater – This fund accounts for the City's wastewater operations.

Business Center – This fund accounts for revenues and expenditures related to properties acquired by the City from the Industrial Development Authority to develop trade, encourage production, and assure job opportunities in the City.

Sanitation – This fund accounts for the activities of the City's sanitation operations.

Business Incubator – This fund accounts for the City's business incubator operations which offers assistance to small businesses, encourage light manufacturing and help create job opportunities within the City.

Ambulance Services – This fund accounts for City's Ambulance resources to provide emergency 9-1-1 response and emergency medical transportation for the residents and guests of the City of San Luis.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

Additionally, the City reports the following internal service fund type:

Insurance (ESI) - The Insurance fund is used to account for the accumulation and allocation of costs associated with the City's self-insured group health and dental insurance program.

**C. Cash, Cash Equivalents and Investments**

The City considers cash on hand, demand deposits, cash and investments held by the State Treasurer, and highly liquid investments with maturities of three months from the date of acquisition to be cash equivalents. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

Cash and investments are generally pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Arizona Revised Statutes (A.R.S.) authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona or any of its counties, cities, towns, school districts, and special districts as specified by statute.

The State Board of Deposit provides oversight for the State Treasurer's pool, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares.

Money market investments are stated at amortized cost. All other investments are stated at cost, which approximates fair value. Certain resources set aside for the repayments of debt are classified as investments held by trustee – restricted. Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Restricted Cash and Investments with Fiscal Agents**

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants. Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuances.

**E. Investment Income**

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in investment earnings in the governmental fund financial statements and in non-operating revenues in the proprietary fund financial statements.

**F. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**G. Receivables**

Receivables include such items as taxes, intergovernmental revenues, charges for services, miscellaneous account receivable, and interest receivable, and are reported net of allowance for uncollectible.

**H. Interfund Receivables and Payable**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

**I. Inventories**

Inventories of the governmental are recorded under the consumption method. Inventories are recorded as expenditures when consumed rather than when purchased. Inventories are valued at year end based on cost, with cost determined using an average cost method.

**J. Capital Assets**

Capital assets, which include land, buildings, improvements other than buildings, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Infrastructure	15-50
Buildings	7-50
Improvements other than buildings	5-50
Vehicles, machinery, and equipment	4-15

**K. Deferred Inflows and Outflows**

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable. The City and component unit have items that qualify for reporting in this category.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- In conjunction with pension accounting requirements, the difference between expected and actual investment earnings is recorded as a deferred outflow of resources related to pensions. This amount is determined based on the actuarial valuation performed for the plan.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time. In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from Municipal Court fines and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Deferred Inflows and Outflows (Continued)**

Under the full accrual basis, the City has two items that qualify for reporting in this category:

- A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- In conjunction with pension accounting requirements, the difference between expected and actual experience related is recorded as a deferred inflow of resources related to pensions. This amount is determined based on the actuarial valuation performed for the plan as described further in Note 15.

**L. Compensated Absences**

The City's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Annual leave, based on graduated scale of years of employment, is credited to each employee as it accrues and differs between administrative and public safety functions. The maximum accrual allowed follows the aforementioned pattern of accrued hours and cannot exceed twice the yearly earned hours. Vacation benefits vest at the employee's current rate of pay.

The current and long-term liabilities for accumulated vacation are reported on the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, and retirements. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

**M. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities, net of bond premiums or discounts. Bond premiums and discounts are amortized over the life of the bonds using straight-line method. Issuance costs are reported as expense when incurred.

Governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

**N. Arbitrage Rebate Requirement**

The City is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The City had no rebate liability for arbitrage as of June 30, 2019.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Claims Liabilities**

The City accounts for material claims and judgments outstanding at year-end. When it is probable that a claim liability has incurred at year-end, and the amount of loss can be reasonably estimated, the City records the estimated loss.

**P. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2018
Measurement Period:	July 1, 2016 to June 30, 2017

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**Q. Net Position**

For government-wide and proprietary fund financial statements, net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

**Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

**Unrestricted** – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

When an expense is incurred for purposes for which both restricted and unrestricted Net Position are available, the City's policy is to apply restricted Net Position first.

**R. Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to show the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

**Non-spendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Inventories** – Portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

**Prepaid Items** – Portion of fund balance that is not an available resource because it represents the year-end portion of prepaid items, which are not spendable resources.

**Restricted** – This classification includes revenue sources that are restricted to specific purposes externally imposed by 1) external parties such as: grantors creditors or 2) imposed by law through constitutional provisions or 3) enabling legislation legally enforceable by external parties.

**Committed** – Represents portion of fund balance that can only be used for specific purpose imposed by majority vote of City Council, the highest level of decision-making authority. Such commitment is made via a Council resolution and must be made prior to the end of the fiscal year. Any changes or removal of specific purposes requires majority action as well by the governing body. Committed funds include funds for capital projects and specified program services as defined by the creation of the fund.

**Assigned** – Amounts are constrained by the City's intent to be used for specific purposes. Intent should be expressed by the Council or the City Manager but requires City Council to approve a resolution to set up encumbrances.

**Assigned for Capital Projects** – Portion of fund balance that has been budgeted or designated by Council for capital projects.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and does not have a specific purpose. In the governmental funds, other than the general fund, if expenditures incurred exceeded the amounts restricted, committed or assigned, the fund may report a negative fund balance as unassigned.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Fund Balances (Continued)**

The City has a revenue spending guideline for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. Management may deviate from this policy if it's in the best interest of the City.

	<u>General Fund</u>	<u>Highway Users Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Non spendable:				
Inventory	\$ 13,977	\$ 138,195	\$	\$
Prepaid items	63,098	278	857	78,400
Restricted:				
HURF		188,882		
Assessment Districts				335,480
Impact fees				2,313,172
Other purposes				292,062
Unassigned	15,245,609		(179,241)	
Total fund balances	<u>\$ 15,322,684</u>	<u>\$ 327,354</u>	<u>\$ (178,384)</u>	<u>\$ 3,019,114</u>

**S. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**T. Budget**

The City publishes and adopts an annual budget in accordance with applicable state statutes. The City prepares an annual budget on a basis consistent with Generally Accepted Accounting Principles for all governmental funds. After review of the tentative budgets, City Council holds public hearings and then adopts the annual budget for the General, Major Special Revenue, and the Enterprise funds. All annual appropriations lapse at the fiscal year end.

The appropriated budget is prepared by fund and department on the same basis of accounting as required for governmental fund types and conforms to GAAP. Amendments are required for any revisions that increases total expenditures of any fund or that change functional appropriations. During the year, several amendments to the original budget were

**CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019**

**T. Budget (Continued)**

necessary to meet the needs of the City. Also, transfers of appropriations between departments and over-expenditures of appropriations at the department level require Council approval. The City legal level of budgetary control, which is the level at which expenditures may not legally exceed appropriations, is at the department level.

**NOTE 2- CASH AND INVESTMENTS**

Cash and investments are classified in the accompanying financial statements as follows:

	Primary Government		Component Unit	Total
	Governmental Activities	Business-type Activities	Detention Facility	
Equity in Pooled Cash	\$ 3,628,848	\$ 1,143,464	\$	\$ 4,772,312
Cash and cash equivalents	3,128,653	568,404	3,517,233	7,214,290
Investments	12,016,056	12,303,548		24,319,604
Restricted assets:				
Cash and Investments	1,690,746	668,154	5,537,444	7,896,344
Total	\$ 20,464,303	\$ 14,683,570	\$ 9,054,677	\$ 44,202,550

Cash and investments consisted of the following:

Cash on hand	\$ 4,435
Demand deposits	8,464,934
Investments	35,733,181
Total	\$ 44,202,550

**CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 2- CASH AND INVESTMENTS (CONTINUED)**

*Demand Deposits* - The carrying amounts of the City's demand deposits were \$8,464,934 at June 30, 2019. Bank balances were \$8,840,830 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name.

*Risk Disclosures – Disclosures Related to Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity, the greater the sensitivity its fair value is to changes in market interest rates. The City does not have a formal investment policy that limit its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rate.

	<u>Fair Value</u>	Investment Maturities (in years) <u>Less than 1</u>
Money Market	\$ 11,413,577	\$ 11,413,577
State Treasurer	24,319,604	24,319,064
Total	<u>\$ 35,733,181</u>	<u>\$ 35,733,181</u>

Investment should be recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments will be recognized as an increase or decrease to investment assets and investment income as applicable.

The City measures and records investment using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 2- CASH AND INVESTMENTS (CONTINUED)**

At June 30, 2019, all the City's investments were considered to be level two investments. The pricing methodology utilized by evaluators to value City's investment consisted in gathering information from market sources and integrate relative credit information, observed market movements, and sector news onto the evaluated pricing applications and models.

*Disclosures Related to Credit Risk.* Credit risk is defined as the risk that an issuer of an investment will not fulfill its obligation to repay the holder at the maturity date. This is generally measured by the assignment of a rating by a nationally recognized statistical organization. However, some issuers do not seek a credit rating. The City has no investment policy that would further limit its investment choices. As of June 30, 2019, the City's investment in the State Treasurer's Government Investment Pool (LGIP) were rated AAA by Standard and Poor's Corporation. The City's investments in Money market were rated Aaa by Moody's investors.

That portion of the external investment pool which belongs to local government participants is reported in the State's Annual Financial Report. A copy of the report can be obtained from the State's website at [www.aztreasury.gov](http://www.aztreasury.gov) or by writing to Arizona State Treasurer's Office, 1700 West Washington Street, 1<sup>st</sup> Floor, Phoenix, AZ 85007. The City's position in the LGIP at June 30, 2019 is stated at cost, which approximates fair value.

*Disclosures Related to Custodial Credit Risk.* For deposits, custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to the City. The City does not have a policy for custodial credit risk. As of June 30, 2019, City deposits of \$7,836,830 were collateralized with securities held by the pledging financial institution.

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

*Disclosures Related to Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the counterparty's failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2019, the City had \$11,413,577 of money market funds that were uninsured and held by the counterparty's trust department or agent not in the City's name. The City's investment in the State Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk.

*Disclosures Related to Concentration Credit Risk.* The City places no limit on the amount the City may invest in any one issuer. As of June 30, 2019, the City's investments include 32 percent invested in money market funds, and 68 percent invested in the State Treasurer's investment pool.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 3- RECEIVABLES**

Receivables are reported net of allowance for uncollectible of \$1,027,200 for Proprietary Fund receivables and \$365,947 for Governmental funds receivable of which the majority relates to court fines. As of year-end, the City's net receivables for individual major governmental funds, non-major governmental funds in the aggregate, and major enterprise funds are as follows:

	Governmental Activities						
	General	Highway Users	Debt Service Fund	Non-Major Governmental and Other	Insurance Fund	Total	
Accounts receivable	\$ 1,101,299	\$ -	\$ 2,232	\$ 90,374	\$ 231,495	\$ 1,425,400	
Fines receivable	786,520					786,520	
Due from governmental entities	1,535,164	250,312		97,596		1,883,072	
Net total receivable	<u>\$ 3,422,983</u>	<u>\$ 250,312</u>	<u>\$ 2,232</u>	<u>\$ 187,970</u>	<u>\$ 231,495</u>	<u>\$ 4,094,992</u>	
	Business-Type Activities						
	Water	Wastewater	Business Center	Sanitation	Ambulance Services	Business Incubator	Total
Accounts receivable	\$ 500,145	\$ 137,962	\$ 50,001	\$ 43,726	\$ 794,522	\$ 3,474	\$ 1,529,830
Notes receivable	64,806						64,806
Net total receivables	<u>\$ 564,951</u>	<u>\$ 137,962</u>	<u>\$ 50,001</u>	<u>\$ 43,726</u>	<u>\$ 794,522</u>	<u>\$ 3,474</u>	<u>\$ 1,594,636</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, unavailable revenue consisted mostly of fines receivable were reported in the General Fund of \$1,204,562.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 4- INTERFUND TRANSACTIONS**

**A. Due From and To Other Funds**

**A. Due From and to Other Funds**

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to other Funds</u>
General	\$ 2,487,783	
Highway Users		\$ 312,409
Water		158,892
Sanitation		39,494
Business Incubator		496,783
Business Center		495,813
Debt Service		984,392
Total	<u>\$ 2,487,783</u>	<u>\$ 2,487,783</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

**B. Transfers**

Transfers between primary government funds:

<u>Transfer In:</u>	<u>Transfer Out</u>		
	<u>General Fund</u>	<u>Highway User Fund</u>	<u>Non Major Gov Funds</u>
Debt Service Fund	\$ 1,192,968		
Non Mayor Fund		\$ 243,196	
Wastewater Fund			\$ 28,828
Business Center	335,202		
	<u>\$ 1,528,170</u>	<u>\$ 243,196</u>	<u>\$ 28,828</u>

Transfers are used (1) to move receipts restricted for debt service from the funds collecting them to the funds obligated to pay debt service payments as they become due (2) to move revenues collected in the Highway Users fund to match the street projects for which grants were received, (3) to move funds from the special revenue account that manages grants obtained to fund waste water projects. (4) General fund is moving funds to Business Center fund to finance portion of debt in accordance to budgetary authorizations.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 5- CAPITAL ASSETS**

A summary of capital asset activity for the fiscal year ended June 30, 2019 follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,531,972	\$ 542,000	\$	\$ 2,073,972
Construction in progress	933,622	1,183,208	1,341,003	775,827
Total capital assets, not being depreciated	<u>2,465,594</u>	<u>1,725,208</u>	<u>1,341,003</u>	<u>2,849,799</u>
Capital assets, being depreciated:				
Buildings and improvements	24,492,880	985,500	26,300	25,452,080
Machinery and equipment	11,571,732	465,629	157,086	11,880,275
Infrastructure	55,970,894	5,177,744		61,148,638
Total capital assets being depreciated	<u>92,035,506</u>	<u>6,628,873</u>	<u>183,386</u>	<u>98,480,993</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,558,705)	(1,128,892)	(26,300)	(9,661,297)
Machinery and equipment	(7,317,315)	(879,021)	(153,933)	(8,042,403)
Infrastructure	(15,365,830)	(1,189,991)		(16,555,821)
Total accumulated depreciation	<u>(31,241,850)</u>	<u>(3,197,904)</u>	<u>(180,233)</u>	<u>(34,259,521)</u>
Total capital assets, being depreciated, net	<u>60,793,656</u>	<u>3,430,969</u>	<u>3,153</u>	<u>64,221,472</u>
Governmental activities capital assets, net	<u>\$ 63,259,250</u>	<u>\$ 5,156,177</u>	<u>\$1,344,156</u>	<u>\$ 67,071,271</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 5- CAPITAL ASSETS (CONTINUED)**

Business-type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 685,239	\$	\$	\$ 685,239
Construction in progress	800,157	1,030,379	1,723,068	107,468
Total capital assets, not being depreciated	<u>1,485,396</u>	<u>1,030,379</u>	<u>1,723,068</u>	<u>792,707</u>
Capital assets, being depreciated:				
Buildings and improvements	8,860,617	951,665		9,812,282
Machinery and equipment	9,119,143	990,517	19,000	10,090,660
Infrastructure	56,295,688	2,040,963		58,336,651
Total capital assets being depreciated	<u>74,275,448</u>	<u>3,983,145</u>	<u>19,000</u>	<u>78,239,593</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,310,197)	(289,757)		(2,599,954)
Machinery and equipment	(7,240,301)	(425,328)	(19,000)	(7,646,629)
Infrastructure	(15,273,532)	(1,277,657)		(16,551,187)
Total accumulated depreciation	<u>(24,824,030)</u>	<u>(1,992,742)</u>	<u>(19,000)</u>	<u>(26,797,772)</u>
Total capital assets, being depreciated, net	<u>49,451,419</u>	<u>1,990,402</u>		<u>51,441,821</u>
Business-type activities capital assets, net	<u>\$ 50,936,815</u>	<u>\$ 3,020,781</u>	<u>\$ 1,723,068</u>	<u>\$ 52,234,528</u>
Discretely Presented Component Unit	Beginning Balance as restated	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 661,359	\$	\$	\$ 661,359
Total capital assets, not being depreciated	<u>661,359</u>			<u>661,359</u>
Capital assets, being depreciated:				
Buildings and improvements	34,129,886			34,129,886
Machinery and equipment	329,194			329,194
Total capital assets being depreciated	<u>34,459,080</u>			<u>34,459,080</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,852,859)	(762,809)		(7,615,668)
Machinery and equipment	(327,760)	(1,434)		(329,194)
Total accumulated depreciation	<u>(7,180,619)</u>	<u>(764,243)</u>		<u>(7,944,862)</u>
Total capital assets, being depreciated, net	<u>27,278,461</u>	<u>(764,243)</u>		<u>26,514,218</u>
Discretely presented component unit capital assets, net	<u>\$ 27,939,820</u>	<u>\$(764,243)</u>	<u>\$</u>	<u>\$ 27,175,577</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 5- CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	Amount
General government	\$ 940,545
Public safety	552,587
Health and welfare	11,651
Culture and recreation	307,596
Community development	9,260
Public works and streets	1,376,265
Total depreciation expense	\$ 3,197,904
<b>Business-type activities:</b>	
Water	\$ 614,010
Wastewater	968,664
Business Center	190,897
Sanitation	99,400
Business Incubator	46,587
Ambulance Services	73,184
Total depreciation expense	\$ 1,992,742
<b>Discretely presented Component Unit:</b>	
Detention Facility	\$ 764,243
Total depreciation expense	\$ 764,243

**NOTE 6- CONSTRUCTION COMMITMENTS**

The City entered into several construction contracts for street projects (special revenue fund projects) and wastewater treatment projects totaling almost \$2.4 million. These commitments have only been recorded in the accompanying financial statements for work completed as of June 30, 2019. The remaining balance for work not yet complete at the end of the year is estimated at \$434,741 for governmental activities projects and \$592,141 million for business-type activities projects.

**NOTE 7- OBLIGATIONS UNDER LEASES**

**Operating Leases** – The City leases copiers/printers under certain non-cancelable operating leases. The City also leases copiers/printers on month to month basis, which are not subject to an agreement. Operating leases do not give rise to property rights or lease obligations (long-term debt); therefore, the results of the lease agreements are not reflected in the City's Statement of Net Position. Lease payments made during the fiscal year 2019 amounted to \$54,725.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 7- OBLIGATIONS UNDER LEASES (CONTINUED)**

The following is a schedule of the future minimum lease payments on the operating leases.

Year Ending June 30:	
2020	\$ 17,097
2021	10,059
2022	6,924
2023	298
Total	<u>\$ 34,378</u>

**Operating Lease Receivables-** The city receives lease payments for leasing a commercial building to Advance Call Center Technologies, LLC (ACT). The term of this agreement has an ending date of April, 2027. Tenant have the option to extend term for two additional periods of (5) years each. Lease payments received during the FY 2019 amounted to \$ 600,000.

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

Year Ending June 30th:	
2020	\$ 600,000
2021	600,000
2022	600,000
2023	600,000
2024	600,000
2025-27	1,800,000
Total	<u>\$ 4,800,000</u>

**Capital Leases Obligation** – The City has acquired two wheeled coach ambulances under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payment as of the inception date. The Ambulance Services Fund is used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

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

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 7- OBLIGATIONS UNDER LEASES (CONTINUED)**

The City has acquired 63 portable radios for the City of San Luis Fire and Police Departments under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payment as of the inception date. The General Fund and the Ambulance Fund are used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

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

Asset:	Governmental Activities	Business-Type Activities	Total
Equipment	\$ 310,175	\$ 442,890	\$ 753,065
Less: Accumulated Depreciation	47,719	121,825	169,544
<b>Total</b>	<b>\$ 262,456</b>	<b>\$ 321,065</b>	<b>\$ 583,521</b>

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

Year ending June 30,	Governmental Activities	Business-Type Activities	Total
2020	\$ 45,392	\$ 87,281	\$ 132,673
2021	45,392	87,281	132,673
2022	45,392	87,281	132,673
2023	45,395	5,231	50,626
2024	42,766	5,233	47,999
2025	42,766	5,233	47,999
<b>Total minimum lease payments</b>	<b>\$ 267,103</b>	<b>\$ 277,540</b>	<b>\$ 544,643</b>
Less: amount representing interest	1,894	15,173	17,067
<b>Present Value of minimum lease payments</b>	<b>265,209</b>	<b>262,367</b>	<b>527,576</b>
<b>Due within one year</b>	<b>\$ 44,863</b>	<b>\$ 79,774</b>	<b>\$ 124,637</b>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 8- REVENUE BONDS PAYABLE**

**PRIMARY GOVERNMENT**

Revenue bonds payable at June 30, 2019 consisted of the outstanding revenue bonds presented below. The bonds are generally callable with interest payable semiannually.

In November 2014 the City issued \$28,795,000 in Excise Tax Revenue Refunding Obligations Series 2014A and \$2,220,000 Series 2014B taxable Obligations collectively with an average true-interest rate of 4.02 percent to refund the 2005 San Luis Civic Improvement Corporation (SLCIC) in the amount of \$40,000,000.

Purpose	Interest Rate	Maturity	Outstanding Principal June 30, 2019
Governmental activities	4.00-5.00%	7/1/19-38	\$ 10,591,304
Business-type activities	4.00-5.00%	7/1/19-38	<u>16,588,696</u>
Total			<u>\$ 27,180,000</u>

Future debt service requirements for SLCIC revenue bonds are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2020	\$ 327,325	\$ 514,689	\$ 512,675	\$ 806,136
2021	339,015	500,398	530,985	783,752
2022	356,551	483,009	558,449	756,516
2023	374,086	464,743	585,914	727,907
2024	391,621	445,600	613,379	697,925
2025-29	2,260,102	1,922,002	3,539,898	3,010,348
2030-34	2,875,784	1,290,206	4,504,216	2,020,794
2035-39	3,666,820	475,985	5,743,180	745,515
Total	<u>\$ 10,591,304</u>	<u>\$ 6,096,634</u>	<u>\$ 16,588,696</u>	<u>\$ 9,548,891</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 8- REVENUE BONDS PAYABLE (CONTINUED)**

In October 2017, the City issued \$14,540,000 in Excise Tax Revenue Refunding obligations tax exempt Series 2017 A \$2,825,000, and \$11,715,000 Series 2017 B Taxable obligations collectively with average true-interest rate of 3% to refund the Greater Arizona Development Authority (GADA) obligations in the amount of \$12,845,000.

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds is not included in the City's financial statements. At year end, \$9,555,000 of the defeased bonds are still outstanding.

Purpose	Original Amount	Interest Rate	Maturity	Outstanding Principal June 30, 2019
Governmental activities	\$ 2,825,000	2.00-5%	7/1/20-27	\$ 2,555,000
Business-Type Activities	11,715,000	1.50-3.50%	7/1/20-31	10,885,000
Total				<u>\$ 13,440,000</u>

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2020	\$ 240,000	\$ 116,900	\$ 755,000	\$ 297,088
2021	245,000	108,400	765,000	283,775
2022	255,000	97,125	780,000	268,325
2023	265,000	84,125	795,000	251,581
2024	280,000	70,500	815,000	232,450
2025-29	1,270,000	130,750	4,410,000	794,684
2030-32			2,565,000	121,284
Total	<u>\$ 2,555,000</u>	<u>\$ 607,800</u>	<u>\$ 10,885,000</u>	<u>\$ 2,249,188</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 8- REVENUE BONDS PAYABLE (CONTINUED)**

In November 2013, the City issued Utility Revenue Bonds Series 2013 totaling \$6,580,000 to finance the construction of new water and sewer lines. Payments will be effected when due from Pledged Revenues.

Purpose	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal June 30, 2019
Business-type activities	\$6,580,000	3.80-4.00%	7/1/19-2034	<u>\$ 5,770,000</u>
Total				<u><u>\$ 5,770,000</u></u>

Future debt service requirements for the Utility Revenue Bond payable are as follow:

	Business-Type Activities		
	Principal	Interest	Total
Year Ending June 30:			
2020	\$ 295,000	\$ 213,655	\$ 508,655
2021	305,000	202,255	507,255
2022	315,000	190,475	505,475
2023	325,000	178,315	503,315
2024	340,000	165,680	505,680
2025-29	1,900,000	621,300	2,521,300
2030-34	2,290,000	224,200	2,514,200
Total	<u><u>\$ 5,770,000</u></u>	<u><u>\$ 1,795,880</u></u>	<u><u>\$ 7,565,880</u></u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 8- REVENUE BONDS PAYABLE (CONTINUED)**

**DISCRETELY PRESENTED COMPONENT UNIT**

In October 2005, the San Luis Facility Development Corporation (SLFDC) issued Senior Lien Project Revenue Bonds Series 2005 totaling \$27,795,000 to finance the construction of a regional detention facility. The principal and interest on the bonds are not a general obligation of the Corporation and City, but the issuer entered into agreements to house prisoners and the revenues there from are to be pledged to secure payment of the bonds. Again, in February 2011, the SLFDC issued Senior Lien Project Revenue Bonds Series 2011 totaling \$20,165,000 to finance the construction for an expansion of the existing regional detention facility. The bonds were issued with the same terms and conditions as the previous issues. Subsequently, during April 2014 and July 2014 the Corporation refunded both issues following an IRS audit in which the issues were found to be taxable as opposed to the non-taxable status at time of issuance. The refunding amounts were \$26,090,000 and \$20,835,000 respectively.

Purpose	Original Amount	Interest Rate	Maturity	Outstanding Principal June 30, 2019
Discretely presented component units	\$ 26,090,000	6.00-7.25%	5/1/19-30	\$ 22,080,000
Discretely presented component units	20,835,000	6.00-7.25%	5/1/19-27	15,145,000
Total				<u>\$ 37,225,000</u>

Future debt service requirements for the SLFDC revenue bonds are as follows:

	2014 Series Principal	2014 Series A Principal	2014 Series Interest	2014 Series A Interest
Year Ending June 30:				
2020	\$ 925,000	\$ 1,310,000	\$ 1,550,166	\$ 1,006,612
2021	980,000	1,380,000	1,497,440	933,252
2022	1,035,000	1,460,000	1,439,620	853,212
2023	1,095,000	1,550,000	1,375,450	764,152
2024	1,175,000	1,660,000	1,298,800	656,428
2025-29	10,620,000	7,785,000	5,007,826	1,244,746
2030	6,250,000		453,126	
Total	<u>\$ 22,080,000</u>	<u>\$ 15,145,000</u>	<u>\$ 12,622,428</u>	<u>\$ 5,458,402</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 9- NOTE OBLIGATIONS**

Outstanding long-term debt and current portions are summarized as follows:

<u><b>Governmental activities</b></u>	<b>CURRENT PORTION</b>	<b>LONG TERM PORTION</b>	<b>TOTAL</b>
Notes payable to Walmart Store for \$376,000 dated October 4, 2006 for road extension. Note is due in quarterly installments of the first 1% of City Sales Tax collected on retail sales from the Walmart Store until fully paid.		\$155,967	\$155,967
Converted a line of credit received from 1st Bank Yuma on June 11, 2015 for equipment purchase to a note payable in the amount of \$554,453 with an interest rate of 3.75% payable in five years.	18,495		18,495
<b>Total Notes Payable</b>	<b>\$18,495</b>	<b>\$155,967</b>	<b>\$174,462</b>

<u><b>Business-type activities</b></u>	<b>CURRENT PORTION</b>	<b>LONG TERM PORTION</b>	<b>TOTAL</b>
Converted a line of credit received from 1st Bank Yuma, on June 11, 2015 for equipment purchase to a note payable in the amount of \$554,453 with an interest rate of 3.75% payable in five years.	\$11,785		\$11,785
Note payable to 1st Bank Yuma issued on February 26, 2019 for equipment purchase for the amount of \$ 246,842 with an interest rate 4.5% payable in 6 years	45,636	186,347	231,983
<b>Total Notes Payable</b>	<b>\$57,421</b>	<b>\$186,347</b>	<b>\$243,768</b>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 9- NOTE OBLIGATIONS (CONTINUED)**

Future debt service required for the notes payable are as follow:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2020	\$ 18,495	\$ 117	\$ 57,421	\$ 9,742
2021			47,788	7,515
2022			50,014	5,288
2023			52,344	2,958
2024			36,193	626
Total	\$ 18,495	\$ 117	\$ 243,760	\$ 26,129

**PLEGGED REVENUES**

**CIC REVENUE BONDS- GADA REVENUE BONDS**

The City has pledged to repay \$42,825,525 in (CIC) revenue bonds issued from 2005 through 2015, and payable through 2039. This amount represents remaining principal and interest payments on the debt.

The purpose for the (CIC) issuance was to expand its facilities to better serve its citizens. The proceeds were used to finance its public buildings such as: City Hall, Police and Fire stations as well as infrastructure for Water and Sewer storage capacities. Those bonds were refunded during fiscal year 2015 to take advantage of substantial savings during the same remaining period (see note 8 for further review).

The city has pledged to repay \$16,296,988 (GADA) revenue bonds issued in 2009 through 2017, and payable through 2032. This amount represents remaining principal and interest. The proceeds from this issue were to refinance the call center development debt, and fund other municipal projects. During 2018 the city issued refunding bonds to advance refund of the GADA obligations issued in 2009 to reduce total debt service payments over the next 21 years by \$7,384,378.

Both bonds issuances (CIC) and (GADA) called for the City to pledge certain revenues until the debt is fully paid. Pledge revenues on the (CIC) and (GADA) bonds include “excise taxes”, state shared revenues, permit fees, franchise taxes. Excise Taxes are defined to include the transaction privilege tax and business taxes, which the city imposes. In 2019 the revenue pledged amounted to \$19.7 million. Principal and interest for the current year were \$1,915,000 and \$1,759,000 respectively.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 9- NOTE OBLIGATIONS (CONTINUED)**

A portion of the (CIC) is funded by the revenues directly or indirectly derived from the operation and use of the water system. However, that does not relieve the revenues listed in the preceding paragraph to be pledged.

The coverage ratio (pledged revenues to debt service) for 2019 for (CIC) and (GADA) is 5.37.

More in depth disclosures can be referenced from the statistical section, Table XII.

**UTILITY REVENUE BOND**

The city has pledged to repay \$7,565,880 Utility revenue b issued in 2013, and payable through 2033. The proceeds from this issue financed the construction of new water and sewer lines. The utility bonds are collateralized by the total operating revenues and investment income of the Water and Wastewater Enterprise Funds. In 2019 the revenue pledged amounted to \$8.6 million. Principal and interest for the current year were \$ 777,417 and \$1,034,616 respectively.

The coverage ratio (pledged revenues to debt service) for 2019 for the Utility bonds is 2.5.

More in depth disclosures can be referenced from the statistical section, Table XIII b.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 10- CHANGE IN LONG-TERM LIABILITIES**

**Compensated Absences**

The City's policy relating to compensated absences is described in Note 1-L. As shown in the table below, the long-term portion of this debt, amounting to \$ 641,133 for governmental activities and \$94,383 for business-type activities at June 30, 2019 is expected to be paid in future years from future resources. Compensated absences have been liquidated primarily by the General Fund and proprietary fund revenues. Pension liabilities have typically been liquidated with General Fund and Proprietary Fund revenues.

Long-term liability activity for all categories for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 559,775	\$ 523,664	\$ 442,306	\$ 641,133	\$ 495,598
Revenue Bonds Payable	13,733,886		587,583	13,146,303	567,325
Revenue Bonds Premium	1,497,882		97,871	1,400,011	
Notes Payable	270,763		96,300	174,463	18,495
Capital Leases	297,873	12,302	44,966	265,209	44,863
Pension	13,763,912		1,871,015	11,892,897	
Governmental Activities Long Term Liabilities	\$ 30,124,091	\$ 535,966	\$ 3,140,041	\$ 27,520,016	\$ 1,126,281
<b>Business-type activities:</b>					
Compensated Absences	\$ 75,785	\$ 116,851	\$ 98,254	\$ 94,382	\$ 72,959
Revenue Bonds Payable	34,851,113		1,607,417	33,243,696	1,562,675
Revenue Bond Premium	1,722,378		86,119	1,636,259	
Revenue Bond Discount	(145,955)		(10,987)	(134,969)	
Notes Payable	57,843	246,842	60,917	243,768	57,421
Capital Leases	339,795		77,428	262,368	79,774
Pension	2,179,113		317,489	1,861,624	
Business -type Activities Long Term Liabilities	\$ 39,080,072	\$ 363,693	\$ 2,236,637	\$ 37,207,128	\$ 1,772,829
<b>Discretely Presented Component units</b>					
Revenue Bonds Payable	\$ 39,345,000		\$ 2,120,000	\$ 37,225,000	\$ 2,235,000
Revenue Bonds Discount	(811,907)		(74,884)	(737,023)	
Discretely Presented Component units Long Term Liabilities	\$ 38,533,093	\$ -	\$ 2,045,116	\$ 36,487,977	\$ 2,235,000

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 11- COMMITMENTS AND CONTINGENCIES**

**Lawsuits** – The City is a defendant in various lawsuits, and other claims that are incidental to its normal operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**NOTE 12- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Individual Deficit Fund Balance/Net Position** – At June 30, 2019, the following individual funds reported deficits in Fund Balance/Net Position.

	Deficit
Governmental Funds:	
Debt Service	\$ (178,385)
Enterprise Funds:	
Business Center	\$ (5,933,764)
Sanitation	(96,069)
Discretely Presented Component Unit:	
Detention Facility	\$ (1,486,146)

The fund balance deficit of the Debt Service Fund is expected to be subsidized through processing inter-funds transfers with the General Fund.

The net position deficit of the Business Center Fund is expected to be subsidized through future rent revenues of unoccupied building space.

The net position deficit of the Sanitation Fund is expected to be subsidized through future rate increases.

At inception, the building and subsequent building expansion was depreciated at 20 years. In order to reflect appropriately the life of the asset and to be consistent with City of San Luis depreciation policy, the useful life of the asset was increased from 20 years to 45 years. This change in accounting method will improve the net position for of the SLDF. In addition, a new operator agreement will take in effect on January 2020 which it is expected to improve the net position of this fund.

**NOTE 13- RISK MANAGEMENT**

The City of San Luis, Arizona is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and potential workers-related accidents. The City carries commercial insurance for vision, life, disability and stop loss. The City’s insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its members’ additional premiums should reserves and annual premiums be insufficient to meet the pool’s obligations. There were no settlements in excess of insurance coverage in any of the prior three fiscal years.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 13- RISK MANAGEMENT (CONTINUED)**

The City established an Insurance Fund (an Internal Service Fund) during fiscal year 2012 to account for and finance its uninsured risks of loss related to health and dental claims. The program provides annual coverage per individual for up to a maximum of \$50,000 for each claim. In addition, the City has an annual aggregate stop loss amount of \$1.0 million. The City purchases commercial insurance for claims in excess of these specified amounts.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
Unpaid claims, beginning of fiscal year	\$ 158,401	\$ 175,531
Incurred claims (including IBNRs)	1,561,171	2,020,267
Claim payments	<u>(1,435,149)</u>	<u>(2,037,397)</u>
Unpaid claims, end of fiscal year	<u>\$ 284,423</u>	<u>\$ 158,401</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS**

The City contributes to four plans, all of which are described below. The plans are component units of the State of Arizona.

At June 30, 2019, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

	Governmental Activities	Business- type Activities	Total
Net pension liability	\$ 11,892,897	\$ 1,861,623	\$ 13,754,520
Deferred outflows of resources	3,090,333	511,820	3,602,153
Deferred inflows of resources	2,583,231	533,543	3,116,774
Pension expense	556,892	153,650	710,542

The City reported \$ 1,715,242 of pension contributions as expenditures in the governmental and proprietary funds related to all plans to which it contributes.

**Arizona State Retirement System**

**Plan Description** – City employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits Provided** – The ASRS provides retirement benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

**AS RS**

	<b>ASRS Retirement</b>	
	<b><u>Initial membership date:</u></b>	
	<b><u>Before July 1, 2011</u></b>	<b><u>On or after July 1, 2011</u></b>
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average Salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

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

**Contributions** - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long term disability) of the active members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2019 were \$752,249.

Employers are also required to pay an Alternative Contribution rate (ACR) for retired members who return to work in positions that would be typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS. ACR contributions are included in employer contributions presented above.

The City's pension contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

**Pension Liability** – At June 30, 2019, the City reported a liability of \$ 8,837,885 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The City's proportion of the net assets/liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2018.

The City's reported liability at June 30, 2019, decreased by \$1,035,484 from the City's prior year liability of \$9,873,369 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The City's proportion of the net pension liability was based on total ASRS employer's pension liability. The City's proportion measured as of June 30, 2018, was .0634 percent, which was no difference from its proportion measured as of June 30, 2017.

**Pension Expense and Deferred Outflows/Inflows of Resources** – For the year ended June 30, 2019, the City recognized pension expense for ASRS of \$128,856. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 243,477	\$ 48,722
Changes of assumptions or other inputs	233,867	783,600
Net difference between projected and actual earnings on pension investments	-	212,530
Changes in proportion and differences between contributions and proportionate share of contributions	11,642	94,807
Contributions subsequent to the measurement date	752,249	
Total	\$ 1,241,235	\$ 1,139,659

The \$752,249 reported as deferred outflows of resources related to ASRS pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pension will be recognized in pension expense as follows:

Year Ending June 30:	Pension
2020	\$ 3,215
2021	(236,183)
2022	(322,393)
2023	(95,312)

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

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

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment Rate of Return	7.5%
Projected salary increases	2.7-7.2%
Inflation	2.3%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The Board adopted the experience study recommended changes which were applied to June 30, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by the target asset allocation percentage and by adding expected inflation.

At June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Total	<u>100%</u>	

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

**Discount Rate.** At June 30, 2018, the discount rate used to measure the ASRS total pension liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

Proportionate share of the net (assets) liability		
1% Decrease	Current Discount Rate	1% Increase
\$ 12,598,608	\$ 8,837,885	\$ 5,695,861

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

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

**Public Safety Personnel Retirement System**

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

The PSPRS issue publicly available financial reports that include their financial statements and required supplemental information. The reports are available on the PSPRS Web site at [www.psprs.com](http://www.psprs.com).

**Benefits Provided** – The PSPRS provides retirement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit based on initial membership dates. See the publicly available PSPRS financial report for additional benefits information.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

	Initial Membership Date:	
	Tier 1-Before January 1, 2012	Tier 2- On or after January 1, 2012
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit:		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

**Employees Covered by Benefit Terms** – At June 30, 2019, the following employees were covered by the agent pension plans' benefit terms:

	<u>PSPRS</u>	
	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries	8	3
Inactive, non-retired members	2	10
Active members	32	30
Total	<u>42</u>	<u>43</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

**Contributions** - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS	
	Police	Fire
Active members -Pension	7.65% to 11.65%	7.65% to 11.65%
City - Pension	23.44% to 25.67%	14.36% to 18.51%

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City of San Luis was required by statute to contribute at the actuarially determined rate of 13.76 percent for the PSPRS. ACR contributions are included in employer contributions presented above.

For the agent plans, the City's contributions to the pension plan for the year ended June 30, 2019, were:

	PSPRS	
	Police	Fire
Pension Contributions	\$ 525,830	\$ 382,197

During fiscal year 2019, the City paid for PSPRS pension contributions as follows: 67 percent from the General Fund, and 33 percent from the Ambulance Services Fund.

**Pension Liability** – At June 30, 2019, the City reported the following net pension

	PSPRS	
	Police	Fire
Net (Assets) Liability	\$3,558,794	\$ 815,387

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

The net pension liability was measured as of June 30, 2017. The total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2018, does not reflect changes of actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, which includes an investment rate of return of 7.4 percent for Tier 1 & 2, and 7% for Tier 3. Wage inflation assumption of 3.5 percent, mortality, withdrawal, disability, and retirement assumptions remain the same as well.

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

<b>PSPRS - Pension</b>	Pension
Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.4% for Tier 1 & 2, 7% for Tier 3
Projected salary increases	3.5%
Inflation	2.5%
Permanent benefit increase	Included
Mortality rates	RP 2014 - tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	16%	7.60%
Non-U.S. equity	14%	8.70%
Private Equity	12%	5.83%
Fixed Income	5%	1.25%
Private Credit	16%	6.75%
GTS	12%	3.96%
Real Assets	9%	4.52%
Real Estate	10%	3.75%
Risk Party	4%	5.00%
Short Term Investments	2%	0.25%
	<u>100%</u>	

**Pension Discount Rates** – At June 30, 2018, the discount rate used to measure the total pension liability was 7.4 percent, which is the same as the discount rate used as of June 30, 2016.

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

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Police			
Balances at June 30, 2018	\$ 10,038,629	\$ 6,260,542	\$ 3,778,087
Changes for the year:			
Service Cost	365,220		365,220
Interest on the Total Pension Liability	721,974		721,974
Difference between expected and actual experience on the Total Pension Liability	(461,278)		(461,278)
Contributions - employer		258,678	(258,678)
Contributions - employee		178,569	(178,569)
Net investment income		414,905	(414,905)
Benefit payments, including refunds of employee contributions	(929,669)	(929,669)	-
Administrative Expense		(7,015)	7,015
Other changes		72	(72)
Net Changes	(303,753)	(84,460)	(219,293)
Balance at June 30, 2019	\$ 9,734,876	\$ 6,176,082	\$ 3,558,794

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
Balances at June 30, 2018	\$ 6,127,969	\$ 4,993,739	\$ 1,134,230
Changes for the year:			
Service Cost	344,233		344,233
Interest on the Total Pension Liability	463,118		463,118
Difference between expected and actual experience on the Total Pension Liability	(487,056)		(487,056)
Contributions - employer		143,184	(143,184)
Contributions - employee		149,282	(149,282)
Net investment income		352,682	(352,682)
Benefit payments, including refunds of employee contributions	(83,463)	(83,463)	-
Administrative Expense		(6,068)	6,068
Other changes		58	(58)
Net Changes	236,832	555,675	(318,843)
Balance at June 30, 2019	<u>\$ 6,364,801</u>	<u>\$ 5,549,414</u>	<u>\$ 815,387</u>

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

	Current		
	1% Decrease	Discount Rate	1% Increase
<b>PSPRS - Police</b>			
Rate	6.40%	7.40%	8.40%
Net pension (assets) liability	\$ 5,210,466	\$ 3,558,794	\$ 2,252,410
<b>PSPRS - Fire</b>			
Rate	6.40%	7.40%	8.40%
Net pension (assets) liability	\$ 1,971,367	\$ 815,387	\$ (100,691)

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

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

**Pension Expense**-For the year ended June 30, 2019, the City recognized the following pension expense:

	PSPRS	
	Police	Fire
Pension Expense	\$541,790	\$ 264,211

**Pension Deferred Outflows/Inflows of Resources** - At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
<b>PSPRS - Police</b>		
Difference between expected and actual experience	\$ 289,849	\$ 642,299
Changes in assumptions	533,288	-
Net difference between projected and actual earnings on pension plan investments	77,067	-
Contributions subsequent to the measurement date	525,830	-
Total	\$ 1,426,034	\$ 642,299
<b>PSPRS - Fire</b>		
Difference between expected and actual experience	\$ 32,612	\$ 988,823
Changes in assumptions	398,239	-
Net difference between projected and actual earnings on pension plan investments	58,783	-
Contributions subsequent to the measurement date	382,197	-
Total	\$ 871,831	\$ 988,823

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

The amounts reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	PSPRS - Police	PSPRS - Fire
2020	\$ 136,058	\$ (952)
2021	94,515	(32,885)
2022	8,404	(93,564)
2023	1,513	(55,564)
2024	26,283	(60,437)
Thereafter	\$ (8,868)	\$ (255,787)

**Elected Officials Retirement Plan**

**Plan Description** - Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS. EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's website at [www.psprs.com](http://www.psprs.com).

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

**Benefits Provided** - The EORP provides retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

<b>EORP Retirement and disability</b>	<b>Initial membership</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 Any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
<b>Survivor benefit</b> Retired members Active members and other inactive members	75% of retired member's benefit 75% of disability retirement benefit	50% of retired member's benefit 50% of disability retirement benefit

\* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

**Contributions** - State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2019, statute required active EORP to contribute 7 or 13 percent of the members' annual covered payroll for the City to contribute at the actuarially determined rate of 61.5% of all active EORP members annual covered payroll. Also, statute required the City to contribute 49.86 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members. In addition, statute required the City to contribute 30.16 percent of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the EORP would typically fill. The City's contributions to the pension plan for the year ended June 30, 2019, were \$54,965.

During fiscal year 2019, the City paid for EORP pension contributions from the General Fund.

**Pension Liability** - At June 30, 2019, the City reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the City's proportionate share of the State's appropriation for EORP. The amount the City recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the EORP net pension liability	\$	542,454
State's proportionate share of the EORP net pension liability associated with the City		92,946
Total	\$	635,400

The net asset and net liability were measured as of June 30, 2018, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2018, reflect statutory changes in benefits terms for automatic cost-of-living adjustments. The basis for cost-of-living adjustment was changed from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

The City's proportion of the net pension liability was based on the City's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2018. The City's proportion measured as of June 30, 2018 was 0.08 percent, which was a decrease of .01 percent from its proportion measured as of June 30, 2017.

Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2019, the City recognized pension expense for EORP of \$ (224,315).

**Pension Deferred Outflows/Inflows of Resources** - At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$	\$ 8,460
Changes of assumptions or other inputs	3,380	225,828
Net difference between projected and actual earnings on pension investments	4,707	
Changes in proportion and differences between contributions and proportionate share of contributions	-	111,705
Contributions subsequent to the measurement date	54,965	
Total	<u>\$ 63,052</u>	<u>\$ 345,993</u>

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

The \$54,965 reported as deferred outflows of resources related to EORP pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year Ending June 30:	Pension
2020	\$ (313,112)
2021	(22,875)
2022	(1,997)
2023	78

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

**EORP**

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.40%
Projected salary increases	3.50%
Inflation	2.50%
Cost of Living Adjustments	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Health cost trend rate	Not applicable

**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Risk parity	4	5.00
Fixed income	5	1.25
Real assets	9	4.52
GTS	12	3.96
Private credit	16	6.75
Real estate	10	3.75
Private Equity	12	5.83
Non-U.S. equity	14	8.70
U.S. equity	16	7.60
Total	<u>100%</u>	

**Discount Rate** - At June 30, 2018, the discount rate used to measure the EORP total pension liability was 7.4 percent, which was an increase of 3.49 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and state contributions will be made as currently required by statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 16- TAX ABATEMENTS**

In June 2017, the City entered into a tax abatement agreement with San Luis Commercial Holdings, LLC for multi-use sites, which creates significant benefits to the City by providing for the acquisition of infrastructure as part of the development, increasing tax and other revenue to the City as a result of the improvements constructed on the property, and additional employment through development of the property. The agreement is effective until the sum of all abated taxes is equal to \$1,823,000. The City anticipates that it will take approximately 15 years from the start of construction to reach the cap. The agreement was entered into under a Resolution adopted by the Mayor and City Council in June 2017. The Resolution allows for 50% of all transaction privilege taxes of the City as generated from businesses established on the Project Site to be rebated to the Developer or its nominee or assignee until the sum of \$1,823,000 is paid. The ordinance established the following condition that must be met by the developer to qualify for the tax abatement; this retail tax incentive agreement will be conditioned upon the development of and the opening of the businesses (hotels and restaurants) by January 1, 2020.

During the fiscal year no transaction privilege taxes were abated under the San Luis Commercial Holdings, LLC agreement. The City anticipates construction will begin in in the 4<sup>th</sup> quarter of calendar year 2019.

**NOTE 17- SUBSEQUENT EVENTS**

We evaluated subsequent events through the date of issuance of the financial statements. There have been no subsequent events that occurred during such period that would require adjustment to or disclosure in the financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SAN LUIS, ARIZONA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST FIVE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the net pension (assets) liability	0.06%	0.06%	0.06%	0.06%	0.06%
City's proportionate share of the net pension (assets) liability	\$ 8,837,885	\$ 9,873,369	\$ 10,475,512	\$ 9,932,851	\$ 9,246,398
City's covered payroll	\$ 6,356,202	\$ 6,155,121	\$ 9,781,656	\$ 10,080,810	\$ 9,456,971
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	139.04%	160.41%	107.09%	98.53%	97.77%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

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

**CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ELECTED OFFICIAL RETIREMENT PLAN  
LAST THREE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016
City's proportion of the net pension (assets) liability	0.08%	0.09%	0.11%
City's proportionate share of the net pension (assets) liability	\$ 542,454	\$ 1,157,339	\$ 1,008,290
State's proportionate share of the net pension liability	\$ 92,946	\$ 374,681	\$ 208,186
Total	<u>\$ 635,400</u>	<u>\$ 1,532,020</u>	<u>\$ 1,216,476</u>
City's covered payroll	\$ 94,323	\$ 68,562	\$ 132,685
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	575.10%	1688.02%	759.91%
Plan fiduciary net position as a percentage of the total pension liability	30.40%	19.66%	23.42%

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

CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE

	2019	2018	2017	2016	2015
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total pension liability</b>					
Service cost	\$ 365,220	\$ 449,219	\$ 350,332	\$ 306,944	\$ 282,241
Interest	721,974	647,619	562,087	555,140	466,641
Changes of benefit terms	-	162,160	512,893	-	91,936
Differences between expected and actual experience	(461,278)	385,365	(58,955)	(423,441)	(9,596)
Changes of assumptions or other inputs	-	121,338	362,672		606,442
Benefit payments, including refunds of employee contributions	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)
<b>Net change in total pension liability</b>	(303,753)	1,490,931	1,396,023	27,963	1,203,056
<b>Total pension liability -beginning</b>	10,038,629	8,547,698	7,151,675	7,123,712	5,920,656
<b>Total pension liability -ending</b>	<u>\$ 9,734,876</u>	<u>\$ 10,038,629</u>	<u>\$ 8,547,698</u>	<u>\$ 7,151,675</u>	<u>\$ 7,123,712</u>
<b>Plan fiduciary net position</b>					
Contribution -employer	\$ 258,678	\$ 393,486	\$ 351,711	\$ 248,515	\$ 264,741
Contribution -employee	178,569	231,348	207,745	182,813	165,787
Net investment income	414,905	640,556	30,048	179,881	580,609
Benefit payments, including refunds of employee contributions	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)
Administrative expense	(7,015)	(6,068)	(4,724)	(4,770)	(4,714)
Other	72	68	(99,246)	(3,823)	2,155
<b>Net change in plan fiduciary net position</b>	(84,460)	984,620	152,528	191,936	773,970
<b>Plan fiduciary net position -beginning</b>	6,260,542	5,275,922	5,123,394	4,931,458	4,157,488
<b>Plan fiduciary net position -ending</b>	<u>\$ 6,176,082</u>	<u>\$ 6,260,542</u>	<u>\$ 5,275,922</u>	<u>\$ 5,123,394</u>	<u>\$ 4,931,458</u>
<b>Net pension (assets) liability -ending</b>	<u>\$ 3,558,794</u>	<u>\$ 3,778,087</u>	<u>\$ 3,271,776</u>	<u>\$ 2,028,281</u>	<u>\$ 2,192,254</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	63.44%	62.36%	61.72%	71.64%	69.23%
<b>Covered payroll</b>	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507	\$ 1,799,219	\$ 1,663,348
<b>Net pension (assets) liability as a percentage of covered payroll</b>	205.90%	181.54%	182.32%	112.73%	131.80%

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

CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE

	2019	2018	2017	2016	2015
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total pension liability</b>					
Service cost	\$ 344,233	\$ 429,788	\$ 335,758	\$ 296,352	\$ 294,507
Interest	463,118	433,198	347,995	308,046	275,282
Changes of benefit terms	-	88,014	588,157	-	(8,383)
Differences between expected and actual experience	(487,056)	(519,052)	(33,940)	51,216	(184,049)
Changes of assumptions or other inputs	-	200,618	264,127	-	77,627
Benefit payments, including refunds of employee contributions	(83,463)	(131,347)	(281,063)	(51,738)	(25,329)
<b>Net change in total pension liability</b>	<u>236,832</u>	<u>501,219</u>	<u>1,221,034</u>	<u>603,876</u>	<u>429,655</u>
<b>Total pension liability -beginning</b>	<u>6,127,969</u>	<u>5,626,750</u>	<u>4,405,716</u>	<u>3,801,840</u>	<u>3,372,185</u>
<b>Total pension liability -ending</b>	<u>\$ 6,364,801</u>	<u>\$ 6,127,969</u>	<u>\$ 5,626,750</u>	<u>\$ 4,405,716</u>	<u>\$ 3,801,840</u>
<b>Plan fiduciary net position</b>					
Contribution -employer	\$ 143,184	\$ 241,876	\$ 253,312	\$ 208,243	\$ 199,532
Contribution -employee	149,282	195,123	207,731	173,223	157,403
Net investment income	352,682	517,876	23,851	138,174	416,103
Benefit payments, including refunds of employee contributions	(83,463)	(131,347)	(281,063)	(51,738)	(25,329)
Administrative expense	(6,068)	(4,982)	(3,832)	(3,755)	(3,378)
Other	58	(92,419)	(26,171)	(2,750)	8,528
<b>Net change in plan fiduciary net position</b>	<u>555,675</u>	<u>726,127</u>	<u>173,828</u>	<u>461,397</u>	<u>752,859</u>
<b>Plan fiduciary net position -beginning</b>	<u>4,993,739</u>	<u>4,267,612</u>	<u>4,093,784</u>	<u>3,632,387</u>	<u>2,879,528</u>
<b>Plan fiduciary net position -ending</b>	<u>\$ 5,549,414</u>	<u>\$ 4,993,739</u>	<u>\$ 4,267,612</u>	<u>\$ 4,093,784</u>	<u>\$ 3,632,387</u>
<b>Net pension (assets) liability -ending</b>	<u>\$ 815,387</u>	<u>\$ 1,134,230</u>	<u>\$ 1,359,138</u>	<u>\$ 311,932</u>	<u>\$ 169,453</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	87.19%	81.49%	75.85%	92.92%	95.54%
<b>Covered payroll</b>	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143	\$ 1,544,922	\$ 1,471,355
<b>Net pension (assets) liability as a percentage of covered payroll</b>	46.09%	63.76%	85.26%	20.19%	11.52%

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

**CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF PENSION CONTRIBUTIONS  
ALL PENSION PLANS  
LAST SEVEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Arizona State Retirement System:</b>							
Actuarially determined contribution	\$ 752,249	\$ 692,826	\$ 663,522	\$ 650,874	\$ 644,042	\$ 584,114	\$ 543,219
Contribution in relation to the actuarially determined contribution	752,249	692,826	663,522	650,874	644,042	584,114	543,219
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 6,524,967	\$ 6,356,202	\$ 6,155,121	\$ 5,998,839	\$ 5,914,065	\$ 5,299,698	\$ 5,209,366
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%	11.02%	10.43%
<b>Public Safety Personnel Retirement System - Police:</b>							
Actuarially determined contribution	\$ 525,830	\$ 435,558	\$ 400,210	\$ 352,801	\$ 281,218	\$ 272,789	\$ 242,295
Contribution in relation to the actuarially determined contribution	525,830	435,558	400,210	352,801	281,218	272,789	242,295
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,353,202	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507	\$ 1,799,219	\$ 1,663,348	\$ 1,571,304
Contributions as a percentage of covered payroll	25.67%	25.20%	19.23%	19.66%	15.63%	16.40%	15.42%
<b>Public Safety Personnel Retirement System - Fire:</b>							
Actuarially determined contribution	\$ 382,197	\$ 347,491	\$ 233,214	\$ 203,572	\$ 188,635	\$ 180,241	\$ 169,598
Contribution in relation to the actuarially determined contribution	382,197	347,491	233,214	203,572	188,635	180,241	169,598
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,998,964	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143	\$ 1,544,922	\$ 1,471,355	\$ 1,481,205
Contributions as a percentage of covered payroll	18.51%	19.64%	13.11%	12.77%	12.21%	12.25%	11.45%
<b>Elected Official Retirement Plan:</b>							
Actuarially determined contribution	\$ 54,965	\$ 20,495	\$ 16,112				
Contribution in relation to the actuarially determined contribution	54,965	20,495	16,112				
Contribution deficiency (excess)	\$ -	\$ -	\$ -				
City's covered payroll	\$ 110,239	\$ 87,213	\$ 68,562				
Contributions as a percentage of covered payroll	49.86%	23.50%	23.50%				

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

## **NOTE 1: PENSION PLAN SCHEDULES**

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2017 valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2018, valuation for PSPRS and EORP were based on the results of an actuarial experience study for the five-year period ending June 30, 2016. Several actuarial assumptions were adjusted as a result of the study, including decreasing wage inflation from 4.0% to 3.5%.

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

**SUPPLEMENTARY INFORMATION COMBINING FUND  
FINANCIAL STATEMENTS**

**CITY OF SAN LUIS, ARIZONA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

**SPECIAL REVENUES**

	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts	Community Development
<b>ASSETS</b>					
Equity in pooled cash	\$ 8,874	\$ 166,714	\$ 32,500	\$ 338,756	\$ 114,662
Investments	-	-	-	-	-
Accounts receivable (net)	-	2,621	-	87,752	-
Due from governmental entities	97,596	-	-	-	-
Prepaid items	-	-	-	-	78,400
<b>Total assets</b>	<b>\$ 106,470</b>	<b>\$ 169,336</b>	<b>\$ 32,500</b>	<b>\$ 426,509</b>	<b>\$ 193,062</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 2,068	\$ 14,840	\$ -	\$ 9,299	\$ 101,199
Unearned revenue	-	-	-	-	12,800
<b>Total liabilities</b>	<b>2,068</b>	<b>14,840</b>	<b>-</b>	<b>9,299</b>	<b>113,999</b>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	81,730	-
Fund balances:					
Non-spendable	-	-	-	-	78,400
Restricted	104,402	154,496	32,500	335,480	663
<b>Total fund balances</b>	<b>104,402</b>	<b>154,496</b>	<b>32,500</b>	<b>335,480</b>	<b>79,063</b>
<b>Total liabilities and fund balances</b>	<b>\$ 106,470</b>	<b>\$ 169,336</b>	<b>\$ 32,500</b>	<b>\$ 426,509</b>	<b>\$ 193,062</b>

**CAPITAL PROJECTS**

<u>Capital Outlay Reserve</u>	<u>Totals</u>
\$ 15,578	\$ 677,085
2,297,594	2,297,594
-	90,374
-	97,596
-	78,400
<u>\$ 2,313,172</u>	<u>\$ 3,241,049</u>
\$ -	\$ 127,406
-	12,800
<u>-</u>	<u>140,206</u>
-	81,730
-	78,400
2,313,172	2,940,713
<u>2,313,172</u>	<u>3,019,113</u>
<u>\$ 2,313,172</u>	<u>\$ 3,241,049</u>

**CITY OF SAN LUIS, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES- NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

**SPECIAL REVENUES**

	Public Grants & Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts	Community Development
<b>Revenues:</b>					
Intergovernmental	\$ 544,314	\$ 4,919	\$ -	\$ -	\$ 674,257
Fines and forfeitures	98,317	126,504	-	-	-
Special assessments	-	-	-	335,006	-
Charges for services	-	-	-	-	19,300
Investment earnings	-	-	-	-	-
Other	-	-	2,500	-	-
<b>Total revenues</b>	<u>642,631</u>	<u>131,423</u>	<u>2,500</u>	<u>335,006</u>	<u>693,557</u>
<b>Expenditures:</b>					
Current					
General government	-	144,981	-	-	-
Public safety	520,065	-	-	-	-
Public works and streets	-	-	-	66,436	-
Culture and recreation	-	-	-	-	18,637
Community development	-	-	-	283,024	-
Capital outlay	279,012	1,000	-	-	888,625
<b>Total expenditures</b>	<u>799,077</u>	<u>145,981</u>	<u>-</u>	<u>349,460</u>	<u>907,262</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(156,446)</u>	<u>(14,558)</u>	<u>2,500</u>	<u>(14,454)</u>	<u>(213,705)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	243,196
Transfers out	-	-	-	-	(28,828)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,368</u>
<b>Change in fund balances</b>	<u>(156,446)</u>	<u>(14,558)</u>	<u>2,500</u>	<u>(14,454)</u>	<u>663</u>
<b>Fund balances - beginning</b>	260,849	169,054	30,000	349,935	78,400
<b>Fund balances - ending</b>	<u>\$ 104,403</u>	<u>\$ 154,496</u>	<u>\$ 32,500</u>	<u>\$ 335,481</u>	<u>\$ 79,063</u>

**CAPITAL PROJECTS**

<u>Capital Outlay Reserve</u>	<u>Totals</u>
\$ -	\$ 1,223,490
-	224,821
-	335,006
744,655	763,955
40,945	40,945
-	2,500
<u>785,600</u>	<u>2,590,717</u>
26,597	171,578
-	520,065
-	66,436
-	18,637
-	283,024
<u>69,508</u>	<u>1,238,145</u>
<u>96,105</u>	<u>2,297,885</u>
689,495	292,832
-	243,196
-	(28,828)
-	214,368
<u>689,495</u>	<u>507,200</u>
1,623,677	2,511,915
<u>\$ 2,313,172</u>	<u>\$ 3,019,115</u>

CITY OF SAN LUIS, ARIZONA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -SPECIAL REVENUE  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2019

	Police Grants and Special Revenues		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 913,330	\$ 544,314	\$ (369,016)
Fines and forfeitures	374,300	98,317	(275,983)
Special assessments	-	-	-
Charges for services	-	-	-
Other	-	-	-
<b>Total revenues</b>	1,287,630	642,631	(644,999)
<b>Expenditures:</b>			
Current			
General government	-	-	-
Public safety	994,430	520,066	474,364
Public works and streets	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	293,200	279,011	14,189
<b>Total expenditures</b>	1,287,630	799,077	488,553
<b>Excess (deficiency) of revenues over expenditures</b>	-	(156,446)	(156,446)
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-
<b>Change in fund balances</b>	-	(156,446)	(156,446)
<b>Fund balances - beginning</b>	92,837	260,848	168,011
<b>Fund Balances - ending</b>	\$ 92,837	\$ 104,402	\$ 11,565

Judicial Collection Enhancement

SL Community Facilities District

Judicial Collection Enhancement			SL Community Facilities District		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 23,800	\$ 4,919	\$ (18,881)	\$ -	\$ -	\$ -
116,500	126,504	10,004	-	-	-
-	-	-	-	-	-
-	-	-	2,500	2,500	-
140,300	131,423	(8,877)	2,500	2,500	-
154,110	144,981	9,129	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,000	(1,000)	-	-	-
154,110	145,981	8,129	-	-	-
(13,810)	(14,558)	(748)	2,500	2,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(13,810)	(14,558)	(748)	2,500	2,500	-
(11,426)	169,054	180,480	2,500	30,000	27,500
\$ (25,236)	\$ 154,496	\$ 179,732	\$ 5,000	\$ 32,500	\$ 27,500

**CITY OF SAN LUIS, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**

	Assessment Districts			Community Development		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 682,000	\$ 674,257	\$ (7,743)
Fines and forfeitures	-	-	-	-	-	-
Special assessments	381,820	335,006	(46,814)	-	-	-
Charges for services	-	-	-	30,000	19,300	(10,700)
Other	-	-	-	-	-	-
<b>Total revenues</b>	<u>381,820</u>	<u>335,006</u>	<u>(46,814)</u>	<u>712,000</u>	<u>693,557</u>	<u>(18,443)</u>
<b>Expenditures:</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works and streets	75,720	66,436	9,284	-	-	-
Culture and recreation	-	-	-	30,000	18,637	11,363
Community development	306,100	283,024	23,076	-	-	-
Capital outlay	-	-	-	942,000	888,625	53,375
<b>Total expenditures</b>	<u>381,820</u>	<u>349,460</u>	<u>32,360</u>	<u>972,000</u>	<u>907,262</u>	<u>64,738</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>(14,454)</u>	<u>(14,454)</u>	<u>(260,000)</u>	<u>(213,705)</u>	<u>46,295</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	260,000	243,196	(16,804)
Transfers out	-	-	-	-	(28,828)	(28,828)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,000</u>	<u>214,368</u>	<u>(45,632)</u>
<b>Change in fund balances</b>	<u>-</u>	<u>(14,454)</u>	<u>(14,454)</u>	<u>-</u>	<u>663</u>	<u>663</u>
<b>Fund balances - beginning</b>	<u>319,991</u>	<u>349,934</u>	<u>29,943</u>	<u>143,742</u>	<u>78,400</u>	<u>(65,342)</u>
<b>Fund Balances - ending</b>	<u>\$ 319,991</u>	<u>\$ 335,480</u>	<u>\$ 15,489</u>	<u>\$ 143,742</u>	<u>\$ 79,063</u>	<u>\$ (64,679)</u>

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 1,619,130	\$ 1,223,490	\$ (395,640)
490,800	224,821	(265,979)
381,820	335,006	(46,814)
30,000	19,300	(10,700)
2,500	2,500	-
<u>2,524,250</u>	<u>1,805,117</u>	<u>(719,133)</u>
154,110	144,981	9,129
994,430	520,066	474,364
75,720	66,436	9,284
30,000	18,637	11,363
306,100	283,024	23,076
<u>1,235,200</u>	<u>1,168,636</u>	<u>66,564</u>
<u>2,795,560</u>	<u>2,201,780</u>	<u>593,780</u>
(271,310)	(396,663)	(125,353)
260,000	243,196	16,804
-	(28,828)	(28,828)
<u>260,000</u>	<u>214,368</u>	<u>(12,024)</u>
<u>(11,310)</u>	<u>(182,295)</u>	<u>(170,985)</u>
<u>547,644</u>	<u>888,235</u>	<u>340,591</u>
<u>\$ 536,334</u>	<u>\$ 705,940</u>	<u>\$ 169,606</u>

**CITY OF SAN LUIS, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - DEBT SERVICE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**

	Debt Service Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Investment earnings	-	36,654	36,654
<b>Total Revenue</b>	<u>-</u>	<u>36,654</u>	<u>36,654</u>
<b>Expenditures:</b>			
Current -			
General government	-	-	-
Community development	-	-	-
Capital outlay	6,000	1,293	4,707
Debt service			
Interest	676,500	641,005	35,495
Principal	587,600	567,325	20,275
<b>Total Expenditures</b>	<u>1,270,100</u>	<u>1,209,624</u>	<u>60,476</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,270,100)</u>	<u>(1,172,970)</u>	<u>97,130</u>
<b>Other financing sources (uses):</b>			
Transfer In	1,270,100	1,192,968	(77,132)
<b>Total other financing sources (uses)</b>	<u>1,270,100</u>	<u>1,192,968</u>	<u>(77,132)</u>
<b>Change in fund balances</b>	<u>-</u>	<u>19,998</u>	<u>19,998</u>
<b>Fund balances - beginning, as restated</b>	<u>(2,269,595)</u>	<u>(198,382)</u>	<u>2,071,213</u>
<b>Fund Balances - ending</b>	<u>\$ (2,269,595)</u>	<u>\$ (178,384)</u>	<u>\$ 2,091,211</u>

**CITY OF SAN LUIS, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**

Capital Outlay Reserve			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
464,000	744,656	280,656	464,000	744,656	280,656
13,800	40,945	27,145	13,800	77,599	63,799
<u>477,800</u>	<u>785,600</u>	<u>307,800</u>	<u>477,800</u>	<u>822,255</u>	<u>344,455</u>
-	-	-	-	-	-
-	26,597	(26,597)	-	26,597	(26,597)
121,000	69,508	51,492	127,000	70,801	56,199
-	-	-	676,500	641,005	35,495
-	-	-	587,600	567,325	20,275
<u>121,000</u>	<u>96,105</u>	<u>24,895</u>	<u>1,391,100</u>	<u>1,305,728</u>	<u>85,372</u>
<u>356,800</u>	<u>689,495</u>	<u>332,695</u>	<u>(913,300)</u>	<u>(483,474)</u>	<u>429,826</u>
-	-	-	1,270,100.00	1,192,968	(77,132)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,270,100</u>	<u>1,192,968</u>	<u>(77,132)</u>
<u>356,800</u>	<u>689,495</u>	<u>332,695</u>	<u>356,800</u>	<u>709,494</u>	<u>352,694</u>
<u>760,929</u>	<u>1,623,677</u>	<u>862,748</u>	<u>(1,508,666)</u>	<u>1,425,295</u>	<u>2,933,961</u>
<u>\$ 1,117,729</u>	<u>\$ 2,313,172</u>	<u>\$ 1,195,443</u>	<u>\$ (1,151,866)</u>	<u>\$ 2,134,789</u>	<u>\$ 3,286,655</u>

CITY OF SAN LUIS, AZ  
 COMPONENT UNIT  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

<u>ASSETS</u>	<u>Detention Facility</u>
Current assets:	
Cash held with trustee	\$ 3,517,233
Accounts receivable (net)	2,944,551
	<hr/> 6,461,784
Non-current assets:	
Restricted investments	5,537,444
Land	661,359
Buildings and improvements	34,129,886
Machinery and equipment	329,194
Accumulated depreciation	(7,944,862)
	<hr/> 32,713,021
Total noncurrent assets	32,713,021
<b>Total assets</b>	<hr/> <b>39,174,804</b> <hr/>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflow on Refundings	<hr/> 441,743
<u>LIABILITIES</u>	
Current Liabilities	
Account Payable	4,188,587
Accrued interest	426,130
Current portion of Long Term Debt	2,235,000
<b>Total current liabilities</b>	<hr/> <b>6,849,717</b> <hr/>
Non current liabilities	
Non current portion of long term debt	<hr/> 34,252,977
Total non current liabilities	<hr/> 34,252,977
<b>Total Liabilities</b>	<hr/> <b>41,102,694</b> <hr/>
<u>NET POSITION</u>	
Net Investment in Capital assets	(8,870,657)
Restricted	5,111,314
Unrestricted	2,273,197
<b>Total Net Position</b>	<hr/> <b>\$ (1,486,146)</b> <hr/>

**CITY OF SAN LUIS, AZ**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**COMPONENT UNIT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Detention Facility</b>
<b>Operating Revenues</b>	
Charges for Services	\$26,703,542
Total operating revenues	26,703,542
<b>Operating Expenses</b>	
General Operations	23,449,779
Depreciation	764,241
Total operating expenses	24,214,019
<b>Operating Income (loss)</b>	<b>2,489,523</b>
<b>Non-operating Revenues (expenses)</b>	
Investment Earnings	154,717
Interest Expense	(2,782,914)
Total Non Operating Revenue (Expenses)	(2,628,196)
Change in Net Position	(138,673)
<b>Net Position- Beginning (As Restated)</b>	<b>(1,347,473)</b>
<b>Net Position - Ending</b>	<b>\$ (1,486,146)</b>

**CITY OF SAN LUIS, ARIZONA  
COMPONENT UNIT  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2019**

<u><b>(Decrease) In Cash and Cash Equivalents</b></u>	<u><b>Detention Facility</b></u>
Cash flows from operating activities:	
Cash received from customers	\$ 23,765,972
Cash payments to suppliers for goods and services	(19,261,192)
<b>Net cash provided by operating activities</b>	<u>4,504,780</u>
Cash flows from capital and related financing activities:	
Principal paid on long-term debt	(2,120,000)
Interest paid on long-term debt	(2,670,636)
<b>Net cash (used for) capital and related financing</b>	<u>(4,790,636)</u>
Cash flows from investing activities:	
Investment income	154,717
<b>Net cash provided by investing activities</b>	<u>154,717</u>
<b>Net decrease/increase in cash and cash equivalents</b>	(131,139)
<b>Cash and cash equivalents, beginning of year as restated</b>	9,185,816
<b>Cash and cash equivalents, end of year</b>	<u>\$ 9,054,677</u>
<u><b>Reconciliation of Operating Income to Operating Activities</b></u>	
<b>Operating income</b>	\$ 2,489,523
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	764,241
Change in assets and liabilities:	
(Increase)/ decrease in accounts receivable	(2,937,570)
Increase/ (decrease) in accounts payable	4,188,587
<b>Total adjustments</b>	<u>2,015,257</u>
<b>Net cash provided by operating activities</b>	<u>\$ 4,504,780</u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

Due to cost considerations for the accumulation of data, the City has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

**Note:** For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

**CITY OF SAN LUIS, ARIZONA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 52,027,709	\$ 47,586,157	\$ 45,187,300	\$43,224,321	\$35,443,285	\$33,724,834	\$34,204,009	\$33,670,959	\$33,676,211	\$33,561,001
Restricted	6,287,051	2,981,920	3,063,550	1,785,917	2,383,498	2,479,675	2,517,103	1,775,967	1,671,594	1,427,157
Unrestricted	5,024,402	2,083,278	531,781	2,061,627	3,056,046	11,368,513	10,918,683	9,812,934	10,053,672	9,610,455
<b>Total governmental activities net position</b>	<b>\$63,339,161</b>	<b>\$52,651,355</b>	<b>\$48,782,631</b>	<b>\$47,071,865</b>	<b>\$40,882,829</b>	<b>\$47,573,022</b>	<b>\$47,639,795</b>	<b>\$45,259,860</b>	<b>\$45,401,477</b>	<b>\$44,598,613</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 19,200,217	16,864,092	14,221,545	\$15,188,424	\$13,550,172	\$11,403,309	\$9,916,229	\$10,549,845	\$11,335,286	\$12,641,773
Restricted	978,691	284,192		7,214,146	8,444,571	9,905,406	4,052,098	3,872,154	3,741,669	3,785,623
Unrestricted	9,230,749	7,892,361	7,368,823	(3,637,294)	(6,706,347)	(5,047,319)	2,101,534	1,908,868	2,045,658	2,509,079
<b>Total business-type activities net position</b>	<b>\$29,409,657</b>	<b>\$25,040,645</b>	<b>\$21,590,368</b>	<b>\$18,765,276</b>	<b>\$15,288,396</b>	<b>\$16,261,396</b>	<b>\$16,069,861</b>	<b>\$16,330,867</b>	<b>\$17,122,613</b>	<b>\$18,936,475</b>
<b>Primary Government</b>										
Net investment in capital assets	\$71,227,926	\$64,450,249	\$59,408,845	\$58,412,745	\$48,993,457	\$45,128,143	\$44,120,238	\$44,220,804	\$45,011,497	\$46,202,774
Restricted	7,265,740	3,266,112	3,063,550	9,000,063	10,828,069	12,385,081	6,569,201	5,648,121	5,413,263	5,212,780
Unrestricted	14,255,151	9,975,639	7,900,604	(1,575,667)	(3,650,301)	6,321,194	13,020,217	11,721,802	12,099,330	12,119,534
<b>Total primary government net position</b>	<b>\$92,748,817</b>	<b>\$77,692,000</b>	<b>\$70,372,999</b>	<b>\$65,837,141</b>	<b>\$56,171,225</b>	<b>\$63,834,418</b>	<b>\$63,709,656</b>	<b>\$61,590,727</b>	<b>\$62,524,090</b>	<b>\$63,535,088</b>

Source: Statement of Net Position  
City financial records and reports

**CITY OF SAN LUIS, ARIZONA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

Table II

Page 134

Expenses:	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities:</b>										
General Government	\$ 5,691,433	\$ 6,163,171	\$ 5,994,778	\$ 8,228,000	\$ 7,694,562	\$ 7,322,938	\$ 6,458,869	\$ 4,703,849	\$ 4,096,333	\$ 4,250,328
Public Safety	8,248,004	8,144,859	9,126,508	7,905,663	7,483,604	6,949,558	6,519,936	6,399,600	6,086,718	6,054,459
Health and Welfare	3,436,305	213,634	222,820	235,413	226,788	168,499	168,025	197,462	213,814	235,594
Culture and Recreation	183,081	2,579,256	2,839,136	2,467,238	2,509,450	2,285,536	2,043,985	1,949,400	1,855,966	2,192,471
Community Development	2,726,204	987,340	945,698	906,408	703,901	691,362	550,348	585,843	698,776	751,305
Public Works & Streets	1,035,590	3,810,361	3,560,360	3,270,282	2,591,698	2,427,548	2,174,454	2,121,419	2,270,980	2,552,573
Interest on Long-Term Debt	550,817	541,343	649,618	658,670	1,367,055	830,808	891,737	912,848	970,092	989,460
<b>Total Governmental activities</b>	<b>\$21,871,432</b>	<b>\$22,439,964</b>	<b>\$23,338,918</b>	<b>\$23,671,674</b>	<b>\$22,577,058</b>	<b>\$20,676,249</b>	<b>\$18,807,354</b>	<b>\$16,870,421</b>	<b>\$16,192,679</b>	<b>\$17,026,190</b>
<b>Business-type activities</b>										
Water	\$ 2,955,792	\$ 2,696,643	\$ 2,826,192	\$ 2,741,022	\$ 3,218,848	\$ 2,672,415	\$ 2,699,661	\$ 2,578,057	\$ 2,642,458	\$ 2,799,088
Wastewater	3,624,956	3,648,877	3,141,132	2,944,122	3,395,825	2,849,798	2,781,638	2,715,388	2,544,486	2,721,154
Business Center	669,248	1,016,409	1,226,764	1,215,501	1,197,456	1,263,313	1,282,395	1,357,589	1,390,561	1,450,087
Sanitation	1,305,797	1,141,085	1,120,902	1,105,078	1,117,567	1,010,243	939,596	1,060,828	1,008,757	1,206,998
Business Incubator	182,586	173,272	163,062	144,578	56,534	-	-	-	-	-
Ambulance Services	1,721,285	1,946,014	1,049,335							
<b>Total business-type activities</b>	<b>\$10,459,664</b>	<b>\$10,622,300</b>	<b>9,527,387</b>	<b>\$8,150,301</b>	<b>\$8,986,230</b>	<b>\$7,795,769</b>	<b>\$7,703,290</b>	<b>\$7,711,862</b>	<b>\$7,586,262</b>	<b>\$8,177,327</b>
<b>Total expenses</b>	<b>\$32,331,096</b>	<b>\$33,062,264</b>	<b>\$32,866,305</b>	<b>\$31,821,975</b>	<b>\$31,563,288</b>	<b>\$28,472,018</b>	<b>\$26,510,644</b>	<b>\$24,582,283</b>	<b>\$23,778,941</b>	<b>\$25,203,517</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services</b>										
General Government	\$ 3,544,657	\$ 1,350,023	\$ 1,765,937	\$ 3,021,700	\$ 2,780,190	\$ 2,494,028	\$ 2,226,528	\$ 1,002,249	\$ 531,031	\$ 587,365
Public Safety	423,258	305,749	426,767	315,098	1,007,465	980,528	867,899	677,226	686,632	374,162
Health and Welfare	371,427	-	-	-	-	-	-	-	-	-
Culture and Recreation	272,468	142,037	211,126	74,395	373,194	288,009	219,142	284,797	264,622	176,077
Community Development				594,182	385,797	432,936	497,921	334,557	318,051	407,927
Public Works & Streets		187,408	342,089	62,642	62,640	51,595	50,530	49,978	49,368	33,432
Operating Grants and Contributions	2,372,433	2,002,228	2,308,056	2,709,123	2,989,656	2,564,023	3,343,398	2,601,626	2,715,700	2,251,704
Capital Grants and Contributions	6,874,510	4,511,855	3,749,914	7,816,499	612,897	157,458	947,390	122,614	1,314,549	547,555
<b>Total Governmental activities</b>	<b>\$ 13,858,753</b>	<b>\$ 8,499,300</b>	<b>\$ 8,803,889</b>	<b>\$ 14,593,639</b>	<b>\$ 8,211,839</b>	<b>\$ 6,968,577</b>	<b>\$ 8,152,808</b>	<b>\$ 5,073,047</b>	<b>\$ 5,879,953</b>	<b>\$ 4,378,222</b>
				0	0	0				
<b>Business-type activities</b>										
<b>Charges for services</b>										
Water	\$ 4,382,952	\$ 4,182,192	\$ 4,025,661	\$ 3,796,031	\$ 3,592,820	\$ 3,369,477	\$ 3,056,742	\$ 2,884,311	\$ 2,547,790	\$ 2,409,843
Wastewater	3,930,950	4,054,103	4,006,279	3,686,360	3,397,094	2,663,176	2,156,201	1,975,447	1,537,835	1,456,616
Business Center	600,000	626,826	629,265	629,265	629,265	629,265	629,265	629,265	629,265	629,268
Business Incubator	38,869	29,999	3,471							
Sanitation	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	1,142,822	1,117,185	1,056,628	1,047,317	1,146,276
Ambulance Services	2,014,413	2,476,604	1,953,337	-	-	-	-	-	-	-
Capital Grants and Contributions	1,214,350	1,046,430		1,941,586	1,177,792	1,322,452	481,955	361,918	-	-
<b>Total business activities</b>	<b>\$ 13,626,056</b>	<b>\$ 13,803,138</b>	<b>\$ 11,902,557</b>	<b>\$ 11,258,521</b>	<b>\$ 9,956,167</b>	<b>\$ 9,127,192</b>	<b>\$ 7,441,348</b>	<b>\$ 6,907,569</b>	<b>\$ 5,762,207</b>	<b>\$ 5,642,003</b>
<b>Total program revenues</b>	<b>\$ 27,484,809</b>	<b>\$ 22,302,438</b>	<b>\$ 20,706,446</b>	<b>\$ 25,852,160</b>	<b>\$ 18,168,006</b>	<b>\$ 16,095,769</b>	<b>\$ 15,594,156</b>	<b>\$ 11,980,616</b>	<b>\$ 11,642,160</b>	<b>\$ 10,020,225</b>

Source: City financial records and reports  
 - Statement of Activities

**CITY OF SAN LUIS, ARIZONA**  
**CHANGES IN NET POSITION (continued)**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities:	\$ (8,012,678)	\$(13,940,665)	\$(14,535,029)	\$ (9,078,035)	\$(14,365,219)	\$(13,707,672)	\$(10,654,546)	\$(11,797,374)	\$(10,312,726)	\$(12,647,968)
Business-type activities	3,166,394	3,180,839	2,375,170	3,108,220	969,937	1,331,423	(261,942)	(804,293)	(1,824,055)	(2,535,324)
Total primary government net (expense) revenue	<u>(\$4,846,284)</u>	<u>(\$10,759,826)</u>	<u>(\$12,159,859)</u>	<u>(\$5,969,815)</u>	<u>(\$13,395,282)</u>	<u>(\$12,376,249)</u>	<u>(\$10,916,488)</u>	<u>(\$12,601,667)</u>	<u>(\$12,136,781)</u>	<u>(\$15,183,292)</u>
<b>General Revenues and Other Changes in net Position</b>										
Governmental Activities										
Taxes										
Sales and use taxes	\$ 9,720,729	\$ 8,978,743	\$ 7,694,566	\$ 7,448,887	\$ 7,324,294	\$ 6,750,517	\$ 6,531,779	\$ 6,073,811	\$ 5,659,566	\$ 7,498,691
Franchise taxes	437,765	435,767	401,364	435,822	439,034	427,800	432,371	397,532	381,836	351,505
Other taxes	0	-	-	-	122,163	(69,355)	1,296	95,172	32,715	76,342
State shared Revenues	8,609,052	8,407,534	8,073,305	7,123,544	6,936,337	7,331,517	5,725,447	4,997,430	4,840,064	5,491,122
Investment Earnings	296,968	182,505	56,947	26,179	19,300	16,064	28,197	12,341	12,032	10,072
Miscellaneous	-	-	-	624,606	246,626	213,640	321,613	79,471	189,377	41,593
Transfer in (out)	(364,030)	(407,435)	(394,435)	(391,967)	(100,841)	-	-	-	-	(169,525)
Total general revenues and transfers	<u>\$ 18,700,484</u>	<u>\$ 17,597,114</u>	<u>\$ 15,831,747</u>	<u>\$ 15,267,071</u>	<u>\$ 14,986,913</u>	<u>\$ 14,670,183</u>	<u>\$ 13,040,703</u>	<u>\$ 11,655,757</u>	<u>\$ 11,115,590</u>	<u>\$ 13,299,800</u>
Business-type activities										
Investment Earnings	285,755	74,278	55,487	\$24,708	\$21,667	\$13,909	\$20,935	\$10,130	\$10,194	\$17,994
Miscellaneous	552,832	-	-	(48,015)	-	-	(\$19,999)	\$2,417	-	-
Transfer in (out)	364,030	407,435	394,435	391,967	100,841	-	-	-	-	169,525
Total Business-type activities	<u>\$ 1,202,617</u>	<u>\$ 481,713</u>	<u>\$ 449,922</u>	<u>\$ 368,660</u>	<u>\$ 122,508</u>	<u>\$ 13,909</u>	<u>\$ 936</u>	<u>\$ 12,547</u>	<u>\$ 10,194</u>	<u>\$ 187,519</u>
<i>Total primary government</i>	<u>\$ 19,903,101</u>	<u>\$ 18,078,827</u>	<u>\$ 16,281,669</u>	<u>\$ 15,635,731</u>	<u>\$ 15,109,421</u>	<u>\$ 14,684,092</u>	<u>\$ 13,041,639</u>	<u>\$ 11,668,304</u>	<u>\$ 11,125,784</u>	<u>\$ 13,487,319</u>
<b>Change in net Position</b>										
Governmental Activities	\$ 10,687,806	\$ 3,656,449	\$ 1,296,718	\$ 6,189,036	\$ 621,694	\$ 962,511	\$ 2,386,157	\$ (141,617)	\$ 802,864	\$ 651,832
Business-type activities	4,369,012	3,662,552	2,825,092	3,476,880	1,092,445	1,345,332	(261,006)	(791,746)	(1,813,861)	(2,347,805)
Total Changes in Net Position	<u>\$ 15,056,818</u>	<u>\$ 7,319,001</u>	<u>\$ 4,121,810</u>	<u>\$ 9,665,916</u>	<u>\$ 1,714,139</u>	<u>\$ 2,307,843</u>	<u>\$ 2,125,151</u>	<u>\$ (933,363)</u>	<u>\$ (1,010,997)</u>	<u>\$ (1,695,973)</u>

Source: - City financial records and reports  
 - Statement of Activities

**CITY OF SAN LUIS, ARIZONA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund										
Nonspendable	\$77,075	\$80,392	\$118,243	\$128,035	\$42,831	\$56,719	\$99,774	\$211,131	\$1,218,352	- \$
Committed				106,785	106,624	106,465	106,250	106,250	-	-
Unassigned	15,245,609	11,859,205	9,858,234	9,207,428	10,005,982	9,061,328	7,139,348	5,599,699	5,314,536	-
Total General Fund	<u>\$15,322,684</u>	<u>\$11,939,597</u>	<u>\$9,976,477</u>	<u>\$9,442,248</u>	<u>\$10,155,437</u>	<u>\$9,224,512</u>	<u>\$7,345,372</u>	<u>\$5,917,080</u>	<u>\$6,532,888</u>	<u>\$0</u>
All other governmental funds										
Nonspendable	\$ 217,730	\$ 118,543	\$ 93,575	\$ 168,175	\$ 167,914	\$ 190,319	\$ 147,511	\$ 65,677	\$ 31,625	- \$
Restricted	3,129,596	2,822,456	2,885,421	754,165	1,181,060	1,461,661	1,223,913	488,962	383,351	-
Assigned			-	2,591,330	2,648,759	2,776,109	3,158,888	3,227,193	3,532,974	-
Unassigned	(179,241)	(9,234)	-	(715,933)	(951,255)	272,948	-	-	-	-
Total all other governmental funds	<u>\$ 3,168,085</u>	<u>\$ 2,931,765</u>	<u>\$ 2,978,996</u>	<u>\$ 2,797,737</u>	<u>\$ 3,046,478</u>	<u>\$ 4,701,037</u>	<u>\$ 4,530,312</u>	<u>\$ 3,781,832</u>	<u>\$ 3,947,950</u>	<u>\$ -</u>
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,244,397
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,244,397</u>
All other governmental funds										
Reserved		- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	\$ 1,320,251
Unreserved, reported in:										
Undesignated		-	-	-	-	-	-	-	-	43,273
Special revenue funds		-	-	-	-	-	-	-	-	1,163,015
Capital projects funds		-	-	-	-	-	-	-	-	946,543
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,473,082</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$18,490,769</u>	<u>\$ 14,871,362</u>	<u>\$ 12,955,473</u>	<u>\$ 12,239,985</u>	<u>\$ 13,201,915</u>	<u>\$ 13,925,549</u>	<u>\$ 11,875,684</u>	<u>\$ 9,698,912</u>	<u>\$ 10,480,838</u>	<u>\$ 9,717,479</u>

NOTE: GASB Statement 54 (Fund Balance Reporting) established new fund balance classifications. The first section shows the fund balance information after the implementation of GASB Statement 54 and the second section shows the fund balance information prior to the implementation of GASB Statement 54.

Source: Balance Sheet - Governmental Funds

**CITY OF SAN LUIS, ARIZONA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

Table IV

Page 137

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>										
Taxes	\$ 10,158,495	\$ 9,414,511	\$ 8,095,930	\$ 7,884,709	\$ 7,885,491	\$ 7,108,962	\$ 6,965,446	\$ 6,566,515	\$ 6,074,117	\$ 7,926,538
Special Assessments	335,006	\$345,509	\$302,546	302,865	374,470	282,484	218,171	290,987	267,579	156,102
Licenses and permits	843,768	\$3,236,021	\$734,502	528,034	483,218	431,909	389,295	349,777	355,759	393,365
Interest earnings	291,947	\$179,601	\$54,631	24,445	17,057	13,322	24,266	11,437	12,032	10,072
Fines and forfeits	494,828	\$519,153	\$577,989	541,336	611,178	687,319	792,994	523,053	491,230	553,262
Intergovernmental	12,636,697	8,828,680	11,705,819	10,159,135	10,098,225	9,895,694	9,030,736	7,605,264	8,763,843	7,846,596
Charges for user services	865,730	526,714	778,835	432,193	376,938	218,807	214,180	160,919	151,474	304,930
Rents	1,358,079	\$424,340	\$268,690	339,119	761,335	811,666	674,019	659,222	712,121	384,118
Others	678,463	\$187,987	\$408,006	624,606	529,759	418,940	577,687	140,909	167,388	103,039
<b>Total revenues</b>	<b>\$27,663,013</b>	<b>\$ 23,662,516</b>	<b>\$ 22,926,948</b>	<b>\$ 20,836,442</b>	<b>\$ 21,137,671</b>	<b>\$ 19,869,103</b>	<b>\$ 18,886,794</b>	<b>\$ 16,308,083</b>	<b>\$ 16,995,543</b>	<b>\$ 17,678,022</b>
<b>Expenditures:</b>										
General government	\$ 5,419,958	\$ 5,463,647	\$ 5,236,772	\$ 5,037,910	\$ 4,652,111	\$ 4,546,198	\$ 4,251,259	\$ 4,032,759	\$ 3,636,045	\$ 3,775,913
Public safety	8,221,406	\$7,073,034	\$7,587,098	7,328,654	6,688,960	6,519,780	6,194,930	6,089,036	5,695,080	5,701,487
Public works & streets	1,695,053	\$1,831,640	\$1,832,799	1,673,193	1,636,602	1,506,770	1,276,486	1,238,738	1,403,846	1,679,798
Community, recreational, and cultural	3,638,348	\$3,345,062	\$3,445,381	3,001,225	2,768,148	2,615,816	2,254,791	2,198,001	2,239,756	2,648,083
Health and welfare	258,917	\$209,748	\$213,543	210,378	205,049	149,367	141,225	165,387	187,211	201,555
Capital outlay	2,518,160	\$2,691,771	\$2,402,247	2,771,769	3,843,180	1,348,004	1,280,367	921,671	1,649,441	1,289,406
Debt service/authorities:										
Interest	643,859	\$626,133	\$713,695	722,772	1,168,906	839,755	859,513	880,623	928,920	948,289
Principal	708,590	\$398,030	\$385,490	660,504	391,834	331,242	445,229	477,261	492,044	542,425
Bond issue costs		\$87,664		-	238,101					
<b>Total expenditures</b>	<b>\$23,104,293</b>	<b>\$ 21,726,729</b>	<b>\$ 21,817,025</b>	<b>\$ 21,406,405</b>	<b>\$ 21,592,891</b>	<b>\$ 17,856,932</b>	<b>\$ 16,703,800</b>	<b>\$ 16,003,476</b>	<b>\$ 16,232,343</b>	<b>\$ 16,786,956</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 4,558,720</b>	<b>\$ 1,935,787</b>	<b>\$ 1,109,923</b>	<b>\$ (569,963)</b>	<b>\$ (455,220)</b>	<b>\$ 2,012,171</b>	<b>\$ 2,182,994</b>	<b>\$ 304,607</b>	<b>\$ 763,200</b>	<b>\$ 891,066</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Premium on debt issued	\$ -	\$ 428,870	\$ -	\$ -	\$ 1,296,704	\$ -	\$ -	\$ -	\$ -	\$ -
Debt issued		2,825,000		-	12,085,699	-	-	-	-	-
Payment to Refunded Bond Escrow Agent		(3,164,208)		-	(13,850,916)	-	-	-	-	-
Notes Issued				-	300,939	37,693	-	-	-	-
capital leases	12,302	297,873		-	-	-	-	-	-	-
Transfer from Other Funds	1,436,164	1,014,000	1,060,544	1,462,992	1,426,905	1,739,361	1,359,172	1,198,137	1,153,242	18,537
Transfer to Other Funds	(1,800,194)	(1,421,435)	(1,454,979)	(1,854,959)	(1,527,746)	(1,739,361)	(1,359,172)	(2,284,670)	(1,153,242)	(188,062)
<b>Total other financing sources (Uses)</b>	<b>\$ (351,728)</b>	<b>\$ (19,900)</b>	<b>\$ (394,435)</b>	<b>\$ (391,967)</b>	<b>\$ (268,415)</b>	<b>\$ 37,693</b>	<b>\$ -</b>	<b>\$ (1,086,533)</b>	<b>\$ -</b>	<b>\$ (169,525)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 4,206,992</b>	<b>\$ 1,915,887</b>	<b>\$ 715,488</b>	<b>\$ (961,930)</b>	<b>\$ (723,635)</b>	<b>\$ 2,049,864</b>	<b>\$ 2,182,994</b>	<b>\$ (781,926)</b>	<b>\$ 763,200</b>	<b>\$ 721,541</b>
Debt Services as a percentage of noncapital expenditures	9.37%	9.01%	5.66%	7.16%	8.55%	6.56%	8.42%	8.95%	9.68%	9.62%

Source: City financial records and reports

**CITY OF SAN LUIS, ARIZONA  
PROGRAM REVENUES  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities:</b>										
Charges for service										
General Government	\$ 3,544,657	\$ 1,350,023	\$ 1,765,937	\$ 3,021,700	\$ 2,780,190	\$ 2,494,028	\$ 2,226,528	\$ 1,002,249	\$ 531,031	\$ 587,365
Public Safety	423,258	305,749	426,767	315,098	1,007,465	980,528	867,899	677,226	686,632	356,262
Health and Welfare		-	-	-	-	-	-	-	-	-
Culture and Recreation	272,468	142,037	211,126	74,395	373,194	288,009	219,142	284,797	264,622	176,077
Community Development		-	-	594,182	385,797	432,936	497,921	334,557	318,051	407,927
Public Works & Streets	371,427	187,408	342,089	62,642	62,640	51,595	50,530	49,978	49,368	33,432
Operating grants and contributions	2,372,433	2,002,228	2,308,056	2,709,123	2,989,656	2,564,023	3,343,398	2,601,626	2,715,700	2,269,604
Capital grants and contributions	6,874,510	4,511,855	3,749,914	7,816,499	612,897	157,458	947,390	122,614	1,314,549	547,555
<i>Total governmental activities</i>	<u>\$13,858,753</u>	<u>\$8,499,300</u>	<u>\$8,803,889</u>	<u>\$14,593,639</u>	<u>\$8,211,839</u>	<u>\$6,968,577</u>	<u>\$8,152,808</u>	<u>\$5,073,047</u>	<u>\$5,879,953</u>	<u>\$4,378,222</u>
<b>Business-type activities</b>										
Charges for service										
Water	\$ 4,382,952	\$ 4,182,192	\$ 4,025,661	\$ 3,796,031	\$ 3,592,820	\$ 3,369,477	\$ 3,056,742	\$ 2,884,311	\$ 2,547,790	\$ 2,409,843
Wastewater	3,930,950	4,054,103	4,006,279	3,686,360	3,397,094	2,663,176	2,156,201	1,975,447	1,537,835	1,456,616
Business Center	600,000	626,826	629,265	629,265	629,265	629,265	629,265	629,265	629,265	629,268
Business Incubator	38,869	29,999	3,471	-	-	-	-	-	-	-
Sanitation	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	1,142,822	1,117,185	1,056,628	1,047,317	1,146,276
Ambulance Services	2,014,413	2,476,604	1,953,337	-	-	-	-	-	-	-
Operating grants and contributions				-	-	-	-	-	-	-
Capital grants and contributions	1,214,350	1,046,430	-	1,941,586	1,177,792	1,322,452	481,955	361,918	-	-
<i>Total business-type activities</i>	<u>\$ 13,626,056</u>	<u>\$ 13,803,138</u>	<u>\$ 11,902,557</u>	<u>\$ 11,258,521</u>	<u>\$ 9,956,167</u>	<u>\$ 9,127,192</u>	<u>\$ 7,441,348</u>	<u>\$ 6,907,569</u>	<u>\$ 5,762,207</u>	<u>\$ 5,642,003</u>
<b>Total primary government</b>	<u>\$ 27,484,809</u>	<u>\$ 22,302,438</u>	<u>\$ 20,706,446</u>	<u>\$ 25,852,160</u>	<u>\$ 18,168,006</u>	<u>\$ 16,095,769</u>	<u>\$ 15,594,156</u>	<u>\$ 11,980,616</u>	<u>\$ 11,642,160</u>	<u>\$ 10,020,225</u>

Source: City financial records and reports  
Statement of Activities

**CITY OF SAN LUIS, ARIZONA**  
**GOVERNMENT-WIDE REVENUES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities										
General Government	\$ 4,438,576	1,355,037	1,807,078	3,107,233	2,856,516	2,531,262	2,288,465	\$1,029,723	\$554,389	\$640,571
Public Safety	936,173	631,996	964,958	932,208	1,990,965	1,653,703	2,184,656	1,746,600	1,746,918	910,540
Health and Welfare		-	-	-	-	-	-	-	-	-
Culture and Recreation	272,468	150,537	211,126	197,593	489,099	368,966	302,596	343,483	320,814	198,810
Community Development	268,570	275,175	202,706	594,182	385,797	432,936	497,921	334,557	1,529,630	527,822
Public Works & Streets	7,942,966	6,086,555	5,618,021	9,762,423	2,489,462	1,981,710	2,879,170	1,618,684	1,728,202	2,100,479
Unallocated General Revenues	18,700,485	17,597,115	15,831,747	15,267,071	14,986,913	14,670,183	13,040,703	11,655,757	11,115,590	13,299,800
<b>Total Governmental Activities</b>	<b>\$ 32,559,238</b>	<b>\$ 26,096,415</b>	<b>\$ 24,635,636</b>	<b>\$ 29,860,710</b>	<b>\$ 23,198,752</b>	<b>\$ 21,638,760</b>	<b>\$ 21,193,511</b>	<b>\$ 16,728,804</b>	<b>\$ 16,995,543</b>	<b>\$ 17,678,022</b>
Business-type activities										
Water	\$4,990,743	\$4,672,760	\$4,025,661	\$3,796,031	\$3,592,820	\$3,869,477	\$3,106,217	\$2,894,971	\$2,547,790	\$2,409,843
Wastewater	4,537,510	4,609,965	4,006,279	5,627,946	3,418,093	2,663,176	2,588,681	2,326,705	1,537,835	1,456,616
Business Center	600,000	626,826	629,265	629,265	629,265	629,265	629,265	629,265	629,265	-
Business Incubator	38,869	29,999	3,471	-	1,156,793	-	-	-	-	-
Sanitation	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	822,452	1,117,185	1,056,628	1,047,317	1,146,276
Ambulance Services	2,014,413	2,476,604	1,953,337							
Industrial Park				-	-	-	-	-	-	169,525
Unallocated General Revenues	1,202,616	481,713	449,922	368,660	122,508	13,909	936	12,547	10,194	187,519
<b>Total Business Activities</b>	<b>\$ 14,828,673</b>	<b>\$ 14,284,851</b>	<b>\$ 12,352,479</b>	<b>\$ 11,627,181</b>	<b>\$ 10,078,675</b>	<b>\$ 7,998,279</b>	<b>\$ 7,442,284</b>	<b>\$ 6,920,116</b>	<b>\$ 5,772,401</b>	<b>\$ 5,369,779</b>

Source: Statement of Activities.  
 City financial Records and reports

**CITY OF SAN LUIS, ARIZONA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City Sales Tax	\$9,720,729	\$8,989,483	\$7,694,566	\$7,508,359	\$7,324,294	\$6,750,517	\$6,531,779	\$6,073,811	\$5,659,566	\$7,498,691
State Sales taxes	3,272,469	3,090,501	2,889,943	2,659,098	2,550,568	2,812,693	2,104,763	1,992,968	1,771,253	1,682,728
Franchise Tax	437,765	435,767	401,364	435,822	439,034	427,800	432,371	397,532	381,836	351,505
Special Districts	335,006	345,509	302,546	302,865	374,470	282,484	218,171	290,987	267,579	156,102
Others	131,423	129,514	-	-	122,163	(69,355)	1,296	95,172	32,715	76,342
Total tax revenues	<u>\$13,897,392</u>	<u>\$12,990,774</u>	<u>\$11,288,419</u>	<u>\$10,906,144</u>	<u>\$10,810,529</u>	<u>\$10,204,139</u>	<u>\$9,288,380</u>	<u>\$8,850,470</u>	<u>\$8,112,949</u>	<u>\$9,765,367</u>

Source: Statement of Activities  
Statement of Revenues, Expenditures and Change in Fund Balance Governmental Fund

Note: Includes Governmental Fund Types  
Special Districts include Strret Light Improvement Districts (SLIDs), Maintenance Improvement Districts (MIDs); both are levy as secondary property taxes.

**CITY OF SAN LUIS, ARIZONA**  
**INTERGOVERNMENTAL REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
State Shared Sales Tax	\$3,272,469	\$3,090,501	\$2,889,943	\$2,659,098	\$2,550,568	\$2,812,693	\$2,104,763	\$1,992,968	\$1,771,253	\$1,682,728
Urban Revenue Sharing	3,929,206	3,981,836	3,856,245	3,360,240	3,378,557	3,559,275	2,605,281	2,152,641	2,231,840	2,960,504
Highway Users	2,804,155	2,651,344	2,526,082	2,239,260	2,126,238	1,929,961	2,041,357	1,562,498	1,678,834	1,700,626
Auto-in-lieu	1,407,377	1,335,198	1,259,413	1,104,206	1,007,212	959,549	1,015,403	851,821	836,971	847,890
Local Transportation Aid			-	-	-	-	-	-	-	35,312
Federal	1,140,890	40,939	1,139,781	673,284	615,896	634,216	1,130,716	1,004,693	2,177,538	565,787
Others	82,600	14,010	64,356	123,047	419,754	-	133,216	40,643	67,407	53,749
<b>Total tax revenues</b>	<b>\$12,636,697</b>	<b>\$11,113,828</b>	<b>\$11,735,820</b>	<b>\$10,159,135</b>	<b>\$10,098,225</b>	<b>\$9,895,694</b>	<b>\$9,030,736</b>	<b>\$7,605,264</b>	<b>\$8,763,843</b>	<b>\$7,846,596</b>

Source: Statement of Activities  
Finance Records

Note: Includes governmental fund types  
Includes all governmental revenues, including revenues from federal government

**CITY OF SAN LUIS, ARIZONA  
CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Retail Sales	\$5,100,707	\$5,307,579	\$4,693,648	\$3,731,819	\$3,719,366	\$3,498,869	\$3,288,946	\$3,046,645	\$2,901,155	\$2,813,146
Contracting	2,039,455	1,188,901	888,499	1,573,668	1,654,681	1,336,456	1,468,887	1,574,491	1,413,388	3,354,443
Rentals	456,557	360,153	333,635	407,570	356,150	324,795	297,456	280,163	244,048	274,975
Communications/Utilities	92,458	123,547	947,825	1,174,550	1,044,285	1,053,760	959,929	624,166	570,915	584,850
Restaurant/Bar	604,790	611,999	456,027	422,284	417,278	363,027	371,107	342,810	309,338	294,048
Use	314,662	221,860	356,078	129,156	121,091	109,195	84,108	131,100	83,071	110,978
Other	1,112,100	1,175,444	18,855	69,312	45,339	64,415	61,346	74,436	137,650	66,250
	<u>\$9,720,729</u>	<u>\$8,989,483</u>	<u>\$7,694,566</u>	<u>\$7,508,359</u>	<u>\$7,358,190</u>	<u>\$6,750,517</u>	<u>\$6,531,779</u>	<u>\$6,073,811</u>	<u>\$5,659,566</u>	<u>\$7,498,691</u>
% Growth by year										
Retail Sales	-3.9%	13.1%	25.8%	0.3%	6.3%	6.4%	8.0%	5.0%	3.1%	-8.3%
Contracting	71.5%	33.8%	-43.5%	-4.9%	23.8%	-9.0%	-6.7%	11.4%	-57.9%	20.8%
Rentals	26.8%	7.9%	-18.1%	14.4%	9.7%	9.2%	6.2%	14.8%	-11.2%	-8.7%
Utilities	-25.2%	-87.0%	-19.3%	12.5%	-0.9%	9.8%	53.8%	9.3%	-2.4%	4.3%
Restaurant/Bar	-1.2%	34.2%	8.0%	1.2%	14.9%	-2.2%	8.3%	10.8%	5.2%	17.9%
Use	41.8%	-37.7%	175.7%	6.7%	10.9%	29.8%	-35.8%	57.8%	-25.1%	88.6%
Other	-5.4%	6134.3%	-72.8%	52.9%	-29.6%	5.0%	-17.6%	-45.9%	107.8%	-39.6%
	<u>104.5%</u>	<u>6098.7%</u>	<u>55.7%</u>	<u>83.1%</u>	<u>96.6%</u>	<u>60.2%</u>	<u>16.0%</u>	<u>63.3%</u>	<u>19.5%</u>	<u>75.0%</u>

Note: Includes governmental fund types

Source: AZ Department of Revenues  
City of San Luis Finance Department

**CITY OF SAN LUIS, ARIZONA  
SALES TAX PAYERS - BY CATEGORY  
CURRENT YEAR AND TEN YEARS AGO**

	2019				2010			
	Number of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue
Retail Sales	730	31.28%	\$5,100,707	52.47%	396	31.55%	2,909,492	38.80%
Construction, MFG & Wholesale	893	38.25%	2,039,455	20.98%	461	36.74%	2,776,765	37.03%
Rentals	154	6.60%	456,557	4.70%	133	10.63%	299,948	4.00%
Communications/Utilities	68	2.93%	92,458	0.95%	50	4.02%	554,903	7.40%
Restaurant/Bar	43	1.84%	604,790	6.22%	42	3.35%	247,457	3.30%
Use/Services	307	13.15%	314,662	3.24%	108	8.62%	599,895	8.00%
Other	139	5.96%	1,112,100	11.44%	64	5.10%	110,231	1.47%
	<b>2,336</b>	<b>100%</b>	<b>\$9,720,729</b>	<b>100%</b>	<b>1,255</b>	<b>100%</b>	<b>7,498,691</b>	<b>100.00%</b>

Note: Includes governmental fund types

Source: AZ Department of Revenues  
City financial Records and reports

**CITY OF SAN LUIS, ARIZONA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Municipal Bonds	Notes Payable	Capital Leases	Municipal Bonds/Loans	Notes Payable	Capital Leases			
2019	\$ 14,546,315	\$ 174,462	\$ 265,209	\$ 34,744,986	\$ 243,768	\$ 262,367	\$ 50,237,107	4.28%	\$1,511
2018	15,231,748	270,762	297,873	36,427,536	57,843	339,794	52,625,556	4.43%	1,590
2017	12,369,441	3,387,834	-	33,955,220	102,171	379,540	50,194,206	4.55%	1,543
2016	13,350,329	3,562,910	-	38,010,036	185,909	-	55,109,184	4.86%	1,621
2015	13,350,329	3,562,910	-	38,010,036	185,909	-	55,109,184	6.64%	1,660
2014	14,383,209	3,336,222	-	39,733,576	127,693	-	57,580,700	8.26%	1,847
2013	14,698,048	3,323,879	-	33,642,562	834,330	-	52,498,819	5.61%	1,602
2012	15,001,198	3,347,536	133,235	34,113,235	844,703	54,246	53,494,153	7.65%	2,057
2011	15,292,656	3,970,481	305,037	34,565,602	866,495	173,673	54,653,849	6.40%	2,102
2010	15,574,373	3,992,005	582,176	24,277,708	864,211	350,649	55,839,041	6.06%	2,148

Note; See Table XIV for Personal Income and Population

Source: (1) Based on data provided by the Greater Yuma Economic Development City financial Records and reports

**CITY OF SAN LUIS, ARIZONA  
PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

<b>Civic Improvement Corporation (CIC) - Greater Arizona Development Authority (GADA) Bonds</b>											
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Pledged revenues	(1)	\$19,715,582	\$18,672,560	\$15,562,640	\$15,766,957	\$15,379,657	\$15,052,446	\$13,283,180	\$11,781,918	\$11,341,493	\$12,882,852
Debt service requirements	(2)										
Principal		\$1,915,000	\$1,035,000	\$995,000	\$1,690,001	\$1,020,000	\$785,000	\$755,000	\$725,000	\$700,000	\$675,000
Interest		1,759,000	1,679,297	2,337,226	2,369,747	3,528,124	2,723,387	2,756,749	2,787,893	2,814,803	2,853,206
Total Annual Requirements		3,674,000	2,714,297	3,332,226	4,059,748	4,548,124	3,508,387	3,511,749	3,512,893	3,514,803	3,528,206
Estimated Coverage		5.37	6.88	4.67	3.88	3.38	4.29	3.78	3.35	3.23	3.65

(1) Pledged revenues on the Civic Improvement Corporation (CIC ) bonds and Greater Arizona Development (GADA) are the "Excise Taxes", "State Shared Revenues", Licenses and Permit Fees, and Franchise fees. Excise Taxes are defined to include the transaction privilege and business taxes, which the City imposes. State Shared Revenues are defined as any excise tax, transaction privilege and use taxes and income taxes imposed by the State of Arizona and allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes.

(2) Debt service requirements reflect the governmental and business portion of outstanding CIC issues, and GADA issues. Water and Wastewater allocations of Utility Revenue bonds series 2013 are excluded. Those portions are serviced by the Water Utility, Wasterwater Utility funds.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Debt service schedules - City financial records

**CITY OF SAN LUIS, ARIZONA  
PLEGDED REVENUE COVERAGE  
GOVERNMENT PORTION  
LAST TEN FISCAL YEARS**

<b>Civic Improvement Corporation (CIC) - Greater Arizona Development Authority (GADA) Bonds</b>											
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Pledged revenues	(3) (1)	\$19,715,582	\$18,672,560	\$15,562,640	\$15,766,957	\$15,379,657	\$15,052,446	\$13,283,180	\$11,781,918	\$11,341,493	\$12,882,852
Debt service requirements	(2)										
Principal		\$587,583	\$305,893	\$298,100	\$572,820	\$317,583	\$305,893	\$294,203	\$282,513	\$272,771	\$263,029
Interest		641,005	621,293	706,211	712,751	1,158,267	839,213	852,213	864,349	875,649	886,254
Total Annual Requirements		1,228,588	927,186	1,004,311	1,285,571	1,475,850	1,145,106	1,146,416	1,146,862	1,148,420	1,149,283
Estimated Coverage		16.05	20.14	15.50	12.26	10.42	13.15	11.59	10.27	9.88	11.21

(1) Pledged revenues on the Civic Improvement Corporation (CIC ) bonds and Greater Arizona Development (GADA) are the "Excise Taxes", "State Shared Revenues", Licenses and Permit Fees, and Franchise fees. Excise Taxes are defined to include the transaction privilege and business taxes, which the City imposes.

State Shared Revenues are defined as any excise tax, transaction privilege and use taxes and income taxes imposed by the State of Arizona and allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes.

(2) Debt service requirements reflect the governmental portion of outstanding CIC issues, and GADA issues.

(3) In fiscal year 2019, the principal and interest amounts were revised to reflect the (GADA) government portion for all years, and to correct misstatements in prior years. Water and Wastewater allocations of CIC issues are excluded. Those portions are serviced by the Water Utility, Wasterwater Utility funds.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Debt service schedules - City financial records

**CITY OF SAN LUIS, ARIZONA  
PLEDGED REVENUE COVERAGE - CIVIC IMPROVEMENT CORPORATION  
ENTERPRISE PORTION  
LAST TEN FISCAL YEARS**

<b>UTILITY REVENUE BONDS - CIC UTILITY BONDS</b>											
	(5)	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Gross Revenues	(1)	8,598,226	8,232,732	\$8,086,255	\$7,506,930	\$7,011,185	\$6,045,693	\$5,232,580	\$4,869,271	\$4,095,810	\$3,866,459
Operating Expenses	(2)	4,059,728	3,363,861	5,027,804	4,388,160	5,387,500	4,315,552	4,259,081	4,042,114	3,954,072	3,061,620
Net Revenues available		<u>\$4,538,498</u>	<u>\$4,868,871</u>	<u>\$3,058,451</u>	<u>\$3,118,770</u>	<u>\$1,623,685</u>	<u>\$1,730,141</u>	<u>\$973,499</u>	<u>\$827,157</u>	<u>\$141,738</u>	<u>\$804,839</u>
Principal		777,417	749,107	726,900	897,181	497,417	479,107	460,797	442,487	427,229	411,971
Interest	(3)	1,034,616	1,061,135	1,085,677	1,105,804	1,803,596	1,212,889	1,074,198	1,093,206	1,110,906	1,135,881
Total debt Expense	(4)	1,812,033	1,810,242	1,812,577	2,002,985	2,301,013	1,691,996	1,534,995	1,535,693	1,538,135	1,547,852
Ratio of Total Revenue/debt Expense		2.505	2.690	1.687	1.557	0.706	1.023	0.634	0.539	0.092	0.520

## Note:

- (1) Includes total operating revenues and investment income of the Water Utility and Wastewater Utility Enterprise Funds.
- (2) Includes total operating expenses of the Water Utility and Wastewater Utility Enterprise Funds less depreciation and amortization.
- (3) Bond interest payments only. Does not include amortization of loss on refunding, capitalized interest, agent fees or amortization of bond issuance costs that are included in interest expense on the statement of revenues, expenses, and changes in net assets.
- (4) Includes debt service requirement for Utility Bond, and business portion of (CIC) Bonds, which are serviced by the Water Utility, Wasterwater Utility funds.
- (5) In fiscal year 2019, the principal and interest amounts were revised to reflect the Utility Bond Revenue principal and interest starting on FY 2014, and to correct misstatements in prior years.

Source: Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds Repayment schedules for debt serviced by the Water and Sewer Utility Enterprise Funds

**CITY OF SAN LUIS**  
**Computation of Direct and Overlapping Debt\***  
**June 30, 2019**

<u>Jurisdiction</u>	<u>Net Assessed Value</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of San Luis: General Obligation	\$ 78,623,580	\$ 174,462	100.00%	\$ 174,462
City of San Luis: Revenue Bond	78,623,580	13,146,304	100.00%	13,146,304
City of San Luis: Premiums	78,623,580	1,400,011	100.00%	1,400,011
City of San Luis: Capital Leases	78,623,580	265,209	100.00%	265,209
		<u>\$ 14,985,986</u>		<u>\$ 14,985,986</u>
<b>As presented fiscal year ended June 30, 2019</b>				
Arizona Western College	\$ 1,183,062,653	\$ 48,845,000	100.00% (1)	\$ 48,845,000
Somerton Elementary School District No. 11	66,504,791	1,600,440	5.62%	89,945
Crane Elementary School District No. 13	222,818,040	10,840,000	18.83%	2,041,172
Antelope Union High School District No. 50	110,374,468	595,000	9.33%	55,514
Yuma Union High School District No 70	<u>1,072,688,185</u>	<u>39,606,483</u>	90.67% (2)	<u>35,911,198</u>
Total Overlapping General Obligation Bonded Debt		<u>\$ 101,486,923</u>		<u>\$ 86,942,828</u>
Total Direct and Overlapping General Obligation Bonded Debt				<u>\$ 101,928,814</u>

Sources: YUMA County Finance Department

(1) Total debt is shared with La Paz County. Estimated 50% allocation to each County Source: Michelle.Landis@azwestern.edu

(2) Total Net Debt Outstanding from FY18 Report of Bonded Indebtedness, AZ Financial Transparency Portal

(3) City Records

\* County records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**CITY OF SAN LUIS, ARIZONA  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Labor force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Unemployment rate percentage</b>
2019	33,243	\$ 37,800	14,534	11,220	3,314	22.8%
2018	33,107	33,967	14,139	10,787	3,352	23.7%
2017	32,540	33,124	13,382	9,897	3,485	26.0%
2016	34,001	33,376	18,632	9,998	8,633	46.3%
2015	33,190	25,000	18,662	9,822	8,840	47.4%
2014	31,180	22,368	19,824	9,689	10,134	65.8%
2013	32,763	28,548	17,965	6,000	11,965	66.6%
2012	26,000	26,889	17,249	5,614	11,635	67.5%
2011	26,000	32,828	15,896	5,489	10,407	65.5%
2010	25,505	36,103	8,466	4,109	4,357	51.5%

Data Source:

Greater Yuma Economic Development Corporation

**CITY OF SAN LUIS, ARIZONA  
MAJOR EMPLOYERS WITHIN THE CITY  
CURRENT YEAR AND SEVEN YEARS AGO**

Employer	2019			2012 (1)		
	# of Employees	Rank	Percentage of City Employment	# of Employees	Rank	Percentage of City Employment
Arizona State Prison	996	1	28.64%	653	2	26.32%
Gadsen Unified School District	870	2	25.01%	448	3	18.06%
ACT Call Center	533	3	15.32%	700	1	28.21%
Factor Sales	423	4	12.16%			0.00%
City of San Luis	282	5	8.11%	230	5	9.27%
Walmart	206	6	5.92%	270	4	10.88%
San Luis Detention Center	168	7	4.83%	80	7	3.22%
Basha's/Food City	-	-	0.00%	100	6	4.03%
<b>Total Employees</b>	<b>3,478</b>		<b>100.00%</b>	<b>2,481</b>		<b>100.00%</b>

Source: Greater Yuma Economic Development Corporation

Notes:

- (1) Data was tracked for City's 1st CAFR.
- (2) City of San Luis Finance Department
- (3) Data for years 2006 - 2011 is not available

**CITY OF SAN LUIS, ARIZONA  
AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Permanent Position by Function	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund										
General Government	89	79	56	58	55	57	57	54	52	51
Public Safety	83	96	89	94	85	90	90	87	86	77
Health and Welfare	4	4	3	4	4	2	2	2	2	3
Culture and Recreation	47	23	35	47	37	36	36	28	22	21
Community Development	12	10	9	9	8	9	9	9	9	11
Sub total General Fund	235	212	192	212	189	194	194	180	171	163
General Fund	235	212	192	212	189	194	194	180	171	163
Public Works & Streets	15	17	18	15	16	11	11	13	15	16
Enterprise Funds	30	53	50	32	32	32	32	26	30	31
Total Permanent Positions	280	282	260	259	237	237	237	219	216	210

Source: City Payroll

**CITY OF SAN LUIS, ARIZONA  
UTILITY STATISTICAL DATA - BILLINGS  
LAST TEN FISCAL YEARS**

	<b>Utility Rate Increases &amp; Average Bill</b>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Water</b>										
Average bill	\$48.28	\$48.16	\$48.45	\$48.03	\$46.59	\$45.05	\$41.72	\$38.31	\$36.56	\$33.92
% Increase	0.25%	-0.60%	0.88%	3.09%	3.41%	7.98%	8.89%	4.80%	7.78%	-5.00%
<b>Wastewater</b>										
Average bill	\$44.56	\$44.60	\$51.57	\$48.40	\$46.30	\$37.33	\$31.57	\$29.41	\$23.24	\$22.10
% Increase	-0.09%	-13.52%	6.56%	4.52%	24.03%	18.25%	7.34%	26.53%	5.19%	-10.11%
<b>Residential Solid Waste</b>										
Average bill	\$17.64	\$17.82	\$17.03	\$16.95	\$16.86	\$16.89	\$17.11	\$16.45	\$15.89	\$17.60
% Increase	-1.01%	4.64%	0.47%	0.52%	-0.15%	-1.32%	4.07%	3.51%	-9.74%	-0.34%

Source: City Customer Service and Billing records (Billing Register Summary)

**CITY OF SAN LUIS, ARIZONA  
UTILITY STATISTICAL DATA - ACCOUNTS  
LAST TEN FISCAL YEARS**

	<b>Utility Accounts</b>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Water</b>										
Number of Accounts	7,194	6,828	6,669	6,384	6,190	6,023	5,890	6,036	5,701	5,865
% Increase	5.36%	2.38%	4.46%	3.13%	2.77%	2.26%	-2.42%	5.88%	-2.80%	2.50%
<b>Wastewater</b>										
Number of Accounts	7,027	6,618	6,495	6,216	5,990	5,827	5,688	5,597	5,514	5,491
% Increase	6.18%	1.89%	4.49%	3.77%	2.80%	2.44%	1.63%	1.51%	0.42%	4.31%
<b>Residential Solid Waste</b>										
Number of Accounts	6,620	6,222	6,113	5,825	5,643	5,549	5,366	5,249	5,172	5,330
% Increase	6.40%	1.78%	4.94%	3.23%	1.69%	3.41%	2.23%	1.49%	-2.96%	4.88%

Source: City Customer Service and Billing records

CITY OF SAN LUIS, ARIZONA  
UTILITY STATISTICAL DATA - RATES

Charges for Water Services  
Based Minimum Monthly Bill

Service Fees					
Residential			Commercial / Government / School		
Meter Size	1st 2,000 G	Excess / 000's	Commercial / Gov't		
			1st 2,000 G	Excess / 000's	School
5/8" - 3/4"	\$ 13.80	\$ 2.11	\$ 35.10	\$ 2.66	\$ 2.95
1"	N/A	N/A	\$ 58.62	\$ 2.66	\$ 2.95
1 1/2"	N/A	N/A	\$ 116.89	\$ 2.66	\$ 2.95
2"	N/A	N/A	\$ 187.09	\$ 2.66	\$ 2.95
3"	N/A	N/A	\$ 409.64	\$ 2.66	\$ 2.95
4"	N/A	N/A	\$ 1,404.07	\$ 2.66	\$ 2.95
6"	N/A	N/A	\$ 2,925.15	\$ 2.66	\$ 2.95
8"	N/A	N/A	\$ 4,212.22	\$ 2.66	\$ 2.95

Charges for Wastewater Services  
Based Minimum Monthly Bill

Service Fees				
Residential			Commercial / Government / School	
Meter Size	Base	Excess / 000's	Base	Volume/000's
Senior 60+ yrs	\$ 20.23	N/A	N/A	N/A
5/8" - 3/4"	\$ 40.00	N/A	\$ 24.50	\$ 2.47
1" - 8"	N/A	N/A	\$ 24.50	\$ 2.47
Gadsden	\$ 55.27	N/A	\$ 76.35	\$ 2.47
Gadsden School	N/A	N/A	\$ 205.81	\$ 2.47

Source: City Customer Service and Billing records

**CITY OF SAN LUIS, ARIZONA  
UTILITY STATISTICAL DATA  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Miscellaneous data on water utility</b>										
Annual Consumption (000's gal)	1,144,797	1,085,982	1,067,585	1,041,105	1,023,995	1,080,987	962,719	1,025,510	1,122,644	1,052,673
Avg gallons/account/month	13,261	13,254	13,340	13,590	13,786	14,956	13,621	14,158	16,410	15,387
Avg gallons/account/year	159,132	159,048.33	160,082	163,080	165,427	179,477	163,452	169,899	196,920	184,647
Avg. daily demand (MGD)	3.23	3.23	445	453	460	499	454	472	547	513
Peak demand (MGD)	3.81	3.81	3.81	3.43	3.43	3.43	3.43	3.43	3.43	3.33
Number of wells in system	12	12	12	12	12	12	12	12	12	12
Available storage capacity (million Gallons)	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025
<b>Miscellaneous data on wastewater utility</b>										
Treatment plant capacity (000's)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Annual wastewater treated (000's)	586,810	514,839	458,763	465,867	471,403	463,767	457,864	437,574	445,704	437,715
Average daily flow (000's)	1,608	10,740	1,286	1,340	1,340	1,340	1,340	1,340	1,340	1,340
<b>Miscellaneous data on solid waste service</b>										
Tons of waste collected and disposed	24,091	11,719	10,740	10,306	9,681	10,610	9,013	9,523	9,066	13,053

Source: City Customer Service and Billing records  
Public Works records

**CITY OF SAN LUIS, ARIZONA  
BUILDING PERMITS AND HOME SALES  
LAST TEN FISCAL YEARS  
(\$'s in 000's)**

		<b>Building Permits</b>									
		<b>Fiscal Year</b>									
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial											
	Number of Permits	1	1	6	16	16	16	16	16	13	12
	Value	10	\$568	\$7,091	\$51	\$128	\$2,181	\$204	\$5,773	\$7,560	\$1,048
Residential											
	Number of Dwelling Units	340	193	267	169	159	112	120	85	68	182
	Value	\$ 49,318	\$ 29,110	\$ 35,339	\$ 24,850	\$ 24,530	\$ 16,908	\$ 20,166	\$ 13,147	\$ 11,078	\$ 20,338
Other											
	Number of Permits	352	404	480	523	318	200	138	161	134	127
	Value	\$ 6,664	\$ 8,293	\$ 9,601	\$ 10,652	\$ 2,146	\$ 19,089	\$ 3,649	\$ 1,157	\$ 1,554	\$ 1,165
		<b>Single Family Housing Sales</b>									
		<b>Calendar Year</b>									
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
	New units sold	314	258	228	175	88	56	118	114	63	85

Source: City Development Services

**CITY OF SAN LUIS, ARIZONA  
Operating Indicator by Function  
LAST TEN FISCAL YEARS**

	<u>Fiscal Year</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>GENERAL GOVERNMENT</b>										
<i>Court</i>										
Charges filed/ Charges adjudicated(resolved)	2,749	2,200	3,317	3,734	3,989	4,630	7,214	4,449	3,385	4,225
Charges dismissed	1,014	754	1,037	841	938	1,019	8,469	690	847	835
<i>Human Resources</i>										
# of employment Applications Processed	1,816	2,829	3,047	1,643	750	530	601	44*	40*	306
<i>Finance</i>										
# of Accounts Payable checks issued	4,780	4,721	4,785	4,264	4,201	3,848	3,739	3,723	3,929	4,329
# of Claims filed, injured or ill workers	33	27	16	13	29	27	18	16	**	**
# of electrical inspections performed	4	**	**	3	1	8	10	6	1	**
Notice of claims	7	14	3	2	4	1	6	6	**	**
<b>PUBLIC SAFETY</b>										
<i>Police</i>										
# of 911 Emergency and Animal Calls	7,276	5,467	4,889	5,920	5,483	5,694	5,046	**	**	**
# of Traffic Stops	5,463	4,786	5,220	4,681	6,393	6,834	9,439	**	**	**
# of Arrests	396	374	468	439	**	**	**	**	**	**
<i>Fire</i>										
# of Ambulance Transport Services	2,972	2,699	2,767	2,665	2,476	2,318	2,169	1,912	1,620	1,415
# of Fire & Hazmat Incidents	61	63	41	57	28	78	62	69	72	76
<b>HEALTH AND WELFARE</b>										
# of Meals served - Food Assistance	4,787	5,783	7,791	8,869	7,963	9,604	9,296	7,677	9,239	7,528
# of citywide transit ridership	6,157	6,166	9,538	10,661	8,136	9,243	8,378	6,323	5,190	4,096

Note: (\*) Hiring Freeze

(\*\*) Information is not available

Source: Various Departments

**CITY OF SAN LUIS, ARIZONA  
CAPITAL ASSETS BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General Government</b>										
City Hall										
Building	1	1	1	1	1	1	1	1	1	1
Vehicle	34	33	31	26	26	18	18	18	17	19
<b>Public Safety</b>										
Building	2	2	2	2	2	2	2	2	2	2
Vehicle	72	70	69	70	70	57	57	53	50	56
<b>Culture &amp; Recreation</b>										
Building	3	3	3	3	3	3	3	3	3	3
Equipment	38	37	39	33	33	23	23	22	19	19
<b>Health and Welfare</b>										
Building	2	2	2	2	2	2	2	2	2	2
Vehicle	2	2	3	3	3	5	5	6	6	6
<b>Public Works and streets</b>										
Building	1	1	1	1	1	1	1	1	1	1
Equipment	28	28	27	26	26	18	18	17	17	20
<b>Enterprise</b>										
Building	4	4	4	4	4	3	3	3	3	3
Equipment	67	61	61	51	51	44	44	49	47	48

Source: City records Finance Department





## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

6. B.

**Meeting Date:** 02/26/2020

**Department Head:** Jenny Torres, Economic Development Manager, Administration, Economic Development

**Submitted By:** Ivan Gutierrez, Economic Development Assistant, Administration, Economic Development

**Action Requested:** Motion

---

### ITEM:

Discussion and possible action on any and all matters regarding the amendment to the Memorandum of Understanding between the City of San Luis, Arizona and San Luis Commercial Holdings, L.L.C., an Arizona limited liability company. **(Jenny Torres, Economic Development Manager)**

### SUMMARY:

The San Luis City Council adopted Resolution No. 1171 approving a memorandum of understanding between the City of San Luis Commercial Holdings, L.L.C. to develop a brand hotel and restaurant, a franchise convenient store and gas station, and other transaction privilege tax-generating businesses on the project site to be located at the northwest corner of the intersection of Highway 95 and County 22<sup>nd</sup> Street within the San Luis city limits. The memorandum of understanding was signed on December 14, 2016. The agreement was conditioned upon the development of the opening of the hotel on or before January 1, 2020.

San Luis Commercial Holdings, LLC, have invested significant funding in proceeding with acquiring the financing to develop the project. The developers requested an extension of the proposed development to January 1, 2020.

The development agreement complies with A.R.S §95-500.11 where actions taken by the city pursuant to this agreement are for economic development purposes and will assist in the creation and retention of jobs. The economic impact analysis findings demonstrate that the total projected revenues exceed the anticipated tax credit by over 196%. The breakdown of the city benefits includes \$2,170,900.00 of transaction privilege taxes, \$730,000.00 in utility system revenue and \$676,900.00 in payroll revenue, for total revenue of \$3,578,700.00. The city will participate by purchasing from the developer two (2) acres of retention basin at the fair market value and reimburse the developer for the cost of public infrastructure at the cost not to exceed \$500,000.00. The development agreement includes a sales tax rebate where the developer will receive 50% of the city's 4% transaction privilege taxes as generated from businesses established on the project site in the amount not to exceed \$1,822,680.00 in a period of 15 years. The condition to receive the transaction privilege taxes includes complete construction of improvements within 18 months from the commencement of the hotel project, operation and lease of proposed projects, and disclosing of employment figures to the city.

The proposed project consists of a \$15 million dollar investment that will enhance the economic welfare of the residents, increase the tax revenues to the city, provide job opportunities for San Luis residents and will trigger other development in the area. The city has taken the necessary steps to comply with Arizona law with regards to the power granted by A.R.S. §95-500.11 and the limitations imposed by Article 9, Section 5 of the Arizona Constitution, known as the anti-gift clause.

**RECOMMENDATION / SUGGESTED MOTION:**

**I MOVE TO APPROVE THE EXTENSION OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN LUIS AND SAN LUIS COMMERCIAL HOLDINGS, L.L.C., IN THE AMOUNT OF \$500,000.00 AS PRESENTED.**

N/A

---

**Fiscal Impact**

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	Yes
<b>CITY/STATE/FEDERAL FUNDS:</b>	City
<b>TOTAL:</b>	\$500,000.00
<b>BUDGETED AMOUNT:</b>	\$500,000.00
<b>AVAILABLE AMOUNT TO TRANSFER:</b>	N/A
<b>ACCT NAME &amp; GL#/REMAINING BALANCE BEFORE PURCHASE:</b>	TBD

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

This cost is for the City to obtain the City's own land for infrastructure and the infrastructure itself. Specifically, under the MOU the purchase for the City would include two (2) acres of land for City infrastructure( including closing costs) and the costs of infrastructure in the public right of way. These costs are capped under the MOU at \$500,000.00.

---

**Attachments**

MOU  
MOU Exhibit  
2020 Economic Impact  
2020 Timeline

---

# Exhibit A

## MEMORANDUM OF UNDERSTANDING

This is a memorandum of understanding by and between the City of San Luis, a municipal corporation and political subdivision of the State of Arizona, and San Luis Commercial Holdings, LLC, a limited liability company authorized to do business, and doing business in the State of Arizona.

### I. PURPOSE

THE CITY OF SAN LUIS, AZ ("**City**") and SAN LUIS COMMERCIAL HOLDINGS, LLC, ("**Developer**") have a common interest in establishing a relationship to develop and maintain a multi-use hotel, restaurant, convenience store and gas station, as well as other uses as an economic development project within the City of San Luis, Arizona (the "**Project.**")

The purpose of this Memorandum of Understanding ("**MOU**") is to outline an understanding with respect to the Project, the participation of the City, the necessary agreements and transactions that will need to take place and establish a projected timetable. This MOU is not a formal binding contract and it is understood and agreed that formal documentation of the contemplated transactions needed for this Project will be evidenced by future written documents.

### II. LOCATION OF PROJECT

A. Location. The proposed Project location will be a 5 to 8 acre site at the northwest corner of the intersection of Highway 95 and 22<sup>nd</sup> Street within the City's limits (the "**Project Site**"). It is understood the Project Site is owned by MJS Properties, LP, an Arizona limited partnership, ("**MJS**") and acquisition of the Project Site by Developer has yet to occur.

B. Survey. The Project Site has yet to be surveyed for a legal description. Upon or prior to the acquisition of the Project Site the Developer shall retain at its cost a licensed surveyor to coordinate a survey of the Project Site with MJS to determine the legal description for the Project Site. Upon completion of the survey, the Developer shall direct the surveyor to provide the legal description to City.

C. Acquisition of Project Site. Developer is to acquire the site in its own name. However, the City has offered to cooperate with Developer in utilizing the San Luis Industrial Development Authority ("**IDA**") for property acquisition as a possible development option should Developer desire it, but such cooperation shall not require the expenditure or appropriation of any funds by the City, except as expressly stated herein, or the IDA except the cost of customary staff functions of the City or the IDA.

### **III. CITY PARTICIPATION**

City intends to participate in the following manner:

- a) City agrees to enter into an appropriate agreement or agreements to purchase from Developer two acres of land to be used for a retention basin to be used for (i) control of storm water from the Project Site and (ii) adjoining public roadways. City will pay appraised fair market value for said land. The location of the two acres will be adjacent to public right of way.
- b) The total amount that the City will pay will not exceed \$500,000, an amount comprised of the amount paid for the two acres under II.D.a inclusive of closing costs plus the costs of infrastructure in public right of way needed to support development of the project (collectively, the "Public Infrastructure Costs"). Infrastructure means either water or wastewater mains in public rights of way that will or are to become property of the City or street and road development that likewise will become property of the City of San Luis.
- c) If permitted by Title 34 of the Arizona Revised Statutes, the City may pay Public Infrastructure Costs in the form of reimbursement of amounts paid by the Developer, provided that it can be shown that this is a cost savings to the City as opposed to contracting independently using public procurement procedures.
- d) Marketing. The City further agrees to work with Developer in the marketing of the hotel and restaurant, and other project businesses, including the promotion of the hotel to governmental agencies and other businesses doing business in City.

### **IV. TRANSACTION PRIVILEGE TAX CREDIT**

Developer intends to develop a "brand" hotel, a "brand" restaurant, a franchise convenience store and gas station, and other transaction privilege tax generating businesses on the Project Site. These businesses in addition to generating transaction privilege taxes directly to the City will indirectly benefit the City by providing employment in a City with a historically 50 percent unemployment rate, enhance property values of nearby properties, and generate other economic development in the City limits. Developer to maximize its leverage and maximize use of its development funding for actual development of the site as opposed to using those resources for land acquisition, desires to receive credit for the transaction privilege tax revenue (i.e. transaction privilege tax revenue) being generated to the City from the developed Project Site for the cost to acquire the Project Site. Having an effective tax credit where excise privilege taxes being generated are used, in part, to acquire and develop the Project Site is a material part of the transaction to Developer.

A.R.S. §9-500.11 allows a municipality to enter into a "retail tax incentive agreement" as that term is defined in that statute. By having an agreement or set of agreements which

comply with the provisions of this statute, Developer may get credit for a portion of the sales, use, or transaction privilege taxes payable to the City in connection with the construction, development, or operation of retail development activities on the Project Site by Developer or its nominee(s). Such a credit will be hereinafter referred to as the “**Retail Tax Incentive Agreement**”.

It is understood and agreed that any structure or documentation of the transactions between the City, an IDA, and/or Developer for the Project will provide Developer the Retail Tax Incentive Agreement as set forth in this Section. Final documentation may be with a nominee or assignee of Developer. Approval of such nominee or assignee will be in accordance with the General Provisions as set forth in Section VI of this MOU.

A.R.S. §9-500.11 provides in part that for a tax credit to be provided by the Retail Tax Incentive Agreement, at all times the sales, use, or transaction privilege taxes payable to the City in connection with the construction, development, or operation of retail development activities on the Project Site must equal or exceed the amount of the credit being given to Developer or its nominee or assignee. It requires a verification by an independent third party (the “**Economic Benefit Assessment**”) that any tax incentive provided must raise more revenue than the amount of the incentive. The Economic Benefit Assessment will determine the amount of economic benefit available to the City on an annual basis (the “**Estimated Annual Economic Benefit**”). The Developer may not pay for, finance, nor have input into the selection of, the independent third party providing the Economic Benefit Assessment. Any Retail Tax Incentive Agreement between the parties hereto must be so conditioned.

Article 9 §7 of the Arizona Constitution prohibits any subdivision of the State giving or lending its credit or making any donation, grant, or subsidy to any person, association, or corporation. Arizona has recognized that if (i) the public treasury receives benefits that meet or exceed the cost to the public treasury and (ii) if the expenditure of public funds is for a public purpose, then there is consideration for the transaction and the matter is not in violation of this provision of law.

So that the City will, at all times, raise more revenue than the amount of the credit provided by the Retail Tax Incentive Agreement, it is agreed that such credit will be structured as follows.

A. Eighty percent (80%) of all transaction privilege taxes of the City as generated from businesses established on the Project Site will be rebated to Developer or its nominee or assignee until the sum of one million five hundred thousand dollars (\$1,500,000.00) is paid.

B. Payment of the rebated city transaction privilege tax will be conditioned upon a showing of a public benefit to the City of San Luis as follows. The Retail Tax Incentive Agreement will provide as a required part of the bargain that there will be employment of persons living within the effective market area of the businesses located within the municipal limits of San Luis in sufficient numbers and annual wages to offset the amount of sales tax rebate being generated annually pursuant to the Retail Tax Incentive Agreement. City shall engage an appropriate study to demonstrate the economic effect of this bargained for employment to the public treasury of the City so as to show that the benefit is roughly equivalent to the cost of the rebate of taxes. Developer shall cause the businesses located on the Project Site to report quarterly the number of employees living within the effective market area as described above as well as the amount of gross wages paid to said persons to verify the public benefit received. City shall have a reasonable right to inspect or audit records of these businesses to verify the information being reported. In the event that there are two consecutive quarters in which the benefit received by the City in connection with this employment is not equal to or greater than the Estimated Annual Economic Benefit, the amount of taxes being rebated will be reduced by an amount based on the relative difference between the actual economic benefit for the prior two consecutive quarters and the Estimated Annual Economic Benefit. By way of illustration and without limiting the generality of the preceding sentence, if the Estimated Annual Economic Benefit is \$300,000 and if the actual economic benefit for the two consecutive quarters when annualized is \$150,000 the amount of rebated sales tax will be reduced from eighty percent (80%) of all transaction privilege taxes of the City generated from businesses established on the Project Site to forty percent (40%) of all transaction privilege taxes of the City generated from businesses established on the Project Site

C. If a reduction in the percentage of transaction privilege taxes is required under Section IV.B, the Developer may request that credit be given for the cost of public infrastructure fully paid by the Developer and not subject to any lien or encumbrance, i.e. city water or wastewater mains, or public street, road and right of way developed by the Developer. The giving of this credit shall not increase the rate of rebate nor the amount of rebate as provided by subsection IV.A above. This credit shall be given upon evidence of these costs incurred by Developer in the development of the Project being presented to City. These shall be for costs not reimbursed to Developer pursuant to subsection III.b above. The value of such infrastructure and the amount available for credit to be approved/determined in the sole discretion of the Public Works Director of the City of San Luis taking into account, the availability of exceptions to public procurement permitted by Title 34 of the Arizona Revised Statutes.

D. The Retail Tax Incentive Agreement will be conditioned upon the development of and the opening of the above-described "brand" hotel and "brand" restaurant on or before January 1, 2020.

## V. PARTICIPATION OF DEVELOPER

A. **New Market Tax Credits.** To develop the Project Site, Developer and/or its nominee or assignee will need to acquire financing. Developer intends to develop and finance the Project through the issuance of New Market Tax Credits ("NMTC"). The City agrees to support Developer in its efforts to procure the NMTC for the Project.

B. **City Approvals.** The City further agrees it may be necessary to split or subdivide the Project Site into separate lots or parcels to facilitate the Project. The City agrees to expedite any City review and approval necessary to for a lot split/s or subdivision of the Project Site.

D. **GPLET.** Developer is also considering the possibility of the Project Site being developed in such a manner as to qualify for the Government Property Lease Excise Tax pursuant to Arizona law ("**GPLET**"). The City agrees in the event Developer decides to develop the Project, or portion of the Project to avail of the GPLET, the City agrees to support Developer's efforts in this regard and shall enter into such agreements as deemed necessary by the parties to qualify for the GPLET.

E. **Exclusivity Period.** The City agrees from the City's approval of this MOU the City shall provide Developer the exclusive right through December 31, 2017 to put the Project together and to procure the necessary financing and "end users" for the Project (the "**Exclusivity Period**"). During the Exclusivity Period the City agrees to refer any inquiries the City receives for the development of a new "sit down" restaurant, hotel/motel or convenience store/gas station to Developer. The City further agrees during the Exclusivity Period it shall not negotiate directly or indirectly with any other party for the development of a similar project within or proximity to the City's municipal limits.

## VI. CLOSING

The City and Developer acknowledge there are a number of contingencies necessary to procure the Project Site and to develop the Project.

## VII. GENERAL PROVISIONS

A. **Counterparts.** This MOU may be executed in one or more counterparts and by facsimile or other means of electronic signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signature of all parties may be physically attached to a single document.

B. **Headings.** The descriptive headings of the paragraphs of this MOU are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

C. **Time of the Essence.** Time is of the essence of this MOU. It is understood the City, and Developer will work together to facilitate the transactions contemplated by this understanding, including NMTC procurement and end users for the development of the Project. The parties hereto will cooperate in the execution of any and all needed and necessary documents and agreements for the transaction(s) described herein within said timeframe.

D. **No Partnership and Third Parties.** It is not intended by this MOU to, and nothing contained in this MOU shall, create any partnership, joint venture or other similar arrangement between City and Developer. No term or provision of this MOU is intended to, or shall, be for the benefit of any person or entity not a party hereto, and no such other person or entity shall have any right or cause of action hereunder unless an agreed to successor or nominee of Developer. City shall have a right to approve any nominee and/or successor, and such approval shall not be unreasonably withheld.

E. **Mutual Cooperation.** The City and Developer acknowledge the development of the Project is complex and that additional terms, conditions or agreements not specified or contemplated in this MOU may be necessary for the development of the Project. The City and Developer shall endeavor to mutually cooperate with each other in a timely manner to facilitate the development of the Project and to amend or supplement this MOU as is necessary to proceed with the development of the Project.

F. **Entire Agreement.** This MOU constitutes the entire current understanding between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

G. **Amendment.** No change or additions are to be made to this MOU except by a written amendment executed by the parties hereto.

H. **Governing Law.** This MOU is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona. In particular, this MOU is subject to the provisions of A.R.S. § 38 511. Pursuant to the provisions of A.R.S. §41-4401, Developer further agrees to warrant that it and any of its contractors or subcontractors will comply with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. §23-214, subsection A. That a breach of this warranty shall be deemed a material breach of any agreement with City and will be subject to the penalties of A.R.S. §41-4401.A.2. That the City shall have the right to random verification of employment records of Developer, its contractors, or subcontractors to ensure compliance with this warranty. Developer shall execute a certification regarding whether it is boycotting Israel as provided by A.R.S. §35-393.01.

I. **Venue.** Any legal action relating to this MOU or the agreements contemplated herein shall be brought in either the Yuma County Superior Court at the election of the plaintiff in such legal action, provided, however, that nothing in this paragraph will be deemed to have authorized the bringing of any legal action in a court which does not otherwise have jurisdiction to adjudicate the legal action.

J. **No Personal Liability.** No member, official or employee of the City, IDA or Developer shall be personally liable to any other party or any successor or assignee, (a) in the event of any default or breach by any party, (b) for any amount which may become due to any party or its successor or assign, or (c) pursuant to any obligation of any party under the terms of this MOU or agreement that may be entered into as a result hereof.

City of San Luis

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

\_\_\_\_\_  
Dated

San Luis Commercial Holdings, LLC

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

\_\_\_\_\_  
Dated



# City of San Luis

## Economic Impact Analysis

### San Luis Commercial Holdings, LLC Multi-Use Project

# Introduction



- q Developer (San Luis Commercial Holdings) is proposing to construct and maintain a multi-use hotel, restaurant and convenience store/gas station
- q Project to be located at Highway 95 and 22<sup>nd</sup> Street
- q Project is intended to provide the following benefits to City:
  - q **Direct** – transaction privilege taxes to City
  - q **Indirect** – additional tax revenue from new employment/new jobs created from development

# Developer Agreement with City



- q Developer is requesting a credit for a portion of the transaction privilege tax revenue it will generate from the new development
  
- q Terms of Agreement with City:
  - q 50% of taxes from development to be rebated to Developer until the sum of \$1,822,680 is paid
  
  - q Agreement conditioned on the opening of the hotel and restaurant on or before December 31, 2021

# Regulatory Requirements



- q ARS 9-500.11 is statute that governs tax incentive agreements
  
- q Key provision:
  - q “A city or town shall not enter into a retail tax incentive agreement if the proposed tax incentive raises less revenue than the amount of the incentive” ... finding ... of this section shall be verified by an independent third party before the city or town enters into the agreement”
  
- q Independent “watchdog” groups also monitor local agreements to ensure compliance with statutes

# Analysis Conducted



- q **Economic Impact Analysis** – examines the effect of the project on the overall local economy – changes in business revenues, profits, wages, etc.
- q **Fiscal Impact Analysis** – examined the impact of the project on the local government – increase in revenues from taxes and other government sources



# Economic Impact Analysis Summary



Description	Labor Impacts	Annual Payroll Impacts (Rounded)
<b>Construction Related Jobs</b>		
Hotel	54.60	\$ 2,630,400
Restaurant	13.30	638,600
Convenience Store / Gas Station	12.60	638,600
<b>Total Construction Related Jobs</b>	<b>80.50</b>	<b>\$ 3,907,600</b>
<b>Ongoing Jobs</b>		
Hotel	13.60	\$ 470,300
Restaurant	11.20	439,600
Convenience Store / Gas Station	12.00	408,900
<b>Total Ongoing Jobs</b>	<b>36.80</b>	<b>\$ 1,318,800</b>

Notes: (1) Does not include inflationary impacts on wages.

# Fiscal Impact Analysis Methodology



- q Project team developed a comprehensive financial model designed to calculate the following impacts of the development:
  - q **Direct Impact** – actual changes brought by project – wages and expenditures at the development
  - q **Indirect Impact** – effect of purchases of supplies and materials by the development
  - q **Induced Impact** – effect of general household spending by employees of development
- q **NOTE:** to be as conservative as possible, the project team chose to only examine the Direct Impact of the development

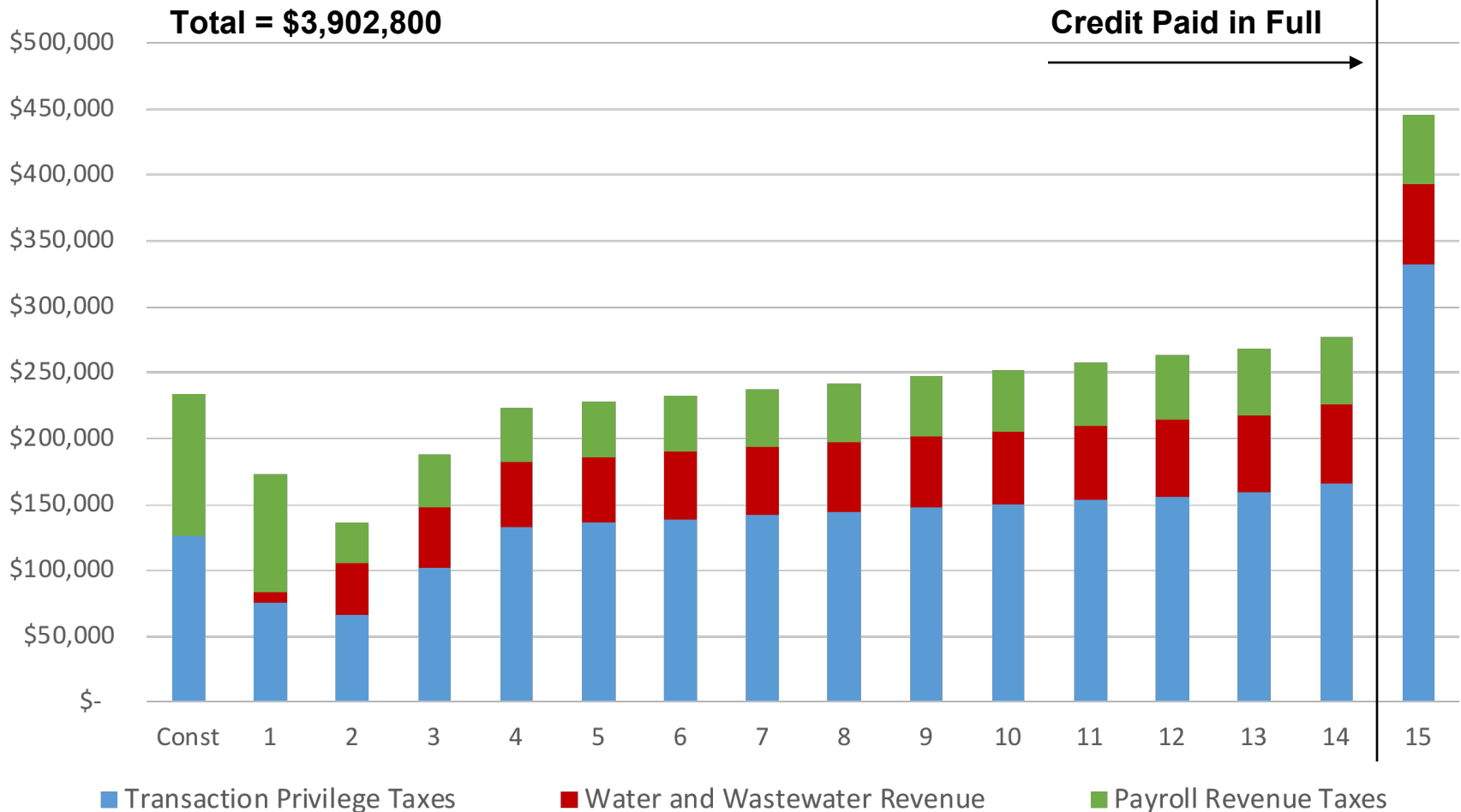
# Fiscal Impact Analysis Critical Assumptions



- q Percentage of jobs for local residents: 70-80%
- q Wages and development revenue based on industry averages and developer estimates
- q 25% of payroll is spent on goods and services within City
- q City will receive revenue from water/wastewater services provided to development



# Annual Tax Revenue



# Fiscal Impact Analysis Summary

## Years 1 -- 15



Description	Amount
<b>TRANSACTION PRIVILEGE TAX CREDIT</b>	<b>\$ (1,822,700)</b>
<b>PROJECTED SOURCES OF REVENUE</b>	
Transaction Privilege Taxes Paid	\$ 2,328,200
Utility System Revenue	750,000
Payroll Revenue Impacts	<u>824,600</u>
<b>TOTAL PROJECTED SOURCES OF REVENUE</b>	<b>\$ 3,902,800</b>
<b>NET BENEFIT TO CITY OVER PROJECTION PERIOD</b>	<b>\$ 2,080,100</b>

# Presentation Summary



- q Development is forecast to provide a significant economic benefit to the City of San Luis
- q Tax credits offered in agreement with City are more than recovered through increased economic activity
- q City is forecast to benefit by as much as **\$3,902,800** in first 15 years, even more in later years
- q Proposed agreement complies with requirements of Arizona statutes

**City of San Luis, Arizona  
Economic Impact Analysis**

**Proposed Retail Tax Incentive Agreement with  
San Luis Commercial Holdings, L.L.C. for  
Multi-Use Site**

**Prepared by:**



**5500 Democracy Drive, Suite 130 | Plano, Texas 75024  
Tel: (972) 378-6588 | Cell: (972) 998-0417 | Fax: (972) 378-6988**

**Contact Person:  
Dan V. Jackson, Vice President | Email: [djackson@willdan.com](mailto:djackson@willdan.com)**

**February 19, 2020**



February 19, 2020

Ms. Jenny Torres  
Economic Development Manager  
City of San Luis  
1090 East Union St.  
San Luis, AZ 85349

**Re: Economic Impact Analysis – San Luis Commercial Holdings, L.L.C. Multi-Use Project Site**

Dear Ms. Torres:

Pursuant to our agreement with the City of San Luis (the City), **Willdan Financial Services** is pleased to present herein the results of the Economic Impact Analysis of the San Luis Commercial Holdings, L.L.C. Multi-Use Site. This Letter Report summarizes our findings. It represents an update of an economic impact analysis originally prepared in 2017.

The Report is based on estimates, assumptions and other information related to the above. Such estimates, assumptions or other information were developed from prior research, knowledge of the industry and discussions with you and other involved parties, during which we were provided certain information. The sources of information and bases of estimates and assumptions are stated in the Report. Our documentation is based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events.

Any conclusions and/or any prospective financial information that is included in our documentation were based on estimates and assumptions from previous studies, information developed from supplemental research, knowledge of the industry and other sources, including certain information that the City and/or developer provided. These sources of information and bases of significant estimates and assumptions are stated in our documentation. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from any estimates, and the variations may be material.

We extend our thanks and appreciation for the opportunity to be of service in this matter, and for the City's and its staff's valuable cooperation and assistance. If you have any questions, please do not hesitate to contact me at 972.378.6588 or [djackson@willdan.com](mailto:djackson@willdan.com).

Respectfully submitted,

**WILLDAN FINANCIAL SERVICES**

A handwritten signature in black ink, appearing to read 'Dan V. Jackson', with a long horizontal flourish extending to the right.

**Dan V. Jackson**  
**Vice President**

# Table of Contents

Table of Contents .....	i
Introduction .....	1
Background .....	1
Regulatory Requirements .....	1
Retail Tax Incentive Agreement .....	2
Economic Impact Analysis.....	2
Methodology .....	2
Assumptions and Inputs .....	3
Summary of Economic Impacts .....	3
Fiscal Impact Analysis.....	4
Methodology .....	4
Assumptions and Inputs .....	4
Summary of Fiscal Impacts .....	6

Schedules

Attachment A – Arizona Revised Statutes §9-500.11

## Introduction

**Willdan Financial Services** was retained by the City of San Luis, Arizona (the “City”) to evaluate the fiscal and economic benefits associated with the development of a multi-use site by San Luis Commercial Holdings, L.L.C. (the “Developer”). The Developer is proposing to develop and maintain a multi-use hotel, restaurant, and convenience store/gas station on the site.

The proposed Project location will be a 5 to 8-acre site at the northwest corner of the intersection of Highway 95 and 22<sup>nd</sup> Street within the City’s limits (the “Project Site”). As identified in the Development Agreement (the “Agreement”) between the City and the Developer, the Project Site is owned by MJS Properties, L.P. an Arizona limited partnership, and the acquisition of the Project Site by the Developer has yet to occur as of the date of this Report.

This Report identifies the estimated economic and fiscal impacts of the multi-use project at the Project Site. An Economic Impact Analysis examines the effect of a particular project on the economy in a specified area, ranging from a single neighborhood to the entire globe. It usually measures changes in business revenue, business profits, personal wages, and/or jobs.

A Fiscal Impact Analysis addresses the net impact on government of a particular project. This is done by estimating the increase in revenues to a municipality. For this Project, the estimated revenues that will be increased include a variety of taxes including, but not limited to, state income taxes, sales tax/transaction privilege tax, and utility fee revenues. **Schedules 4 and 5** of this Report present the different categories and estimated annual revenues for each.

## Background

As described in the Agreement, the Developer intends to develop a “brand” hotel, a “brand” restaurant, a franchise convenience store and gas station, and other transaction privilege tax generating businesses on the Project Site. In addition to generating transaction privilege taxes directly to the City, these businesses will indirectly benefit the City by providing employment in a City with a historically high unemployment rate, enhance property values of nearby properties, and generate other economic development in the City limits. The Developer, to maximize its leverage and maximize use of its development funding for actual development of the site, as opposed to using those resources for land acquisition, desires to receive credit for the transaction privilege tax revenue being generated to the City from the developed Project Site for the cost to acquire the Project Site. Having an effective tax credit where excise privilege taxes being generated are used, in part, to acquire and develop the Project Site is a material part of the transaction to the Developer.

## Regulatory Requirements

Arizona Revised Statutes (A.R.S.) §9-500.11 allows a municipality to enter into a “retail tax incentive agreement” as that term is defined in that statute. By having an agreement or set of agreements which comply with the provisions of this statute, the Developer may get credit for a portion of the sales, use, or transaction privilege taxes payable to the City in connection with the construction, development, or operation of retail development activities on the Project Site by Developer or its nominee(s). According to A.R.S. §9-500.11 (D1): “... the proposed tax incentive is anticipated to raise more revenue than the amount of the incentive within the duration of the agreement.” The statute also states that “A city or town shall not enter into a retail tax incentive agreement if the proposed tax incentive raises less revenue than the amount of the incentive...The finding made pursuant to subsection D, paragraph 1 of this section shall be verified by an independent third party before the city or town enters into the retail development

*incentive agreement.*" (A.R.S. §9-500.11 (F, H)). A copy of A.R.S. §9-500.11 is included as **Attachment A** to this Letter Report.

Article 9 §7 of the Arizona Constitution prohibits any subdivision of the State giving or lending its credit or making any donation, grant, or subsidy to any person, association, or corporation. Arizona has recognized that if (i) the public treasury receives benefits that meet or exceed the cost to the public treasury and (ii) if the expenditure of public funds is for a public purpose, then there is consideration for the transaction and the matter is not in violation of this provision of law.

## **Retail Tax Incentive Agreement**

So that the City will, at all times, raise more revenue than the amount of the credit provided by the Retail Tax Incentive Agreement, based on discussions with City Staff and the City's Legal Counsel it has been proposed that the updated Agreement will be structured as follows:

- A. Fifty percent (50%) of all transaction privilege taxes of the City as generated from businesses established on the Project Site will be rebated to Developer or its nominee or assignee until the sum of one million five hundred thousand dollars (\$1,822,680.00) is paid.
- B. The Retail Tax Incentive Agreement will be conditioned upon the development of and the opening of the afore described "brand" hotel and "brand" restaurant on or before December 31, 2021.

## **Economic Impact Analysis**

### **Methodology**

To prepare the economic impact analysis, the project team developed an impact model based upon certain inputs and assumptions, and utilizing appropriate local data sets. Based on our experience and knowledge of the industry, this model was developed to measure the impacts of development and many other activities that affect employment or expenditures in the economy.

Models such as this are particularly useful for measuring the total economic effects of a particular project or program, and yield estimates of the number and types of jobs created, the amount of wages associated with those jobs, and the total economic output or "final sales" generated within particular industries. This model relies upon economic "multipliers" that mathematically represent the relationship between the initial change in one sector of the economy and the corresponding effect of that change on other interdependent industry sectors, as well as the effect of that subsequent change on further sectors. These effects are commonly described as "direct," "indirect," and "induced" and are generally defined as follows:

- The "direct" effect is the initial change in economic activity from local payroll and construction expenditures in a specific industry or sector. For this Project, the direct effects to San Luis's zip code are the wages and other expenditures at the site (and with City businesses), during both construction and operation of the proposed facility.
- The "indirect" effect results from industry-industry transactions required to support the direct activity. This effect is a measure of the change in the output of suppliers linked to the industry being evaluated. For example, construction will result in an increase in purchases of building materials, engineering and consulting services, and other goods from "business to business" suppliers within the City.
- The "induced" effect consists of employee spending in the City by employees, created by direct

and indirect impacts, spending their earnings on local goods and services, such as food, clothing, real estate, education, health services, etc.

The total economic impact of the project is typically the sum of the direct, indirect, and induced impacts, offset by any economic loss related to the change in the use of the land. For purposes of this analysis, the project team has only included the direct labor effects in the overall return to the City.

It should be noted that this modeling generally assumes that demand for goods and services by industries or households increases in relation to an increase in income, and that an increase in demand results in a proportional increase in local supply and employment. This implies that local suppliers satisfy this initial demand by increasing their output and hiring additional workers rather than shifting their goods or services from one set of consumers to another. This assumption may not hold in areas with tight labor or capital markets since suppliers may find it difficult to obtain these labor or material inputs or other resources necessary to expand production. Considering the scale of the proposed project and the size of the economic study area, this is not likely to be a factor for this analysis.

### Assumptions and Inputs

- **Direct Labor.** The Project will create both construction-related jobs and ongoing jobs once construction is complete. The anticipated construction related and ongoing jobs by facility were provided by the City and the Developer. The project team allocated these anticipated jobs as director/supervisor positions (25%) and staff positions (75%) as detailed on **Schedule 1**.
- **Direct Payroll.** Using the labor categories identified by both the Developer and the allocation between director/supervisor and staff positions, the project team assigned an hourly labor cost to each anticipated labor category associated with the businesses on the Project Site. The hourly wage estimates were obtained from the Yuma MSA-2018 Occupational Employment & Hourly Wage Estimates, prepared by the Arizona Office of Employment and Population Statistics in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, May 2019. The hourly wage rates were adjusted for inflation to the start of the projection period. The anticipated monthly payroll was then calculated based on the total staffing levels and anticipated hourly wages. This analysis is detailed on **Schedule 1**.
- The project team forecast that 70% of the jobs associated with the development of the Project Site and 80% of the jobs associated with the ongoing operations of the businesses at the Project Site would be local residents who currently reside within the San Luis City limits or would relocate within the City Limits. The resulting local direct labor and local direct payroll are identified on **Schedule 2**.
- Payroll costs are assumed to increase at 2.5 percent (2.5%) annually due to inflation and merit adjustments.
- Construction is estimated to take approximately 21 months.

### Summary of Economic Impacts

The anticipated Project is forecast to be the source of substantial economic benefits over the 15-year projection period. The total anticipated labor and associated payroll is shown below on **Table 1** as summarized **Schedule 2**.

**Table 1  
Summary of Economic Benefits**

Description	Labor Impacts	Annual Payroll Impacts (Rounded)
<b>Construction Related Jobs</b>		
Hotel	54.60	\$ 2,630,400
Restaurant	13.30	638,600
Convenience Store / Gas Station	12.60	638,600
<b>Total Construction Related Jobs</b>	<b>80.50</b>	<b>\$ 3,907,600</b>
<b>Ongoing Jobs</b>		
Hotel	13.60	\$ 470,300
Restaurant	11.20	439,600
Convenience Store / Gas Station	12.00	408,900
<b>Total Ongoing Jobs</b>	<b>36.80</b>	<b>\$ 1,318,800</b>

Notes: (1) Does not include inflationary impacts on wages.

## Fiscal Impact Analysis

### Methodology

The analysis of fiscal impacts focuses on the potential public revenues generated from utility services, transaction privilege taxes and the City's share of taxes including state income taxes. For purposes of this analysis, only those revenues to the City are included.

This analysis concentrates on direct and indirect impacts. While there are several levels of indirect impacts from projects such as this, the analysis focuses on the indirect impacts including, but not limited to the City's share of the state income tax and transaction privilege tax revenue.

The direct fiscal benefits consist of utility fees and tax revenues generated by the construction and operation of the proposed businesses on the Project Site. Indirect fiscal benefits include public revenues generated by direct payroll such as state income and transaction privilege tax revenues.

### Assumptions and Inputs

- **Projected Revenues Subject to Transaction Privilege Tax.** Revenue projections for the hotel, restaurant, and convenience store/gas station have been estimated by the Developer based on industry averages. The revenues are phased in over the first part of the projection period and include an annual inflationary adjustment of 2.0 percent (2.0%). The projected revenues are detailed on **Schedule 3**.
- As discussed previously, the agreement is expected to provide a credit of transaction privilege taxes

of 50 percent (50%) of the annual liability of the businesses located on the Project Site until a total of \$1,822,680 credit has been received. **Schedule 3** presents the anticipated annual transaction privilege tax credit.

- Construction is expected to take approximately 21 months.
- Estimated construction costs have been provided by the City and the developer. Anticipated Transaction Privilege Taxes on the Construction portion of the project are estimated as follows:

Description	Amount
<b>Construction Costs</b>	
Hotel	\$ 8,171,964.00
Restaurant	1,955,000.00
Convenience Store / Gas Station	1,840,000.00
<b>Total Construction Costs</b>	<b>\$ 11,966,964.00</b>
<b>Amount Allocated to Purchases within the City</b>	<b>\$ 4,188,437.40</b>
<b>Total Projected Transaction Privilege Tax (Rounded)</b>	<b>\$ 167,500.00</b>
Allocated to Year 1	125,700.00
Allocated to Year 2	41,900.00

Notes: (1) Does not include inflationary impacts on wages.

- **Utility System Revenues.** The City will receive water and wastewater revenue from the businesses on the project site. Based on our experience with the water and wastewater industry, we have developed flow projections based on the business type and size. Additionally, the project team has used the City's current utility system rates to project monthly and annual water and wastewater revenue from the project site. The water and wastewater rates are expected to be increased annually at 2.0 percent (2.0%). Detailed Utility System revenue projections are shown on **Schedule 4**.
- **City Share of State Income Taxes.** The project team has assumed approximately 1.775 percent (1.775%) of every direct payroll dollar will be credited to the City by the State for State Income Tax.
- **In-City Spending.** Willdan has projected that approximately 25% of payroll will be spent on goods and services within the City that are subject to the transaction privilege tax. It is assumed these expenditures will be at businesses other than those on the proposed project site.
- **Transaction Privilege Tax Rate.** The transaction privilege tax rate included in the projections is 4.0 percent (4.0%). This rate assumed throughout the projection period.

## Summary of Fiscal Impacts

The results of the Fiscal Impacts Analysis are shown on **Schedules 5 and 6**. These projections are based on the assumptions discussed in the previous sections. In order for the City to move forward with the Project, the proposed tax incentive must provide more revenue to the City than the tax incentive. As can be seen on **Schedule 6**, the total projected revenues exceed the anticipated tax credit by over 214%.

It is anticipated that it will take approximately 15 years from the beginning of construction to reach the \$1,822,680 tax credit cap. Over that period, the cumulative projected direct payroll anticipated is \$29,714,200.

**Schedule 6** presents the anticipated Tax Credit as well as the projected sources of income to the City provided by this project over the projection period. As summarized from **Schedule 6** and shown on **Table 2** below, the net benefit to the City over the projection period is anticipated to be \$2,080,100.

**Table 2**  
**Summary Projected Fiscal Benefits**

Description	Amount
<b>TRANSACTION PRIVILEGE TAX CREDIT</b>	<b>\$ (1,822,700)</b>
<b>PROJECTED SOURCES OF REVENUE</b>	
Transaction Privilege Taxes Paid	\$ 2,328,200
Utility System Revenue	750,000
Payroll Revenue Impacts	824,600
<b>TOTAL PROJECTED SOURCES OF REVENUE</b>	<b>\$ 3,902,800</b>
<b>NET BENEFIT TO CITY OVER PROJECTION PERIOD</b>	<b>\$ 2,080,100</b>

# Schedules

**Schedule 1**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Direct Labor and Payroll Assumptions**

Labor Classification	Total (1)	Director/ Supervisor	Staff
		FTEs	FTEs
<b>JOBS</b>			
<b>Construction Related Jobs</b>			
Hotel	78.00	20.00	59.00
Restaurant	19.00	5.00	14.00
Convenience Store / Gas Station	<u>18.00</u>	<u>5.00</u>	<u>14.00</u>
<b>Total Construction Related Jobs</b>	<b>115.00</b>	<b>30.00</b>	<b>87.00</b>
<b>Ongoing Jobs</b>			
Hotel	17.00	4.00	13.00
Restaurant	14.00	4.00	11.00
Convenience Store / Gas Station	<u>15.00</u>	<u>4.00</u>	<u>11.00</u>
<b>Total Ongoing Jobs</b>	<b>46.00</b>	<b>12.00</b>	<b>35.00</b>
<b>HOURS PER MONTH</b>			
<b>Construction Related Jobs</b>			
Hotel	12,640.00	3,200.00	9,440.00
Restaurant	3,040.00	800.00	2,240.00
Convenience Store / Gas Station	<u>3,040.00</u>	<u>800.00</u>	<u>2,240.00</u>
<b>Total Construction Related Jobs - Hours Per Month</b>	<b>18,720.00</b>	<b>4,800.00</b>	<b>13,920.00</b>
<b>Ongoing Jobs</b>			
Hotel	2,720.00	640.00	2,080.00
Restaurant	2,400.00	640.00	1,760.00
Convenience Store / Gas Station	<u>2,400.00</u>	<u>640.00</u>	<u>1,760.00</u>
<b>Total Ongoing Jobs - Hours Per Month</b>	<b>7,520.00</b>	<b>1,920.00</b>	<b>5,600.00</b>

**Schedule 1**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Direct Labor and Payroll Assumptions**

Labor Classification	Total (1)	Director/ Supervisor	Staff
		FTEs	FTEs
<b>EFFECTIVE HOURLY RATE (2)</b>			
<b>Construction Related Jobs</b>			
Hotel		\$ 42.31	\$ 18.83
Restaurant		\$ 42.31	\$ 18.83
Convenience Store / Gas Station		\$ 42.31	\$ 18.83
<b>Ongoing Jobs</b>			
Hotel		\$ 34.12	\$ 13.05
Restaurant		\$ 35.71	\$ 13.03
Convenience Store / Gas Station		\$ 30.25	\$ 13.20
<b>MONTHLY PAYROLL</b>			
<b>Construction Related Jobs</b>			
Hotel	\$ 313,147.20	\$ 135,392.00	\$ 177,755.20
Restaurant	76,027.20	33,848.00	42,179.20
Convenience Store / Gas Station	76,027.20	33,848.00	42,179.20
<b>Total Construction Related Jobs - Monthly Payroll</b>	<b>\$ 465,201.60</b>	<b>\$ 203,088.00</b>	<b>\$ 262,113.60</b>
<b>Ongoing Jobs</b>			
Hotel	\$ 48,980.80	\$ 21,836.80	\$ 27,144.00
Restaurant	45,787.20	22,854.40	22,932.80
Convenience Store / Gas Station	42,592.00	19,360.00	23,232.00
<b>Total Ongoing Jobs - Monthly Payroll</b>	<b>\$ 137,360.00</b>	<b>\$ 64,051.20</b>	<b>\$ 73,308.80</b>

Notes:

- (1) Total Direct Jobs As provided by the Developer and City of San Luis.
- (2) Yuma MSA-2018 Occupational Employment & Hourly Wage Estimates. Prepared by the Arizona Office of Economic Opportunity in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, May 2019. Adjusted for Inflation.

**Schedule 2**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Direct Labor and Payroll Summary**

Labor Classification	Total	% Local	Amount Local
<b>JOBS</b>			
<b>Construction Related Jobs</b>			
Hotel	78.00	70%	54.60
Restaurant	19.00	70%	13.30
Convenience Store / Gas Station	18.00	70%	12.60
<b>Total Construction Related Jobs</b>	<b>115.00</b>		<b>80.50</b>
<b>Ongoing Jobs</b>			
Hotel	17.00	80%	13.60
Restaurant	14.00	80%	11.20
Convenience Store / Gas Station	15.00	80%	12.00
<b>Total Ongoing Jobs</b>	<b>46.00</b>		<b>36.80</b>
<b>MONTHLY PAYROLL</b>			
<b>Construction Related Jobs</b>			
Hotel	\$ 313,147.20	70%	\$ 219,203.04
Restaurant	76,027.20	70%	53,219.04
Convenience Store / Gas Station	76,027.20	70%	53,219.04
<b>Total Construction Related Jobs - Monthly Payroll</b>	<b>\$ 465,201.60</b>		<b>\$ 325,641.12</b>
<b>Ongoing Jobs</b>			
Hotel	\$ 48,980.80	80%	\$ 39,184.64
Restaurant	45,787.20	80%	36,629.76
Convenience Store / Gas Station	42,592.00	80%	34,073.60
<b>Total Ongoing Jobs - Monthly Payroll</b>	<b>\$ 137,360.00</b>		<b>\$ 109,888.00</b>

**Schedule 3**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Revenues and Transaction Privilege Tax Credit**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>Projected Revenues Subject to Transaction Privilege Tax (1)</b>								
Hotel	(2)	\$ 462,500	\$ 924,900	\$ 1,415,200	\$ 1,849,900	\$ 1,886,900	\$ 1,924,600	\$ 1,963,100
Restaurant	(2)	538,300	1,076,600	1,647,200	2,153,200	2,196,300	2,240,200	2,285,000
Convenience Store / Gas Station	(2)	667,100	1,334,100	2,041,200	2,668,200	2,721,600	2,776,000	2,831,600
<b>Total Projected Revenues</b>		\$ 1,667,900	\$ 3,335,600	\$ 5,103,600	\$ 6,671,300	\$ 6,804,800	\$ 6,940,800	\$ 7,079,700
<b>Transaction Privilege Tax Revenue @ 4%</b>								
Hotel	(2)	\$ 18,500	\$ 37,000	\$ 56,600	\$ 74,000	\$ 75,500	\$ 77,000	\$ 78,500
Restaurant	(2)	21,500	43,100	65,900	86,100	87,900	89,600	91,400
Convenience Store / Gas Station	(2)	26,700	53,400	81,600	106,700	108,900	111,000	113,300
<b>Total Transaction Privilege Tax Revenue @ 4%</b>		\$ 66,700	\$ 133,500	\$ 204,100	\$ 266,800	\$ 272,300	\$ 277,600	\$ 283,200
<b>Proposed Tax Credit</b>								
Annual Percent		50%	50%	50%	50%	50%	50%	50%
Dollar Amount		\$ 33,400	\$ 66,800	\$ 102,100	\$ 133,400	\$ 136,200	\$ 138,800	\$ 141,600
<b>Cumulative Tax Credit</b>		\$ 33,400	\$ 100,200	\$ 202,300	\$ 335,700	\$ 471,900	\$ 610,700	\$ 752,300

**Notes:**

- (1) Based on Information Provided by the Developer and City of San Luis.
- (2) Construction Projected to last approximately 21 months.

**Schedule 3**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Revenues and Transaction Privilege Tax Credit**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>Projected Revenues Subject to Transacti</b>								
Hotel	\$ 2,002,400	\$ 2,042,400	\$ 2,083,300	\$ 2,125,000	\$ 2,167,500	\$ 2,210,800	\$ 2,255,000	\$ 2,300,100
Restaurant	2,330,700	2,377,300	2,424,900	2,473,400	2,522,800	2,573,300	2,624,800	2,677,200
Convenience Store / Gas Station	2,888,200	2,945,900	3,004,900	3,065,000	3,126,300	3,188,800	3,252,600	3,317,600
<b>Total Projected Revenues</b>	<b>\$ 7,221,300</b>	<b>\$ 7,365,600</b>	<b>\$ 7,513,100</b>	<b>\$ 7,663,400</b>	<b>\$ 7,816,600</b>	<b>\$ 7,972,900</b>	<b>\$ 8,132,400</b>	<b>\$ 8,294,900</b>
<b>Transaction Privilege Tax Revenue @ 4%</b>								
Hotel	\$ 80,100	\$ 81,700	\$ 83,300	\$ 85,000	\$ 86,700	\$ 88,400	\$ 90,200	\$ 92,000
Restaurant	\$ 93,200	\$ 95,100	\$ 97,000	\$ 98,900	\$ 100,900	\$ 102,900	\$ 105,000	\$ 107,100
Convenience Store / Gas Station	115,500	117,800	120,200	122,600	125,100	127,600	130,100	132,700
<b>Total Transaction Privilege Tax Revenue</b>	<b>\$ 288,800</b>	<b>\$ 294,600</b>	<b>\$ 300,500</b>	<b>\$ 306,500</b>	<b>\$ 312,700</b>	<b>\$ 318,900</b>	<b>\$ 325,300</b>	<b>\$ 331,800</b>
<b>Proposed Tax Credit</b>								
Annual Percent	50%	50%	50%	50%	50%	50%	50%	50%
Dollar Amount	\$ 144,400	\$ 147,300	\$ 150,300	\$ 153,300	\$ 156,400	\$ 159,500	\$ 159,200	\$ -
<b>Cumulative Tax Credit</b>	<b>\$ 896,700</b>	<b>\$ 1,044,000</b>	<b>\$ 1,194,300</b>	<b>\$ 1,347,600</b>	<b>\$ 1,504,000</b>	<b>\$ 1,663,500</b>	<b>\$ 1,822,700</b>	<b>\$ 1,822,700</b>

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>UTILITY SYSTEM REVENUE ASSUMPTIONS</b>								
<b>Hotel</b>								
Water								
Monthly Usage (Gallons)		200,000	280,000	370,000	400,000	400,000	400,000	400,000
Base Charge - 4" Meter (Includes 2,000 gallons usage)	\$	1,404.07	\$ 1,432.15	\$ 1,460.79	\$ 1,490.01	\$ 1,519.81	\$ 1,550.21	\$ 1,581.21
Volume Charge Per Thousand Gallons	\$	2.66	\$ 2.71	\$ 2.77	\$ 2.82	\$ 2.88	\$ 2.94	\$ 3.00
Total Volume Charge	\$	526.68	\$ 754.27	\$ 1,018.43	\$ 1,123.48	\$ 1,145.95	\$ 1,168.87	\$ 1,192.25
<b>Total Monthly Bill - Water</b>	<b>\$</b>	<b>1,930.75</b>	<b>\$ 2,186.42</b>	<b>\$ 2,479.22</b>	<b>\$ 2,613.49</b>	<b>\$ 2,665.76</b>	<b>\$ 2,719.07</b>	<b>\$ 2,773.46</b>
Wastewater								
Base Charge	\$	24.50	\$ 24.99	\$ 25.49	\$ 26.00	\$ 26.52	\$ 27.05	\$ 27.59
Volume Charge Per Thousand Gallons	\$	2.47	\$ 2.52	\$ 2.57	\$ 2.62	\$ 2.67	\$ 2.73	\$ 2.78
Total Volume Charge	\$	494.00	\$ 705.43	\$ 950.82	\$ 1,048.47	\$ 1,069.44	\$ 1,090.83	\$ 1,112.65
<b>Total Monthly Bill - Wastewater</b>	<b>\$</b>	<b>518.50</b>	<b>\$ 730.42</b>	<b>\$ 976.31</b>	<b>\$ 1,074.47</b>	<b>\$ 1,095.96</b>	<b>\$ 1,117.88</b>	<b>\$ 1,140.24</b>
<b>Restaurant</b>								
Water								
Monthly Usage (Gallons)		18,000	22,000	28,000	30,000	30,000	30,000	30,000
Base Charge - 1" Meter (Includes 2,000 gallons usage)	\$	58.62	\$ 59.79	\$ 60.99	\$ 62.21	\$ 63.45	\$ 64.72	\$ 66.02
Volume Charge Per Thousand Gallons	\$	2.66	\$ 2.71	\$ 2.77	\$ 2.82	\$ 2.88	\$ 2.94	\$ 3.00
Total Volume Charge	\$	42.56	\$ 54.26	\$ 71.95	\$ 79.04	\$ 80.62	\$ 82.23	\$ 83.88
<b>Total Monthly Bill - Water</b>	<b>\$</b>	<b>101.18</b>	<b>\$ 114.06</b>	<b>\$ 132.94</b>	<b>\$ 141.25</b>	<b>\$ 144.07</b>	<b>\$ 146.95</b>	<b>\$ 149.89</b>
Wastewater								
Base Charge	\$	24.50	\$ 24.99	\$ 25.49	\$ 26.00	\$ 26.52	\$ 27.05	\$ 27.59
Volume Charge Per Thousand Gallons	\$	2.47	\$ 2.52	\$ 2.57	\$ 2.62	\$ 2.67	\$ 2.73	\$ 2.78
Total Volume Charge	\$	44.46	\$ 55.43	\$ 71.95	\$ 78.64	\$ 80.21	\$ 81.81	\$ 83.45
<b>Total Monthly Bill - Wastewater</b>	<b>\$</b>	<b>68.96</b>	<b>\$ 80.42</b>	<b>\$ 97.44</b>	<b>\$ 104.64</b>	<b>\$ 106.73</b>	<b>\$ 108.86</b>	<b>\$ 111.04</b>
<b>Convenience Store / Gas Station</b>								
Water								
Monthly Usage (Gallons)		5,000	7,000	10,000	12,500	12,500	12,500	12,500
Base Charge - 1" Meter (Includes 2,000 gallons usage)	\$	58.62	\$ 59.79	\$ 60.99	\$ 62.21	\$ 63.45	\$ 64.72	\$ 66.02
Volume Charge Per Thousand Gallons	\$	2.66	\$ 2.71	\$ 2.77	\$ 2.82	\$ 2.88	\$ 2.94	\$ 3.00
Total Volume Charge	\$	7.98	\$ 13.57	\$ 22.14	\$ 29.64	\$ 30.23	\$ 30.84	\$ 31.45
<b>Total Monthly Bill - Water</b>	<b>\$</b>	<b>66.60</b>	<b>\$ 73.36</b>	<b>\$ 83.13</b>	<b>\$ 91.85</b>	<b>\$ 93.68</b>	<b>\$ 95.56</b>	<b>\$ 97.47</b>

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>Wastewater</b>								
Base Charge	\$	24.50	\$ 24.99	\$ 25.49	\$ 26.00	\$ 26.52	\$ 27.05	\$ 27.59
Volume Charge Per Thousand Gallons	\$	2.47	\$ 2.52	\$ 2.57	\$ 2.62	\$ 2.67	\$ 2.73	\$ 2.78
Total Volume Charge	\$	12.35	\$ 17.64	\$ 25.70	\$ 32.76	\$ 33.42	\$ 34.09	\$ 34.77
<b>Total Monthly Bill - Wastewater</b>	<b>\$</b>	<b>36.85</b>	<b>\$ 42.63</b>	<b>\$ 51.19</b>	<b>\$ 58.76</b>	<b>\$ 59.94</b>	<b>\$ 61.14</b>	<b>\$ 62.36</b>
<b>PAYROLL CONVERSION FACTOR</b>								
City Share of State Shared Revenue			<b>0.01775</b>					
Percent of Payroll Dollar Used for In City Purchases		<b>0.25000</b>						
Transaction Privilege Tax Rate		<b>0.04000</b>						
Additional Transaction Privilege Tax Revenue			0.01000					
<b>Total Payroll Conversion Factor</b>			0.02775					

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>UTILITY SYSTEM REVENUE ASSUMPTIONS</b>								
<b>Hotel</b>								
Water								
Monthly Usage (Gallons)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Base Charge - 4" Meter (Includes 2,000 gallons usage)	\$ 1,612.84	\$ 1,645.09	\$ 1,677.99	\$ 1,711.55	\$ 1,745.78	\$ 1,780.70	\$ 1,816.31	\$ 1,852.64
Volume Charge Per Thousand Gallons	\$ 3.06	\$ 3.12	\$ 3.18	\$ 3.24	\$ 3.31	\$ 3.37	\$ 3.44	\$ 3.51
Total Volume Charge	\$ 1,216.09	\$ 1,240.41	\$ 1,265.22	\$ 1,290.53	\$ 1,316.34	\$ 1,342.66	\$ 1,369.52	\$ 1,396.91
<b>Total Monthly Bill - Water</b>	<b>\$ 2,828.93</b>	<b>\$ 2,885.50</b>	<b>\$ 2,943.21</b>	<b>\$ 3,002.08</b>	<b>\$ 3,062.12</b>	<b>\$ 3,123.36</b>	<b>\$ 3,185.83</b>	<b>\$ 3,249.55</b>
Wastewater								
Base Charge	\$ 28.14	\$ 28.71	\$ 29.28	\$ 29.87	\$ 30.46	\$ 31.07	\$ 31.69	\$ 32.33
Volume Charge Per Thousand Gallons	\$ 2.84	\$ 2.89	\$ 2.95	\$ 3.01	\$ 3.07	\$ 3.13	\$ 3.20	\$ 3.26
Total Volume Charge	\$ 1,134.90	\$ 1,157.60	\$ 1,180.75	\$ 1,204.37	\$ 1,228.45	\$ 1,253.02	\$ 1,278.08	\$ 1,303.65
<b>Total Monthly Bill - Wastewater</b>	<b>\$ 1,163.04</b>	<b>\$ 1,186.31</b>	<b>\$ 1,210.03</b>	<b>\$ 1,234.23</b>	<b>\$ 1,258.92</b>	<b>\$ 1,284.09</b>	<b>\$ 1,309.78</b>	<b>\$ 1,335.97</b>
<b>Restaurant</b>								
Water								
Monthly Usage (Gallons)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Base Charge -1" Meter (Includes 2,000 gallons usage)	\$ 67.34	\$ 68.68	\$ 70.06	\$ 71.46	\$ 72.89	\$ 74.34	\$ 75.83	\$ 77.35
Volume Charge Per Thousand Gallons	\$ 3.06	\$ 3.12	\$ 3.18	\$ 3.24	\$ 3.31	\$ 3.37	\$ 3.44	\$ 3.51
Total Volume Charge	\$ 85.55	\$ 87.27	\$ 89.01	\$ 90.79	\$ 92.61	\$ 94.46	\$ 96.35	\$ 98.27
<b>Total Monthly Bill - Water</b>	<b>\$ 152.89</b>	<b>\$ 155.95</b>	<b>\$ 159.07</b>	<b>\$ 162.25</b>	<b>\$ 165.49</b>	<b>\$ 168.80</b>	<b>\$ 172.18</b>	<b>\$ 175.62</b>
Wastewater								
Base Charge	\$ 28.14	\$ 28.71	\$ 29.28	\$ 29.87	\$ 30.46	\$ 31.07	\$ 31.69	\$ 32.33
Volume Charge Per Thousand Gallons	\$ 2.84	\$ 2.89	\$ 2.95	\$ 3.01	\$ 3.07	\$ 3.13	\$ 3.20	\$ 3.26
Total Volume Charge	\$ 85.12	\$ 86.82	\$ 88.56	\$ 90.33	\$ 92.13	\$ 93.98	\$ 95.86	\$ 97.77
<b>Total Monthly Bill - Wastewater</b>	<b>\$ 113.26</b>	<b>\$ 115.53</b>	<b>\$ 117.84</b>	<b>\$ 120.19</b>	<b>\$ 122.60</b>	<b>\$ 125.05</b>	<b>\$ 127.55</b>	<b>\$ 130.10</b>
<b>Convenience Store / Gas Station</b>								
Water								
Monthly Usage (Gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Base Charge - 1" Meter (Includes 2,000 gallons usage)	\$ 67.34	\$ 68.68	\$ 70.06	\$ 71.46	\$ 72.89	\$ 74.34	\$ 75.83	\$ 77.35
Volume Charge Per Thousand Gallons	\$ 3.06	\$ 3.12	\$ 3.18	\$ 3.24	\$ 3.31	\$ 3.37	\$ 3.44	\$ 3.51
Total Volume Charge	\$ 32.08	\$ 32.72	\$ 33.38	\$ 34.05	\$ 34.73	\$ 35.42	\$ 36.13	\$ 36.85
<b>Total Monthly Bill - Water</b>	<b>\$ 99.42</b>	<b>\$ 101.41</b>	<b>\$ 103.44</b>	<b>\$ 105.50</b>	<b>\$ 107.61</b>	<b>\$ 109.77</b>	<b>\$ 111.96</b>	<b>\$ 114.20</b>

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>Wastewater</b>								
Base Charge	\$ 28.14	\$ 28.71	\$ 29.28	\$ 29.87	\$ 30.46	\$ 31.07	\$ 31.69	\$ 32.33
Volume Charge Per Thousand Gallons	\$ 2.84	\$ 2.89	\$ 2.95	\$ 3.01	\$ 3.07	\$ 3.13	\$ 3.20	\$ 3.26
Total Volume Charge	\$ 35.47	\$ 36.17	\$ 36.90	\$ 37.64	\$ 38.39	\$ 39.16	\$ 39.94	\$ 40.74
<b>Total Monthly Bill - Wastewater</b>	<b>\$ 63.61</b>	<b>\$ 64.88</b>	<b>\$ 66.18</b>	<b>\$ 67.50</b>	<b>\$ 68.85</b>	<b>\$ 70.23</b>	<b>\$ 71.63</b>	<b>\$ 73.07</b>

**Schedule 5**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Details**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>TRANSACTION PRIVILEGE TAXES</b>								
Transaction Privilege Taxes on Construction Materials	\$ 125,700	\$ 41,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transaction Privilege Taxes	(1)	\$ 66,700	\$ 133,500	\$ 204,100	\$ 266,800	\$ 272,300	\$ 277,600	\$ 283,200
Less: Proposed Tax Credit	(1)	33,400	66,800	102,100	133,400	136,200	138,800	141,600
Transaction Privilege Tax Revenues Paid		\$ 33,300	\$ 66,700	\$ 102,000	\$ 133,400	\$ 136,100	\$ 138,800	\$ 141,600
<b>Total Transaction Privilege Taxed Paid</b>	<b>\$ 125,700</b>	<b>\$ 75,200</b>	<b>\$ 66,700</b>	<b>\$ 102,000</b>	<b>\$ 133,400</b>	<b>\$ 136,100</b>	<b>\$ 138,800</b>	<b>\$ 141,600</b>
<b>UTILITY SYSTEM REVENUES</b>								
<b>Water</b>								
Hotel	(1)	\$ 5,800	\$ 26,200	\$ 29,800	\$ 31,400	\$ 32,000	\$ 32,600	\$ 33,300
Restaurant	(1)	300	1,400	1,600	1,700	1,700	1,800	1,800
Convenience Store / Gas Station	(1)	200	900	1,000	1,100	1,100	1,100	1,200
<b>Total Water</b>		<b>\$ 6,300</b>	<b>\$ 28,500</b>	<b>\$ 32,400</b>	<b>\$ 34,200</b>	<b>\$ 34,800</b>	<b>\$ 35,500</b>	<b>\$ 36,300</b>
<b>Wastewater</b>								
Hotel	(1)	\$ 1,600	\$ 8,800	\$ 11,700	\$ 12,900	\$ 13,200	\$ 13,400	\$ 13,700
Restaurant	(1)	200	1,000	1,200	1,300	1,300	1,300	1,300
Convenience Store / Gas Station	(1)	100	500	600	700	700	700	700
<b>Total Wastewater</b>		<b>\$ 1,900</b>	<b>\$ 10,300</b>	<b>\$ 13,500</b>	<b>\$ 14,900</b>	<b>\$ 15,200</b>	<b>\$ 15,400</b>	<b>\$ 15,700</b>
<b>Total Utility System Revenues</b>	<b>(1)</b>	<b>\$ 8,200</b>	<b>\$ 38,800</b>	<b>\$ 45,900</b>	<b>\$ 49,100</b>	<b>\$ 50,000</b>	<b>\$ 50,900</b>	<b>\$ 52,000</b>
<b>TAX CREDIT ANALYSIS</b>								
Proposed Tax Credit	(1)	\$ 33,400	\$ 66,800	\$ 102,100	\$ 133,400	\$ 136,200	\$ 138,800	\$ 141,600
Less:								
Transaction Privilege Taxes Paid	(1)	33,300	66,700	102,000	133,400	136,100	138,800	141,600
Utility System Revenues	(1)	8,200	38,800	45,900	49,100	50,000	50,900	52,000
<b>Remaining Revenue to be Recovered</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Payroll Conversion Factor	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Minimum Additional Payroll Needed (in City)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Additional Direct Payroll Needed</b>								
Annual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Direct Payroll Anticipated</b>								
Annual	\$ 3,907,200	\$ 3,206,000	\$ 1,107,800	\$ 1,419,600	\$ 1,455,600	\$ 1,491,600	\$ 1,528,800	\$ 1,567,200
Cumulative	\$ 3,907,200	\$ 7,113,200	\$ 8,221,000	\$ 9,640,600	\$ 11,096,200	\$ 12,587,800	\$ 14,116,600	\$ 15,683,800

**Notes:**

(1) Construction Projected to last approximately 21 months.

**Schedule 5**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Details**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>TRANSACTION PRIVILEGE TAXES</b>								
Transaction Privilege Taxes on Construction Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transaction Privilege Taxes	\$ 288,800	\$ 294,600	\$ 300,500	\$ 306,500	\$ 312,700	\$ 318,900	\$ 325,300	\$ 331,800
Less: Proposed Tax Credit	144,400	147,300	150,300	153,300	156,400	159,500	159,200	-
Transaction Privilege Tax Revenues Paid	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
Total Transaction Privilege Taxed Paid	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
<b>UTILITY SYSTEM REVENUES</b>								
<b>Water</b>								
Hotel	\$ 33,900	\$ 34,600	\$ 35,300	\$ 36,000	\$ 36,700	\$ 37,500	\$ 38,200	\$ 39,000
Restaurant	1,800	1,900	1,900	1,900	2,000	2,000	2,100	2,100
Convenience Store / Gas Station	1,200	1,200	1,200	1,300	1,300	1,300	1,300	1,400
Total Water	\$ 36,900	\$ 37,700	\$ 38,400	\$ 39,200	\$ 40,000	\$ 40,800	\$ 41,600	\$ 42,500
<b>Wastewater</b>								
Hotel	\$ 14,000	\$ 14,200	\$ 14,500	\$ 14,800	\$ 15,100	\$ 15,400	\$ 15,700	\$ 16,000
Restaurant	1,400	1,400	1,400	1,400	1,500	1,500	1,500	1,600
Convenience Store / Gas Station	800	800	800	800	800	800	900	900
Total Wastewater	\$ 16,200	\$ 16,400	\$ 16,700	\$ 17,000	\$ 17,400	\$ 17,700	\$ 18,100	\$ 18,500
<b>Total Utility System Revenues</b>	<b>\$ 53,100</b>	<b>\$ 54,100</b>	<b>\$ 55,100</b>	<b>\$ 56,200</b>	<b>\$ 57,400</b>	<b>\$ 58,500</b>	<b>\$ 59,700</b>	<b>\$ 61,000</b>
<b>TAX CREDIT ANALYSIS</b>								
Proposed Tax Credit	\$ 144,400	\$ 147,300	\$ 150,300	\$ 153,300	\$ 156,400	\$ 159,500	\$ 159,200	\$ -
Less:								
Transaction Privilege Taxes Paid	144,400	147,300	150,200	153,200	156,300	159,400	166,100	331,800
Utility System Revenues	53,100	54,100	55,100	56,200	57,400	58,500	59,700	61,000
Remaining Revenue to be Recovered	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Payroll Conversion Factor	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Minimum Additional Payroll Needed (in City)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Additional Direct Payroll Needed</b>								
Annual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Direct Payroll Anticipated</b>								
Annual	\$ 1,606,800	\$ 1,646,400	\$ 1,687,200	\$ 1,729,200	\$ 1,772,400	\$ 1,816,800	\$ 1,862,400	\$ 1,909,200
Cumulative	\$ 17,290,600	\$ 18,937,000	\$ 20,624,200	\$ 22,353,400	\$ 24,125,800	\$ 25,942,600	\$ 27,805,000	\$ 29,714,200

**Schedule 6**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Fiscal Impacts**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>PROJECTED TRANSACTION PRIVILEGE TAXES CREDIT (1)</b>								
Annual	\$ -	\$ 33,400	\$ 66,800	\$ 102,100	\$ 133,400	\$ 136,200	\$ 138,800	\$ 141,600
<b>Cumulative</b>	<b>\$ -</b>	<b>\$ 33,400</b>	<b>\$ 100,200</b>	<b>\$ 202,300</b>	<b>\$ 335,700</b>	<b>\$ 471,900</b>	<b>\$ 610,700</b>	<b>\$ 752,300</b>
<b>PROJECTED SOURCES OF REVENUE</b>								
Transaction Privilege Taxes Paid								
From Construction Purchases	\$ 125,700	\$ 41,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From Businesses On Site (1)	\$ -	\$ 33,300	\$ 66,700	\$ 102,000	\$ 133,400	\$ 136,100	\$ 138,800	\$ 141,600
Total Annual	\$ 125,700	\$ 75,200	\$ 66,700	\$ 102,000	\$ 133,400	\$ 136,100	\$ 138,800	\$ 141,600
<b>Cumulative</b>	<b>\$ 125,700</b>	<b>\$ 200,900</b>	<b>\$ 267,600</b>	<b>\$ 369,600</b>	<b>\$ 503,000</b>	<b>\$ 639,100</b>	<b>\$ 777,900</b>	<b>\$ 919,500</b>
Utility System Revenue								
Annual	\$ -	\$ 8,200	\$ 38,800	\$ 45,900	\$ 49,100	\$ 50,000	\$ 50,900	\$ 52,000
<b>Cumulative</b>	<b>\$ -</b>	<b>\$ 8,200</b>	<b>\$ 47,000</b>	<b>\$ 92,900</b>	<b>\$ 142,000</b>	<b>\$ 192,000</b>	<b>\$ 242,900</b>	<b>\$ 294,900</b>
Payroll Revenue Impacts								
Annual Direct Payroll	\$ 3,907,200	\$ 3,206,000	\$ 1,107,800	\$ 1,419,600	\$ 1,455,600	\$ 1,491,600	\$ 1,528,800	\$ 1,567,200
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Payroll Conversion Factor (2)	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Total Revenue Payroll Impacts								
Annual	\$ 108,400	\$ 89,000	\$ 30,700	\$ 39,400	\$ 40,400	\$ 41,400	\$ 42,400	\$ 43,500
<b>Cumulative</b>	<b>\$ 108,400</b>	<b>\$ 197,400</b>	<b>\$ 228,100</b>	<b>\$ 267,500</b>	<b>\$ 307,900</b>	<b>\$ 349,300</b>	<b>\$ 391,700</b>	<b>\$ 435,200</b>
<b>TOTAL PROJECTED SOURCES OF REVENUE</b>								
Annual	\$ 234,100	\$ 172,400	\$ 136,200	\$ 187,300	\$ 222,900	\$ 227,500	\$ 232,100	\$ 237,100
<b>Cumulative</b>	<b>\$ 234,100</b>	<b>\$ 406,500</b>	<b>\$ 542,700</b>	<b>\$ 730,000</b>	<b>\$ 952,900</b>	<b>\$ 1,180,400</b>	<b>\$ 1,412,500</b>	<b>\$ 1,649,600</b>

Notes:

(1) Assumes 50% credit of annual transaction privilege taxes due.

(2) Includes City's share of additional State Tax as well as Transaction Privilege Taxes from additional consumer spending.

**Schedule 6**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Fiscal Impacts**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>PROJECTED TRANSACTION PRIVILEGE TAXES CREDIT</b>								
Annual	\$ 144,400	\$ 147,300	\$ 150,300	\$ 153,300	\$ 156,400	\$ 159,500	\$ 159,200	\$ -
<b>Cumulative</b>	<b>\$ 896,700</b>	<b>\$ 1,044,000</b>	<b>\$ 1,194,300</b>	<b>\$ 1,347,600</b>	<b>\$ 1,504,000</b>	<b>\$ 1,663,500</b>	<b>\$ 1,822,700</b>	<b>\$ 1,822,700</b>
<b>PROJECTED SOURCES OF REVENUE</b>								
Transaction Privilege Taxes Paid								
From Construction Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From Businesses On Site (1)	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
Total Annual	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
<b>Cumulative</b>	<b>\$ 1,063,900</b>	<b>\$ 1,211,200</b>	<b>\$ 1,361,400</b>	<b>\$ 1,514,600</b>	<b>\$ 1,670,900</b>	<b>\$ 1,830,300</b>	<b>\$ 1,996,400</b>	<b>\$ 2,328,200</b>
Utility System Revenue								
Annual	\$ 53,100	\$ 54,100	\$ 55,100	\$ 56,200	\$ 57,400	\$ 58,500	\$ 59,700	\$ 61,000
<b>Cumulative</b>	<b>\$ 348,000</b>	<b>\$ 402,100</b>	<b>\$ 457,200</b>	<b>\$ 513,400</b>	<b>\$ 570,800</b>	<b>\$ 629,300</b>	<b>\$ 689,000</b>	<b>\$ 750,000</b>
Payroll Revenue Impacts								
Annual Direct Payroll	\$ 1,606,800	\$ 1,646,400	\$ 1,687,200	\$ 1,729,200	\$ 1,772,400	\$ 1,816,800	\$ 1,862,400	\$ 1,909,200
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Payroll Conversion Factor (2)	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Total Revenue Payroll Impacts								
Annual	\$ 44,600	\$ 45,700	\$ 46,800	\$ 48,000	\$ 49,200	\$ 50,400	\$ 51,700	\$ 53,000
<b>Cumulative</b>	<b>\$ 479,800</b>	<b>\$ 525,500</b>	<b>\$ 572,300</b>	<b>\$ 620,300</b>	<b>\$ 669,500</b>	<b>\$ 719,900</b>	<b>\$ 771,600</b>	<b>\$ 824,600</b>
<b>TOTAL PROJECTED SOURCES OF REVENUE</b>								
Annual	\$ 242,100	\$ 247,100	\$ 252,100	\$ 257,400	\$ 262,900	\$ 268,300	\$ 277,500	\$ 445,800
<b>Cumulative</b>	<b>\$ 1,891,700</b>	<b>\$ 2,138,800</b>	<b>\$ 2,390,900</b>	<b>\$ 2,648,300</b>	<b>\$ 2,911,200</b>	<b>\$ 3,179,500</b>	<b>\$ 3,457,000</b>	<b>\$ 3,902,800</b>

# Attachment A

9-500.11. Expenditures for economic development; requirements; definitions

(L05, Ch. 200, sec. 1)

A. In addition to any other powers granted to a city or town, the governing body of a city or town may appropriate and spend public monies for and in connection with economic development activities.

B. To fund economic development activities under this section, a city or town subject to the requirements of section 9-500.06 shall not impose a new fee or tax on a single specific industry or type of business.

C. Notwithstanding section 19-142, subsection B, a decision by the governing body involving an expenditure pursuant to this section shall not be enacted as an emergency measure and that decision is not effective for at least thirty days after final approval of the expenditure.

D. Before entering into a retail development tax incentive agreement, a city or town shall make a finding by a simple majority vote of the governing body without the use of consent calendar that includes both of the following:

1. That the proposed tax incentive is anticipated to raise more revenue than the amount of the incentive within the duration of the agreement.

2. That in the absence of a tax incentive, the retail business facility or similar retail business facility would not locate in the city or town in the same time, place or manner.

E. A city or town located in or within twenty-five miles of the exterior boundary of a metropolitan statistical area having a population of more than two million persons shall make a finding pursuant to subsection D of this section, by a two-thirds vote of the governing body.

F. A city or town shall not enter into a retail tax incentive agreement if the proposed tax incentive raises less revenue than the amount of the incentive.

G. A city or town shall present a status report of the revenues and expenses associated with the tax incentive every two years for the duration of the agreement in a public meeting.

H. The finding made pursuant to subsection D, paragraph 1 of this section shall be verified by an independent third party before the city or town enters into the retail development incentive agreement.

I. The adoption of the retail development tax incentive agreement shall be approved by a simple majority vote of the governing body without the use of consent calendar. For a city or town located in or within twenty-five miles of the exterior boundary of a metropolitan statistical area having a population of more than two million persons, the adoption of a retail development tax incentive agreement shall be approved by an affirmative vote of at least two-thirds of the governing body without the use of consent calendar.

J. A person or business entity receiving the retail development tax incentive agreement shall not finance the independent third party verification of the findings or have input into the selection of the independent third party verifying the findings.

K. A city or town shall adopt a notice of intent to enter into a retail development tax incentive agreement at least fourteen days before approving a retail development tax incentive agreement.

L. Subsection D of this section does not apply to tax incentives given to a business entity in an area that is designated by a city or town as a redevelopment project as defined in section 36-1471.

M. For the purposes of this section:

1. "Economic development activities" means any project, assistance, undertaking, program or study, whether within or outside the boundaries of the city or town, including acquisition, improvement, redevelopment, leasing or conveyance of improved or unimproved real or personal property or other activity, that the governing body of the city or town has found and determined will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants of the city or town.

2. "Expenditure" includes any waiver, exemption, deduction, credit, rebate, discount, deferral or other abatement or reduction of the normal municipal tax liability that otherwise applies to similar existing business entities and properties in that city or town, however denominated, computed or applied, and that is generally understood as an inducement to locate a business facility or other operation in the city or town.

3. "Metropolitan statistical area" means a geographical area consisting of cities, towns and other populated areas defined for federal statistical and census purposes by the United States office of management and budget with technical assistance from the United States bureau of the census.

4. "Retail" means the sale of tangible personal property, except the sale of tangible personal property to a person who is engaged in the business of selling such property.

5. "Retail development activities" means those economic development activities that involve the acquisition, improvement, leasing or conveyance of improved or unimproved real or personal property or other activity to facilitate the sale of goods at retail, including the sale of automobiles, or to facilitate other activities, including theater and restaurant development, that generate revenues that are subject to municipal transaction privilege taxation.

6. "Retail development tax incentive agreement" means an agreement between a city or town and a person engaged in or planning to engage in retail development activities within that city or town in which the city or town agrees to pay, refund, credit, rebate or otherwise provide to that person all or a portion of the sales, use or transaction privilege taxes payable to that city or town in connection with the construction, development or operation of the retail development activities.

Estimated Time Line - Conditional Upon timing of completing final legal agreement with San Luis

YEAR	2019		2020				2021			
	December	Jan - March	April - June	July - Sept.	Oct. - Dec.	Jan - March	April - June	July - Sept.	Oct. - Dec.	
Timing of project and components										
<b>Site Acquisition / Infrastructure</b>	Secure Option	Site Acquisition - Surveying - Final Site Design and Permitting.	Site Acquisition - Surveying - Final Site Design and Permitting.	Permitting	Construction	Construction	Construction	Construction	Construction Complete	
<b>Hotel</b>	Letter of Intent - Received	Contract - Hard Commitment.	Permitting	Permitting	Construction	Construction	Construction	Construction	Construction Complete	
<b>Restaurant</b>	Letter of Intent - In Negotiation	Letter of Intent	Negotiate Contract	Contract - Hard Commitment	Final Site Design	Final Site Design	Permitting	Construction	Construction Complete	
<b>Convenience Store</b>	Letter of Intent - Received	Contract - Hard Commitment.	Final Site Design	Final Site Design	Final Site Design	Permitting	Construction	Construction	Construction Complete	
<b>Gas Station</b>	Letter of Intent - Received	Contract - Hard Commitment.	Final Site Design	Final Site Design	Finals Site Design	Permitting	Construction	Construction	Construction Complete	
<b>Medical</b>	Letter of Intent - In Negotiation	Letter of Intent	Letter of Intent	Contract - Hard Commitment	Final Site Design	Final site Design	Permitting	Construction	Construction Complete	

**Estimated Construction and Permanent Jobs - San Luis Mixed Use Development**

Categories / Estimated - \$ - SF - Jobs	Estimated - SF / Acreage	Estimated Construction Costs	Estimated Constructing Jobs	Estimated Permanent Jobs	Estimated TOTALS
Infrastructure - Site Development	8 Acres				
Hotel	40000 SF	\$ 8,171,964	78	17	95
Restaurant	2500 SF	\$ 1,955,000	19	14	33
Convenience Store	2500 SF	\$ 1,840,000	18	15	33
Gas Station	2500 SF	Part of Conv.	NA		
Medical / Retail***	7500 SF	\$ 2,277,000	22	26	48
	TOTALS	\$ 14,243,964	136	72	208

<p>*** Medical Facility skilled job make up</p> <p>Staff is made up of the full time equivalent of 7.73 registered nurses, 4.34 licensed practical nurses, 8.92 technicians, 0.64 social workers, 1.00 dietitians, and 3.49 administrators. On call staff is made up of the full time equivalent of 0.25 doctors.</p>
---



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

6. C.

Meeting Date: 02/26/2020

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion

---

#### ITEM:

Discussion and possible action on any and all matters regarding a proposal for a city business license fee for the San Luis Regional Detention and Support Center. **(Kay Marion Macuil)**

#### SUMMARY:

The agreement between the municipal corporation, San Luis Facility Development Corporation (SLFDC), and LaSalle corrections expires at the end of February. Under that agreement, the City's Business License Fee (Fee) is \$35,000 per month. In prior years the fee has been as low as \$17,000 per month.

The SLFDC Board is scheduled to act on a proposed agreement on February 27, 2020. The agreement proposes a \$40,000 per month City Business License Fee. The term of the proposed agreement ends November 30, 2024, and may be renewed for another 5 years ending November 30, 2029.

Staff recommends the \$40,000 Fee.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE THE \$40,000 PER MONTH BUSINESS LICENSE FEE FOR THE OPERATIONS OF THE SAN LUIS REGIONAL DETENTION AND SUPPORT CENTER.**

No attachments

---

#### Fiscal Impact

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** Yes  
**CITY/STATE/FEDERAL FUNDS:** City  
**TOTAL:** \$40,000 per month  
**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):**

This is revenue, a positive fiscal impact.

---





## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

6. D.

**Meeting Date:** 02/26/2020

**Department Head:** Kay Macuil, City Attorney, Attorney's Office

**Submitted By:** Kay Macuil, City Attorney, Attorney's Office

**Action Requested:** Motion  
Order

---

### ITEM:

Discussion and possible action on any and all matters regarding Order No. 2020-3. An Order of the Mayor and City Council of the City of San Luis approving and adopting a development agreement with Comite de Bien Estar, Inc. to purchase 20 acres of land for use as a park. **(Kay Marion Macuil, City Attorney)**

### SUMMARY:

#### **Background**

The East Mesa area of San Luis is growing with many residential subdivisions. Although there are retention basins that serve as the open space requirements under the subdivision and zoning regulations, there is now a need for a park.

The Comite de Bien Estar, Inc. (Comite) wishes to exercise its option on 40 acres in the East Mesa, on the south side of County 24th Street between Avenue E and Avenue F. The 40 acres currently belong to Border Ranches, L.L.C. under Joshua J. Meyer's management. It was proposed that the City of San Luis (city) purchase 20 of those 40 acres at Comite's discounted option price. Staff presented the land-purchase idea at the City Council's Work Session on November 20, 2019. Staff was directed to focus on the first step to a park, acquisition of land.

#### **The Proposed Development Agreement**

The attached Development Agreement provides that the city and Comite will be simultaneously entering into a separate agreement of escrow instructions for the purchase of the land. The city will be purchasing approximately 20 acres of the northern half for a park and Comite the remaining acres for housing development. The north 20 acres front County 24th Street will allow the public easy access to the future park. Below summarizes the salient provisions:

#### **Price**

\*The city will pay Comite's discounted option price without any mark-up. The purchase price is approximately \$34,000.00 per acre. The Finance Director has been in touch with a lending bank.

#### **Roads**

\*Comite will build a road running east-west on the south side of the park to be named San Antonio Street.

\*Comite has or will construct 1/2 of 19th Avenue (also called Avenue E-3/4) running north-south on the west side of the park as part of its Bienestar 10 Subdivision and the city will build the other 1/2.

\*Sam Group has or will construct 1/2 of 20th Avenue (also called Avenue E-1/2) running north-south on the east side of the park as part of its Belleza Del Desierto Subdivision and the city will build the other 1/2.

\*The city will build the south 1/2 of County 24th Street running east-west on the north front of the park. (Riedel Construction built the North 1/2 as part of the Santa Cecilia 2 Subdivision).

**Retention Basin**

\*Comite will develop a retention basin with irrigation for a green buffer as approved by the city.

\*The city will allow the retention basin to be on the park's land.

\*The housing development will have an improvement district that will cover the city's maintenance cost of the retention basin.

Staff has prepared Order No. 2020-3, which adopts the Development Agreement.

**RECOMMENDATION / SUGGESTED MOTION:**

**I MOVE TO APPROVE AND ADOPT ORDER NO. 2020-3.**

The final agreement to be provided at a later date.

---

**Fiscal Impact**

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	Yes
<b>CITY/STATE/FEDERAL FUNDS:</b>	City
<b>TOTAL:</b>	TBD
<b>BUDGETED AMOUNT:</b>	No
<b>AVAILABLE AMOUNT TO TRANSFER:</b>	TBD
<b>ACCT NAME &amp; GL#/REMAINING BALANCE BEFORE PURCHASE:</b>	TBD
<b>FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):</b>	

The Finance Department will update this information before the Council Meeting on February 12.

---

**Attachments**

Order No. 2020-3  
Development Agreement

---



# Order

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

No. 2020-3

**AN ORDER OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA APPROVING AND ADOPTING A DEVELOPMENT AGREEMENT WITH COMITE DE BIEN ESTAR, INC. TO PURCHASE 20 ACRES OF LAND FOR USE AS A CITY PARK.**

**BE IT SO ORDERED** by the Mayor and City Council of the City of San Luis, Arizona:

**Section 1.** It is deemed in the best interest of City of San Luis and its residents that the city enter into a Development Agreement with the Comite de Bien Estar, Inc. for the purchase of 20 acres of land for use as a city park.

**Section 2.** A true copy of the Development Agreement is incorporated herein as though set forth again in full.

**Section 3.** The Mayor is authorized and directed to execute said Development Agreement for and on behalf of the City of San Luis and the City Clerk to attest the same.

**Section 4.** City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Order.

**Section 5.** The San Luis City Clerk and the City Clerk's designee are authorized and directed to deliver this Development Agreement to the Comite de Bien Estar, Inc. and to maintain a fully executed Development Agreement in the official files of the City Clerk.

**PASSED, ADOPTED and APPROVED** by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this \_\_\_\_ day of February 2020.

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

**ATTEST:**

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

**APPROVED AS TO FORM:**

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

## **DEVELOPMENT AGREEMENT**

THIS DEVELOPMENT AGREEMENT (the "Agreement") is entered into this \_\_\_\_ day of February 2020, by and between Comite de Bien Estar, Inc., an Arizona non-profit corporation, (the "Developer") and the City of San Luis, an Arizona municipal corporation (the "City"). This Agreement is entered into pursuant to City Order Number 2020-3.

The Developer and the City may be referred to singularly as the "Party" and collectively as the "Parties."

### **RECITALS**

A. WHEREAS, A.R.S. § 9-500.05 authorizes the City to enter into development agreements with landowners and persons having an interest in real property that is located in the City; and

B. WHEREAS, Developer has an option to purchase land that is described on Exhibit A, attached hereto, and desires to exercise the said option; and

C. WHEREAS, the City desires to purchase a portion of said Property (the portion is described on Exhibit B) from Developer for the purpose of establishing a municipal park (hereinafter "Park"); and

D. WHEREAS, the Parties hereto desire to enter into an agreement to provide for the development of the property being retained by the Developer (hereinafter "Developer Property") after the sale to City; and

E. WHEREAS, the Parties will be simultaneously entering into escrow instructions for the purchase of property, said instructions constituting a separate and distinct agreement; and

F. WHEREAS, Developer and City desire to see the ultimate development of the properties of both Developer and City to be such as to be beneficial to both, with the understanding that the project will have a significant and positive impact upon the City and its residents; and

G. WHEREAS, the City's governing body has authorized the execution of this Agreement by Order Number 2020-3.

NOW, THEREFORE, the Parties agree as follows:

///

///

## **AGREEMENT**

### **ARTICLE 1: DEFINITIONS**

The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise:

- 1.01. Agreement shall mean this agreement.
- 1.02. City shall mean and refer to the City of San Luis, an Arizona municipal corporation, and any successor public body or entity.
- 1.03. Developer shall mean and refer to the Comite de Bien Estar, Inc., an Arizona nonprofit corporation.
- 1.04. Improvements shall mean and refer to all public and private improvements which may be constructed from time to time on the Property, including, without limitation, all structures, buildings, roads, driveways, parking areas, walls, landscaping and other improvements of any type or kind, or any other alteration of the natural terrain to be built by the Developer or the City, as the case may be, pursuant to the terms of this Agreement.
- 1.05. Park shall refer to the municipal park property, which is described on Exhibit B, a portion that is approximately 20 acres in size.
- 1.06. Party may refer to the City and the Developer singularly. Parties may refer to the City and the Developer collectively.
- 1.07. Property, as used in this Agreement, shall mean and refer to all of the real property, which is legally described in Exhibit A, a portion of property that is approximately 40 acres in size.

### **2. RETENTION BASIN**

- 2.01. Retention Basin. The Developer intends to develop a single-family residential subdivision on the portion of the Property that it will retain after selling the portion described on Exhibit B to the City. As part of the Subdivision Regulations and Public Works Standards of the City, the Developer will be required to develop a retention basin. The retention basin must meet all City standards for a retention basin for a residential subdivision and will be developed at the cost of Developer. The Parties intend for the retention basin to be built on the area of the Park (described in Exhibit B). It will be designed and graded in such a manner as to

be acceptable to the Parks and Recreation Director of the City. At the present time, it is anticipated that the retention basin will run along the south end of the property of the Park (as the property of the Park is described on Exhibit B). It will be connected to an appropriate water service with a meter. The Developer may use the area of the retention basin as "open space" in the meaning of the open space requirements of the City for the residential subdivision the Developer is building on the Developer Property.

- 2.02. Cost of Acquisition. The City will be purchasing the property (the Park) described on Exhibit B from Developer at the cost Developer paid to acquire it, plus the City's share of escrow fees and closing costs.
- 2.03. Manager's Power to Consent. The City hereby acknowledges and agrees that any unnecessary delay hereunder would adversely affect the Developer and/or the development of the Property, and/or development of the municipal park (the Park), and hereby authorizes and empowers the City Manager to consent to any and all requests of the Developer as well as taking such actions as may be needed or necessary to close escrow and acquire the property (the Park) described on Exhibit B requiring the consent of the City hereunder without further action of the City Council, except for any actions requiring City Council approval as a matter of law.

### **ARTICLE 3. ROADWAYS AND EASEMENTS**

3.01. County 24<sup>th</sup> Street. The City will be responsible for developing, to City standards, the south one-half of 24<sup>th</sup> street as said street fronts the Park, Exhibit B.

3.02. 19<sup>th</sup> and 20<sup>th</sup> Avenues. The City will be responsible for developing, to City standards, the east half of 19<sup>th</sup> Avenue as 19<sup>th</sup> Avenue adjoins the land described in Exhibit B and the west half of 20<sup>th</sup> Avenue as 20<sup>th</sup> Avenue adjoins the land described in Exhibit B.

3.03. Other Streets. All other streets and Improvements needed for the development of Developer Property, the proposed subdivision anticipated to be named Bienestar Estates 11, shall be the responsibility of the Developer.

///



preceding or succeeding breach of the same or of any other provision of this Agreement.

- 5.03. Headings. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of the Agreement.
- 5.04. Authority. The undersigned represent to each other that they have full power and authority to enter into this Agreement and that all necessary actions have been taken to give full force and effect to this Agreement. The Developer represents and warrants that it is duly formed and validly existing under the laws of the State of Arizona and that it is duly qualified to do business in the State of Arizona and is in good standing under applicable state laws. The Developer and the City warrant to each other that the individuals executing this Agreement on behalf of their respective Parties are authorized and empowered to bind the Party on whose behalf each individual is signing. The Developer represents to the City that by entering into this Agreement, the Developer has bound the Property and all persons and entities having any legal or equitable interest in it to the terms of the Agreement.
- 5.05. Entire Agreement. With the sole exception of the Escrow Instructions, this Agreement, including the following exhibits which are incorporated into this Agreement by this reference, constitutes the entire agreement between the Parties.
- 5.06. Amendment of the Agreement. This Agreement may be amended, in whole or in part, and with respect to all or any portion of the Property, only with the mutual written consent of the Parties to this Agreement or by their successors in interest or assigns. The City shall record the amendment or cancellation in the official records of the Yuma County Recorder.
- 5.07. Severability. If any other provision of the Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.
- 5.08. Governing Law. The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement. The Parties agree that the venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction located in Yuma County, Arizona, and the Parties hereby waive any right to object to such venue.
- 5.09. Recordation of Agreement and Subsequent Amendment; Cancellation. This Agreement and any amendment or cancellation of it shall be recorded in the official records of the Yuma County Recorder no later than ten (10) days after the City and the Developer execute such

agreement, amendment, or cancellation, as required by A.R.S. § 9-500.05.

- 5.10. Attorneys' Fees and Costs. If either Party brings a legal action either because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing Party will be entitled to reasonable attorneys' fees and court costs.
- 5.11. Notice of Conveyance or Assignment. The Developer shall give notice to the City of any sale of the entire Property at least ten (10) days prior to the effective date of the sale.
- 5.12. No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, and no person or entity not a Party to this Agreement shall have any right or cause of action under this Agreement.
- 5.13. No Agency Created. Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the Parties.
- 5.14. Non-Liability of City Officials and Employees. Except for mandamus and other special actions, no member, official or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount that may become due to the Developer or successor, or under any obligation under the terms of this Agreement.
- 5.15. Employment Eligibility. Under A.R.S. § 41-4401:
  1. The Developer warrants its compliance with all federal immigration laws and regulations that relate to its employees and its compliance with A.R.S. § 23-214, subsection A.
  2. A breach of a warranty under paragraph 1 above shall be deemed a material breach of this Agreement that is subject to penalties up to and including termination of the Agreement.
  3. The City retains the legal right to inspect the papers of any contractor or subcontractor employee who works on this Agreement to ensure that the contractor or subcontractor is complying with the warranty under paragraph 1 above.
- 5.16. Boycott. The Developer certifies, to the extent permitted by law, that it does not participate in, and agrees not to participate in during the term of this Agreement a boycott of Israel under A.R.S. § 35-393.01.

[Intentionally left blank, signature page to follow]

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

**THE CITY, THE CITY OF SAN LUIS,**  
an Arizona municipal corporation

By: \_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Sonia Cornelio, City Clerk

By: Kay Marion Macuil  
Kay Marion Macuil, City Attorney

**THE DEVELOPER, Comitè De Bien Estar, Inc.,**  
an Arizona nonprofit corporation

By: \_\_\_\_\_  
Marco Antonio Reyes, Executive Director

[Intentionally left blank, notarized acknowledgments follow next page]



# Exhibit A

## PARCEL "A"

A PORTION OF THE NW<sup>1</sup>/<sub>4</sub> OF SECTION 15, T11S, R24W, G.&S.R.B.&M., YUMA COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF CO. 24<sup>th</sup> STREET AND AVENUE E<sup>1</sup>/<sub>2</sub>, BEING THE N<sup>1</sup>/<sub>4</sub> CORNER OF SAID SECTION 15, BEING THIS POINT **THE TRUE POINT OF BEGINNING;**

**THENCE** S00°03'04"E A DISTANCE OF 1320.06' TO A POINT;  
**THENCE** N89°59'39"W A DISTANCE OF 1292.92' TO A POINT;  
**THENCE** N00°01'13"E A DISTANCE OF 1319.70' TO A POINT,  
**THENCE** N89°59'23"E A DISTANCE OF 1291.28' TO A POINT;  
**THE TRUE POINT OF BEGINNING;**

EXCEPT THE NORTH 50.00', THE EAST 40.00' AND THE NORTHEAST 80' X 80' SIGHT VISIBILITY TRIANGLE RIGHT-OF-WAY THEREOF;

SUBJECT TO ALL EASEMENTS OR RIGHT-OF-WAYS APPARENT OR RECORD.

CONTAINING 39.15 ACRES (1,705,416.67 SF) MORE OR LESS. (GROSS)  
CONTAINING 36.43 ACRES (1,586,848.86 SF) MORE OR LESS. (NET)



# Exhibit B

## **PARCEL "A1"**

A PORTION OF THE NE $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  OF SECTION 15, T11S, R24W, G. &S.R.B. &M. YUMA COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF AVENUE E $\frac{1}{2}$  AND Co. 24TH STREET, BEING ALSO THIS POINT THE N $\frac{1}{4}$  CORNER OF SAID SECTION 15, SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING**;

**THENCE** S00°03'04"E A DISTANCE OF 687.50', TO A POINT;

**THENCE** S89°59'23"W A DISTANCE OF 164.73' TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIAL BEARING OF N00°08'46"W;

**THENCE** ALONG SAID CURVE TO THE RIGHT OF RADIUS 200.00', THROUGH A CENTRAL ANGLE OF 17°08'49" AND ARC DISTANCE OF 59.85 FEET TO THE END OF THE CURVE HAVING A RADIAL BEARING OF S17°00'04"W TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIAL BEARING OF S17°00'04"W;

**THENCE** ALONG SAID CURVE TO THE LEFT OF RADIUS 200.00', THROUGH A CENTRAL ANGLE OF 17°08'49" AND ARC DISTANCE OF 59.85 FEET TO THE END OF THE CURVE HAVING A RADIAL BEARING OF N00°08'46"W TO A POINT;

**THENCE** S89°59'23"W A DISTANCE OF 1009.42' TO A POINT;

**THENCE** N00°01'13" E A DISTANCE OF 670.00' A POINT;

**THENCE** N89°59'23" E A DISTANCE OF 1291.28' TO THE **TRUE POINT OF BEGINNING**;

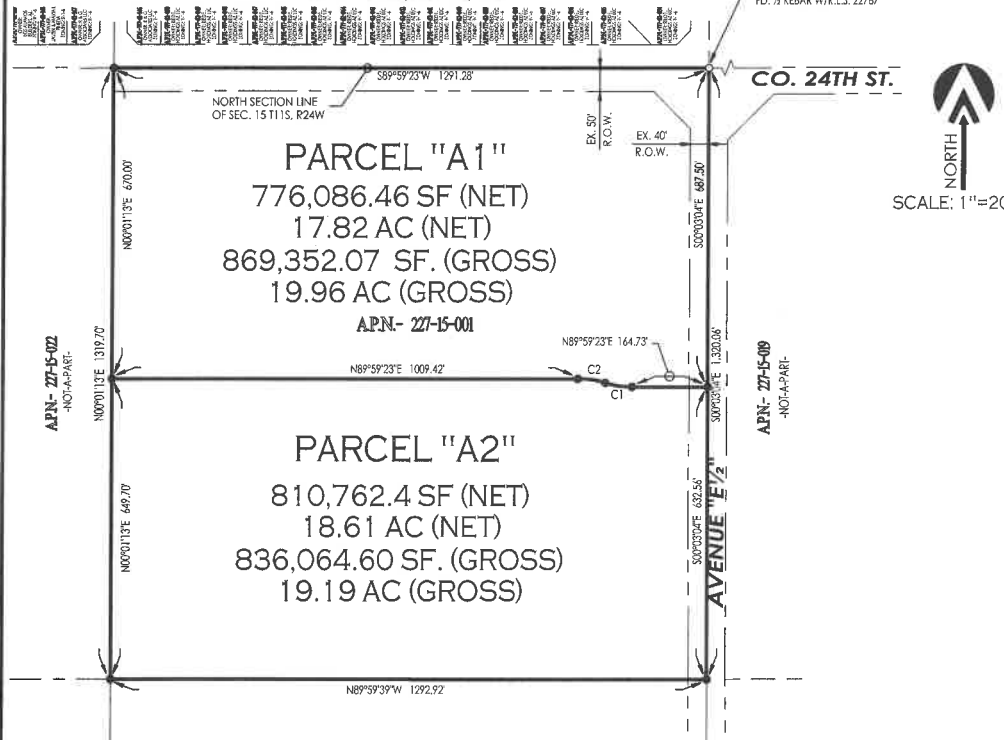
EXCEPT THE NORTH 50.00', THE EAST 40.00' AND THE NORTHEAST 80' X 80' SIGHT VISIBILITY TRIANGLE RIGHT-OF-WAY THEREOF;

SUBJECT TO ALL EASEMENTS OR RIGHT-OF-WAYS APPARENT OR RECORD.

CONTAINING 869,352.07 SF. (19.96 AC.) MORE OR LESS. (GROSS)

**SANTA CECILIA NO. 2 SUBDIVISION  
BK. 29 OF PLATS, PGS. 73-74, Y.C.R.O.**

N¼ COR. SEC. 15  
T11S, R24W  
FD. 15 REBAR WJR.L.S. 22767



**LEGAL DESCRIPTION**

**PARCEL "A1"**  
A PORTION OF THE NE¼ OF THE NW¼ OF SECTION 15, T11S, R24W, G. & S.R.S. & M. YUMA COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF AVENUE E½ AND Co. 24TH STREET, BEING ALSO THIS POINT THE NW CORNER OF SAID SECTION 15, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE S00°03'04"E A DISTANCE OF 687.50', TO A POINT;  
THENCE S89°59'23"W A DISTANCE OF 164.73' TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIAL BEARING OF N00°08'46"W;  
THENCE ALONG SAID CURVE TO THE RIGHT OF RADIUS 200.00', THROUGH A CENTRAL ANGLE OF 17°08'49" AND ARC DISTANCE OF 59.85 FEET TO THE END OF THE CURVE HAVING A RADIAL BEARING OF S17°00'04"W TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIAL BEARING OF S17°00'04"W;  
THENCE ALONG SAID CURVE TO THE LEFT OF RADIUS 200.00', THROUGH A CENTRAL ANGLE OF 17°08'49" AND ARC DISTANCE OF 59.85 FEET TO THE END OF THE CURVE HAVING A RADIAL BEARING OF N00°08'46"W TO A POINT;  
THENCE S89°59'23"W A DISTANCE OF 1009.42' TO A POINT;  
THENCE N00°01'13" E A DISTANCE OF 670.00' A POINT;  
THENCE N89°59'23" E A DISTANCE OF 1291.28' TO THE TRUE POINT OF BEGINNING;  
EXCEPT THE NORTH 50.00', THE EAST 40.00' AND THE NORTHEAST 80' X 80' SIGHT VISIBILITY TRIANGLE RIGHT-OF-WAY THEREOF;

SUBJECT TO ALL EASEMENTS OR RIGHT-OF-WAYS APPARENT OR RECORD.

CONTAINING 869,352.07 SF. (19.96 AC.) MORE OR LESS. (GROSS)  
**PARCEL "A2"**  
A PORTION OF THE NE¼ OF THE NW¼ OF SECTION 15, T11S, R24W, G. & S.R.S. & M. YUMA COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF AVENUE E½ AND Co. 24TH STREET, BEING ALSO THIS POINT THE N¼ CORNER OF SAID SECTION 15;

THENCE S00°03'04"E A DISTANCE OF 687.50', TO A POINT, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;  
THENCE S00°03'04"E A DISTANCE OF 632.36', TO A POINT;  
THENCE N89°59'37"W A DISTANCE OF 1292.92' TO A POINT;  
THENCE N00°01'13" E A DISTANCE OF 649.70' TO A POINT;  
THENCE N89°59'23" E A DISTANCE OF 1009.42' TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIAL BEARING OF S09°08'46"E;  
THENCE ALONG SAID CURVE TO THE LEFT OF RADIUS 200.00', THROUGH A CENTRAL ANGLE OF 17°08'49" AND ARC DISTANCE OF 59.85 FEET TO THE END OF THE CURVE HAVING A RADIAL BEARING OF N17°00'04"E TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIAL BEARING OF N17°00'04"E;  
THENCE ALONG SAID CURVE TO THE RIGHT OF RADIUS 200.00', THROUGH A CENTRAL ANGLE OF 17°08'49" AND ARC DISTANCE OF 59.85 FEET TO THE END OF THE CURVE HAVING A RADIAL BEARING OF S09°08'46"E TO A POINT;  
THENCE N89°59'23" E A DISTANCE OF 164.73' TO A POINT, SAID POINT BEING THE TRUE POINT OF BEGINNING;

EXCEPT THE EAST 40.00' RIGHT-OF-WAY THEREOF;

SUBJECT TO ALL EASEMENTS OR RIGHT-OF-WAYS APPARENT OR RECORD.

CONTAINING 836,064.60 SF. (19.19 AC.) MORE OR LESS. (GROSS)

**CURVE DATA**

NUMBER	DELTA ANGLE	CHORD DIRECTION	CHORD LENGTH	TANGENT	RADIUS	ARC LENGTH
C1	17°08'49"	N81°34'21"W	59.83	30.15	200.00'	52.36'
C2	17°08'49"	N81°34'21"W	59.83	30.15	200.00'	52.36'

MEGA VECA  
1845 S. 18th AVENUE, SUITE 4000 EL PASO, TEXAS 75001  
950-261-0332 FAX 950-261-0333  
www.mega-veca.com

**EXHIBIT "A"**  
**BIENESTAR ESTATES II**

EX-A



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

6. E.

**Meeting Date:** 02/26/2020

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

**Submitted By:** Michelle Boucher, Administrative Coordinator, Police Department

Action Requested:

---

#### ITEM:

Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2020-4. An order 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 overtime and mileage by approving an Intergovernmental Agreement and authorizing execution of Subrecipient Agreement Operation Stonegarden Grant Program Award - Overtime and Mileage between the State of Arizona through the Arizona Department of Homeland Security and the City of San Luis, Arizona through the San Luis Police Department. **(Richard Jessup, Chief of Police)**

#### SUMMARY:

The City of San Luis Police Department has been awarded \$500,000.00 for overtime and \$20,000.00 for mileage under the Fiscal Year 2019 Operation Stonegarden Program Award Number 190430-01. The grant performance period is January 31, 2020 through January 31, 2021. The total awarded grant funded amount is \$520,000.00.

The adoption of this order will support the United States Border Patrol mission by allowing police officers the ability to prevent or stop the egress of drug and undocumented person smuggling, and the nexus to terrorism.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE AND ADOPT ORDER NO. 2020-4 APPROVING THE INTERGOVERNMENTAL AGREEMENT AND GRANT AS PRESENTED.**

N/A

---

#### Fiscal Impact

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	Yes
<b>CITY/STATE/FEDERAL FUNDS:</b>	Federal
<b>TOTAL:</b>	Yes
<b>BUDGETED AMOUNT:</b>	Yes
<b>AVAILABLE AMOUNT TO TRANSFER:</b>	\$420,000
<b>ACCT NAME &amp; GL#/REMAINING BALANCE BEFORE PURCHASE:</b>	250-181-50010 Special Revenue-Public Safety: OT, 250-181-70005 Gas/Oil.

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

The San Luis Police Department will receive \$520,000.00 in Overtime and Mileage as reimbursements. Remaining unused funds will carry over to FY 2021. Available funds to spend this fiscal year is \$420,000

Account numbers:

250-181-50010 Special Revenue-Public Safety, PD:  
Overtime-DOHS OPSG 190430-01.

250-181-70005 Special Revenue-Public Safety, PD:  
Gas/Oil-DOHS OPSG 190430-01.

---

**Attachments**

Order No. 2020-4  
Award Letter 190430-01  
Subrecipient Agreement

---



# Order

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

No. 2020-4

**AN ORDER 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 OVERTIME AND MILEAGE BY APPROVING AN INTERGOVERNMENTAL AGREEMENT AND AUTHORIZING EXECUTION OF SUBRECIPIENT AGREEMENT OPERATION STONEGARDEN GRANT PROGRAM-OVERTIME AND MILEAGE BETWEEN THE STATE OF ARIZONA THROUGH THE ARIZONA DEPARTMENT OF HOMELAND SECURITY AND THE CITY OF SAN LUIS, ARIZONA THROUGH THE SAN LUIS POLICE DEPARTMENT.**

**WHEREAS**, the City of San Luis desires to increase police presence within our city limits to support the United States Border Patrol mission by allowing police officers to stop or prevent the egression of drug, undocumented persons smuggling, and the nexus to terrorism;

**WHEREAS**, the Arizona Department of Homeland Security has approved OPSG Overtime and Mileage and Employee Related Expenses to enhance border security throughout the City of San Luis;

**WHEREAS**, the Arizona Department of Homeland Security has prepared an Intergovernmental Agreement which provides for all 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 Intergovernmental Agreement titled "SUBRECIPIENT AGREEMENT 19-AZDOHS-OPSG-190430-01" and the grant application titled "OPSG Overtime and Mileage" both Attached to this order 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 26<sup>th</sup> day of February, 2020.

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

**ATTEST:**

**APPROVED AS TO FORM:**

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

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



# State of Arizona Department of Homeland Security



Governor Douglas A. Ducey

Director Gilbert M. Orrantia

February 3, 2020

Chief Richard Jessup  
San Luis Police Department  
PO Box 3720  
San Luis, AZ 85349

Subject: FFY 2019 Operation Stonegarden Grant Program Award  
Subrecipient Agreement Number: **190430-01**  
Project Title: **OPSG Overtime-Mileage**

Dear Chief Jessup:

The OPSG Budget/Narrative Application that your agency submitted to the Arizona Department of Homeland Security (AZDOHS) for consideration under the Operation Stonegarden Grant Program (OPSG) has been awarded. The project titled "**OPSG Overtime-Mileage**" has been funded under the Operation Stonegarden Grant Program for **\$520,000**. The grant performance period is **January 31, 2020 through January 31, 2021**. This grant program is part of the U.S. Department of Homeland Security Grant Program and specifically is awarded under CFDA #97.067 (Catalog of Federal Domestic Assistance). The FFY 2019 federal award date as indicated in the U.S. DHS award package is 09/01/2019 with a total amount of funding of \$23,862,500. The Federal Award Identification Number is EMW-2019-SS00002-S01.

To initiate the award process, the following action-items must be completed, signed and returned to AZDOHS. Go to [www.azdohs.gov](http://www.azdohs.gov), Grant Programs, Operation Stonegarden Grant Program, Grant Award Information, FFY 2019:

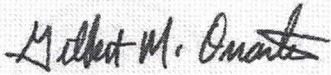
1. Two Subrecipient Agreements - Download **two** original OPSG Subrecipient Agreements (**NOTE**: they are specific to the "Overtime/Mileage" and "Equipment" grants):
  - a. Overtime/Mileage Subrecipient Agreement for an Overtime/Mileage grant
  - b. Equipment Subrecipient Agreement for an Equipment grant
2. OPSG Budget Detail (enclosed)
3. Environmental and Historic Preservation (EHP) required documentation (if applicable, see enclosed EHP Designation Letter).

Hard copies of the Subrecipient Agreements will **not** be mailed to you. These items must be completed and on file at AZDOHS in order for your agency to be eligible for reimbursement. **If all documentation listed in numbers 1, 2, and 3 above (if applicable) is not signed and received by AZDOHS on or before April 30, 2020 this award is rescinded and the funds will be reallocated.**

If your project requires an Environmental and Historic Preservation (EHP) review, this must be completed, submitted and approved by FEMA/AZDOHS prior to any obligation/expenditure of funds. Additionally, all actions associated with this project must be completed, invoiced and received by the end of the period of performance. Reimbursements are limited to approved quantities and funding thresholds. You will not be reimbursed for quantities in excess of what you have been authorized to purchase. AZDOHS reserves the right to request additional documentation at any time.

If you should have any questions, please do not hesitate to contact your Strategic Planner. Congratulations on your Operation Stonegarden Grant Program award.

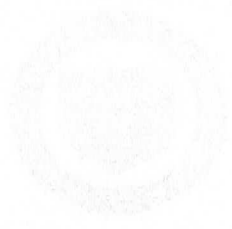
Sincerely,



Gilbert M. Orrantia  
Director

Cc: Lt. Marco Santana

Enclosures: OPSG Budget Detail, EHP Designation Letter



State of Arizona  
Department of Health Services

**FY 2019 Operation Stonegarden Grant Program  
 Overtime/Mileage - Budget Detail  
 Agency: San Luis Police Department  
 Grant#: 190430-01**

The signatures below verify the submission/approval process. All parties signify that all aspects of this project are allowable, reasonable and justifiable in accordance with published federal grant guidelines. Subgrantee agrees to the funding shown here:

**OVERTIME**

OVERTIME	MILEAGE	TRAVEL	TOTAL AWARD
\$500,000	\$20,000		\$520,000

Project Point of Contact

\_\_\_\_\_

Print Name

Signature

Date

Strategic Planner or  
 Assistant Director Planning &  
 Preparedness

**Susan Dzbanko**

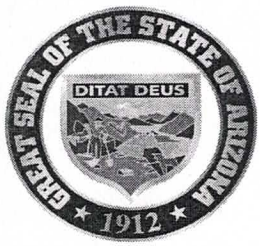
\_\_\_\_\_

Print Name

Signature

Date

This form is to be signed and returned.



# State of Arizona Department of Homeland Security

Governor Douglas A. Ducey

Director Gilbert M. Orrantia

FFY 2019

Dear OPSG Stakeholder:

The project that your agency submitted to the Arizona Department of Homeland Security (AZDOHS) for consideration under the Operation Stonegarden Grant Program has been awarded.

Please be advised, all projects require an Environmental and Historic Preservation review. Your project has been reviewed and it has been determined to have no potential impact to environmental or historic concerns. No further EHP review is required unless you modify the project and it is approved by AZDOHS. If you need further clarification please contact Michael Stidham at (602) 542-7041 or [mstidham@azdohs.gov](mailto:mstidham@azdohs.gov) with AZDOHS for further information regarding the EHP specific requirements for your award.

As stated in the subrecipient agreement:

The subrecipient shall comply with Federal EHP regulations, laws and Executive Orders as applicable. Subrecipients proposing projects that have the potential to impact the environment, including but not limited to construction of communication towers, modification or renovation of existing buildings, structures and facilities, or new construction including replacement of facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA is also required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. DHS/FEMA will not fund projects that are initiated without the required EHP review.

Additionally, all recipients are required to comply with DHS/FEMA EHP Policy Guidance. This EHP Policy Guidance can be found in FP 108-023-1, Environmental Planning and Historic Preservation Policy Guidance, and FP 108.24.4, Environmental Planning and Historical Preservation Policy.

**SUBRECIPIENT AGREEMENT  
OPERATION STONEGARDEN GRANT PROGRAM  
OVERTIME-MILEAGE**

**19-AZDOHS-OPSG-190430-01**

(Enter Subrecipient Agreement number above (e.g., 190XXX-XX))

**Between**

**The Arizona Department of Homeland Security  
And  
The City of San Luis**

(Enter the name of the Subrecipient Agency above)

**DUNS Number 879102684**

(Enter the DUNS number above)

WHEREAS, A.R.S. section 41-4254 charges the Arizona Department of Homeland Security (AZDOHS) with the responsibility of administering funds.

THEREFORE, it is agreed that the AZDOHS shall provide funding to the

**The City of San Luis**

(Enter the name of the Subrecipient Agency above)

(Subrecipient) for services under the terms of this Agreement (the "Agreement").

**I. PURPOSE OF AGREEMENT**

The purpose of this Agreement is to specify the rights and responsibilities of AZDOHS in administering the distribution of homeland security grant funds to the Subrecipient, and to specify the rights and responsibilities of the Subrecipient as the recipient of these funds.

**II. PERIOD OF PERFORMANCE, TERMINATION AND AMENDMENTS**

This Agreement shall become effective on **January 31, 2020** and shall terminate on **January 31, 2021**. The obligations of the Subrecipient as described herein will survive termination of this agreement.

**III. DESCRIPTION OF SERVICES**

The Subrecipient shall provide the services for AZDOHS as set forth in writing in Subrecipient's grant application titled: "**OPSG Overtime-Mileage**" and funded at \$ **520,000** (as may have been modified by the award letter).  
(Enter funded award amount above)

**IV. MANNER OF FINANCING**

The AZDOHS shall under the U.S. Department of Homeland Security grant #EMW-2019-SS-00002 and CFDA #97.067:

- a) Provide up to \$ **520,000** to the Subrecipient for services provided under Paragraph III.
- b) Payment made by the AZDOHS to the Subrecipient shall be on a reimbursement basis only and is conditioned upon receipt of proof of payment and applicable, accurate and complete reimbursement documents, as deemed necessary by the AZDOHS, to be submitted by the

Subrecipient. A listing of acceptable documentation can be found at [www.azdohs.gov](http://www.azdohs.gov). Payments will be contingent upon receipt of all reporting requirements of the Subrecipient under this Agreement.

**V. FISCAL RESPONSIBILITY**

It is understood and agreed that the total amount of the funds used under this Agreement shall be used only for the project as described in the application and award documentation. Therefore, should the project not be completed, the Subrecipient shall reimburse said funds directly to the AZDOHS immediately. If the project is completed at a lower cost than the original budget called for, the amount reimbursed to the Subrecipient shall be for only the amount of dollars actually spent by the Subrecipient in accordance with the approved application. For any funds received under this Agreement for which expenditure is disallowed by an audit exemption or otherwise by the AZDOHS, the State, or Federal government, the Subrecipient shall reimburse said funds directly to the AZDOHS immediately.

**VI. FINANCIAL AUDIT/PROGRAMMATIC MONITORING**

The Subrecipient agrees to comply with the record-keeping requirements and other requirements of A.R.S. 35-214 and 35-215.

- a) In addition, in compliance with the Federal Single Audit Act (31 USC 7501-7507) as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156) and 2 C.F.R. 200.501, the Subrecipient must have a Single Audit or program specific audit conducted in accordance with 2 C.F.R. 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) if the Subrecipient expends more than \$750,000 from Federal awards in its previous fiscal year. If the Subrecipient has expended more than \$750,000 in Federal dollars, a copy of the Subrecipient's single audit or program specific audit report for the previous fiscal year and subsequent fiscal years that fall within the period of performance is due annually to AZDOHS within nine (9) months of the Subrecipient's fiscal year end.
- b) Failure to comply with any requirements imposed as a result of an audit will suspend reimbursement by AZDOHS to the Subrecipient until the Subrecipient is in compliance with all such requirements. Additionally, the Subrecipient will not be eligible for any new awards until the Subrecipient is in compliance with all such requirements.
- c) Subrecipients who do not expend more than \$750,000 in Federal dollars in the previous fiscal year and subsequent fiscal years that fall within the period of performance must submit to AZDOHS via [audits@azdohs.gov](mailto:audits@azdohs.gov), a statement stating they do not meet the threshold and therefore do not have to complete a single audit or program specific audit.
- d) Subrecipient will be monitored periodically by AZDOHS, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Monitoring will be accomplished through a combination of office-based reviews and on-site monitoring visits. Monitoring can involve aspects of the work involved under this Agreement including but not limited to the review and analysis of financial, programmatic, equipment, performance, and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed. Subrecipient shall participate in and cooperate with all such monitoring by AZDOHS, and shall provide access to all personnel, documents, and other records as may be requested from time to time by AZDOHS. Subrecipient also shall comply with all requests of AZDOHS that AZDOHS deems necessary to assure the parties' compliance with their obligations under this Agreement.

e) The Subrecipient agrees to cooperate with any assessments, state/national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this Agreement.

## VII. **APPLICABLE STANDARDS AND REGULATIONS**

The Subrecipient must comply with the applicable Notice of Funding Opportunity (NOFO) and Code of Federal Regulations (C.F.R.) 2 C.F.R. 200. The NOFO for this program is hereby incorporated into this Agreement by reference. By accepting this award, the Subrecipient agrees that all allocation and use of funds under this grant will be in accordance with the requirements contained in the NOFO and all other applicable law.

### **Davis Bacon Act**

HSGP Program subrecipients using funds for construction projects must comply with the *Davis-Bacon Act* (40 U.S.C. 3141 *et seq.*). Subrecipients must obtain written approval from AZDOHS prior to use of any HSGP funds for construction or renovation. Subrecipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the state in which the work is to be performed. Additional information regarding compliance with the *Davis-Bacon Act*, including Department of Labor (DOL) wage determinations, is available from the following website <https://www.dol.gov/whd/govcontracts/dbra.htm>.

### **Insurance Coverage**

The Subrecipient affirms the organization maintain insurance coverage as described in 2 C.F.R. 200.310. The non-Federal (Subrecipient) entity must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal (Subrecipient) entity. Federally-owned property need not be insured unless required by the terms and conditions of the Federal award.

### **National Incident Management System (NIMS)**

The Subrecipient agrees to remain in compliance with National Incident Management System (NIMS) implementation initiatives as outlined in the applicable NOFO.

### **Environmental Planning and Historic Preservation**

The Subrecipient shall comply with Federal, State and Local environmental and historical preservation (EHP) regulations, laws and Executive Orders as applicable. See FEMA publication FP 108-023-1, titled "Environmental Planning and Historic Preservation (EHP) Policy Guidance," available at [https://www.fema.gov/media-library-data/1533321728657-592e122ade85743d1760fd4747241776/GPD\\_EHP\\_Policy\\_Final\\_Amendment\\_GPD\\_final\\_508.pdf](https://www.fema.gov/media-library-data/1533321728657-592e122ade85743d1760fd4747241776/GPD_EHP_Policy_Final_Amendment_GPD_final_508.pdf). Subrecipients proposing projects that have the potential to impact the environment, including but not limited to construction of communication towers, modification or renovation of existing buildings, structures and facilities, or new construction including replacement of facilities, must participate in the Federal Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) EHP review process. The EHP review process involves the submission of a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA is also required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. If ground disturbing activities occur during project implementation, the Subrecipient must ensure monitoring of ground disturbance and if any archeological resources are discovered, the Subrecipient shall immediately cease construction in that area and notify FEMA, AZDOHS and the appropriate State Historic

Preservation Office. DHS/FEMA will not fund projects that are initiated without the required EHP review. In addition, the following provisions must be adhered to:

### **Consultants/Trainers/Training Providers**

Invoices for consultants/trainers/training providers must include at a minimum: a description of services; dates of services; number of hours for services performed; rate charged for services; and, the total cost of services performed. Consultant/trainer/training provider costs must be within the prevailing rates; must be obtained under consistent treatment with the procurement policies of the Subrecipient and 2 C.F.R. 200; and shall not exceed the maximum of \$450 per day per consultant/trainer/training provider unless prior written approval is granted by the AZDOHS. This includes internal personnel hired on backfill/overtime to deliver training. In addition to the per day \$450 maximum amount, the consultant/trainer/training provider may be reimbursed reasonable travel, lodging, meal and incidental expenses not to exceed the State rate. Itemized receipts are required for lodging and travel reimbursements. The Subrecipient will not be reimbursed costs other than travel, lodging, meals and incidentals on travel days for consultants/trainers/training providers. See Travel Costs below.

### **Contractors/Subcontractors**

The Subrecipient may enter into written subcontract(s) for performance of certain of its functions under the Agreement in accordance with terms established in 2 C.F.R. 200 and the applicable NOFO. The Subrecipient agrees and understands that no subcontract that the Subrecipient enters into with respect to performance under this Agreement shall in any way relieve the Subrecipient of any responsibilities for performance of its duties. The Subrecipient shall give the AZDOHS immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the Subrecipient by any subcontractor or vendor which may result in litigation related in any way to this Agreement.

### **Travel Costs**

All grant funds expended for travel, lodging, meals and incidentals are subject to the standards of the Subrecipient's policies and procedures, as well as the State of Arizona Accounting Manual (SAAM). These policies must be applied uniformly to both federally financed and other activities of the Subrecipient. AZDOHS will reimburse at the most restrictive allowability and rate. At no time will the Subrecipient's reimbursement(s) exceed the State rate established by the Arizona Department of Administration, General Accounting Office Travel Policies: <https://gao.az.gov/travel>.

### **Procurement**

The Subrecipient shall comply with its own procurement rules/policies and must also comply with Federal procurement rules/policies and all Arizona state procurement code provisions and rules. The Federal intent is that all Homeland Security Funds are awarded competitively. The Subrecipient shall not enter into a Noncompetitive (Sole or Single Source) Procurement Agreement, unless prior written approval is granted by the AZDOHS via the Noncompetitive Procurement Request Form. The Noncompetitive Procurement Request Form and instructions are located on the AZDOHS website: <https://azdohs.gov/grant-program-forms>.

### **Training and Exercise**

The Subrecipient agrees that any grant funds used for training and exercise must be in compliance with the applicable NOFO. All training must be included and approved in your application and/or approved through the DEMA/AZDOHS training request process prior to execution of training contract(s). All exercises must utilize and comply with the FEMA Homeland Security Exercise and Evaluation Program (HSEEP) guidance for exercise design, development, conduct, evaluation and reporting. The Subrecipient agrees to:

- a) Submit an exercise summary and attendance/sign-in roster to AZDOHS with all related reimbursement requests.
- b) Email the After Action Report/Improvement Plan (AAR/IP) to the local County Emergency Manager, the AZDOHS Strategic Planner, and the Arizona Department of Military Affairs (DEMA) Exercise Branch within 90 days of completion of an exercise or as prescribed by the most current HSEEP guidance.

### **Communications Equipment**

All Land Mobile Radio equipment purchased with Homeland Security funds is required to comply with the following:

- a) P25 (Project 25) standards;
- b) SAFECOM Guidance (see <https://www.dhs.gov/safecom>);
- c) Land Mobile Radio Minimum Equipment Standards as approved by the Statewide Interoperability Executive Committee (SIEC); and
- d) Arizona's State Interoperable Priority Programming Guide also as approved by the SIEC

### **Nonsupplanting Agreement**

The Subrecipient shall not use funds received under this Agreement to supplant Federal, State, Tribal or Local funds or other resources that would otherwise have been made available for this program/project. The Subrecipient may be required to demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt of expected receipt of Federal funds. Further, if a position created by a grant is filled from within, the vacancy created by this action must be filled within thirty (30) days. If the vacancy is not filled within thirty (30) days, the Subrecipient must stop charging the grant for the new position. Upon filling the vacancy, the Subrecipient may resume charging for the grant position.

### **E-Verify**

Compliance requirements for A.R.S. 41-4401—immigration laws and E-Verify requirement.

- a) The Subrecipient warrants its compliance with all State and Federal immigration laws and regulations relating to its employees and to employees of any contractor or subcontractor retained through Subrecipient to provide goods or services related to this Agreement, including but not limited to A.R.S. 23-214, Subsection A (that subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program").
- b) A breach of a warranty by Subrecipient regarding compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and the Subrecipient may be subject to penalties to be determined at AZDOHS's discretion, up to and including termination of this Agreement.
- c) The AZDOHS retains the legal right to inspect the papers of any Subrecipient employee who works on the Agreement, and to those of any employee of any contractor or subcontractor retained through Subrecipient to provide goods or services related to this Agreement, to ensure that the Subrecipient is complying with the warranty under paragraph (a) above.

### **Property Control**

Effective control and accountability must be maintained by Subrecipient for all property/equipment purchased under this Agreement. The Subrecipient must adequately safeguard all such property/equipment and must assure that it is used for authorized purposes as described in the NOFO, the grant application as approved by AZDOHS, and 2 C.F.R. 200. The Subrecipient shall exercise caution in the use, maintenance, protection and preservation of such property.

- a) Property/equipment shall be used by the Subrecipient in the program or project for which it was acquired as long as needed, whether or not the program or project continues to be supported by federal grant funds. Subrecipient is required to maintain and utilize equipment as outlined in 2 C.F.R. 200.313 - Equipment. Any loss, damage, or theft shall be investigated by Subrecipient and reported by Subrecipient to the AZDOHS. Any equipment lost, damaged or stolen shall be replaced by the Subrecipient at the Subrecipient's expense and an updated Property Control Form shall be submitted to AZDOHS by Subrecipient.
- b) Nonexpendable Property/Equipment and Capital Assets:
  - a. Nonexpendable Property/Equipment is property which has a continuing use, is not consumed in use, is of a durable nature with an expected service life of one or more years, has an acquisition cost of \$5,000 (Five Thousand Dollars) or more, and does not become a fixture or lose its identity as a component of other equipment or systems.
  - b. A Capital Asset is any personal or real property, or fixture that has an acquisition cost of \$5,000 (Five Thousand Dollars) or more per unit and a useful life of more than one year.
- c) A Property Control Form (if applicable) shall be maintained for the entire scope of the program or project for which property was acquired through the end of its useful life and/or disposition. All Nonexpendable Property and Capital Assets must be included on the Property Control Form. The Subrecipient shall provide AZDOHS a copy of the Property Control Form with the final quarterly programmatic report. The Property Control Form can be located at <https://azdohs.gov/grant-program-forms>. The Subrecipient agrees to be subject to equipment monitoring and auditing by state or federal authorized representatives to verify information.
- d) A physical inventory of Nonexpendable Property/Equipment and Capital Assets must be taken and the results reconciled with the Property Control Form at least once every two years.
  - a. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated and reported by Subrecipient to AZDOHS immediately.
  - b. Adequate maintenance procedures must be developed to keep the property in good condition.
- e) When Nonexpendable Property/Equipment and/or Capital Assets are no longer in operational use by the Subrecipient, an updated Property Control Form must be submitted by Subrecipient to AZDOHS immediately. The disposition of equipment shall be in compliance with the AZDOHS Disposition Guidance and 2 C.F.R. 200. If the Subrecipient is requesting disposition of Capital Assets for reasons other than theft, destruction, or loss, the Subrecipient must submit an Equipment Disposition Request Form to AZDOHS and receive approval prior to the disposition. The Equipment Disposition Guidance and Request Form can be found at <https://azdohs.gov/grant-program-forms>.
- f) Equipment Record Retention  
Pursuant to 2 C.F.R. 200.333(c), records for real property and equipment acquired with Federal funds must be retained for three (3) years after final disposition.

### **Allowable Costs**

The allowability of costs incurred under this Agreement shall be determined in accordance with the general principles of allowability and standards for selected cost items as set forth in the applicable Code of Federal Regulations, authorized equipment lists, and guidance documents referenced above.

- a) The Subrecipient agrees that use of grant funds for any indirect costs that may be incurred must be in accordance with 2 C.F.R. 200 and the applicable NOFO. Indirect costs must be applied for and approved in writing by the AZDOHS prior to expenditure and reimbursement.
- b) The Subrecipient agrees that grant funds are not to be expended for any Management and Administrative (M&A) costs that may be incurred by the Subrecipient for administering these funds unless explicitly applied for and approved in writing by the AZDOHS and shall be in compliance with the applicable NOFO.

### **VIII. DEBARMENT CERTIFICATION**

The Subrecipient is to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, which are at 2 C.F.R. Part 180 as adopted by DHS at 2 C.F.R. Part 3000. These regulations restrict federal financial assistance awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

### **IX. FUNDS MANAGEMENT**

The Subrecipient must maintain funds received under this Agreement in separate ledger accounts and cannot mix these funds with funds from other sources. The Subrecipient must manage funds according to applicable Federal regulations for administrative requirements, costs principles, and audits.

The Subrecipient must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

- Financial Management
- Procurement
- Personnel
- Property
- Travel

A system is adequate if it is 1) written; 2) consistently followed – it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds.

### **X. REPORTING REQUIREMENTS**

Regular reports by the Subrecipient shall include:

#### a) Programmatic Reports

The Subrecipient shall provide quarterly programmatic reports to the AZDOHS within fifteen (15) calendar days of the last day of the quarter in which services are provided. The Subrecipient shall use the form provided by the AZDOHS to submit quarterly programmatic reports. The report shall contain such information as deemed necessary by the AZDOHS. The Subrecipient shall use the Quarterly Programmatic Report form, which is posted at <https://azdohs.gov/grant-program-forms>. Quarterly programmatic reports shall be submitted to the AZDOHS until the entire project is completed. If the project has been fully completed and implemented, and there will be no further updates, then the quarterly programmatic report for the quarter in which the project was completed will be sufficient as the final report. The report should be marked as final and should be inclusive of all necessary and pertinent information regarding the project as deemed necessary by the AZDOHS.

- b) Subrecipients must provide substantial/detailed information as to the status of completion of the milestones included in the application as approved by AZDOHS. Failure to adequately provide complete information will result in the Quarterly Report being rejected and resubmission will be required.
- c) Quarterly Programmatic Reports are due:
  - January 15** (for the period from October 1– December 31)
  - April 15** (for the period from January 1 – March 31)
  - July 15** (for the period from April 1 – June 30)
  - October 15** (for the period from July 1 – September 30)
- d) Final Quarterly Report:
 

The final quarterly report is due no more than fifteen (15) calendar days after the end of the performance period. Subrecipient may submit a final quarterly report prior to the end of the performance period if the scope of the project has been fully completed and implemented. The Property Control Form is due with the final quarterly report (if applicable).
- e) Property Control Form – if applicable:
 

The Subrecipient shall provide the AZDOHS a copy of the Property Control Form with the final quarterly report.

  - a. In case of equipment disposition:
 

The Property Control Form shall be updated and a copy provided to AZDOHS no more than forty-five (45) calendar days after equipment disposition, if applicable. The Subrecipient's use and disposition of equipment must be in compliance with the AZDOHS Disposition Guidance and 2 C.F.R. 200.313.
- f) Financial Reimbursements
 

**The Subrecipient shall provide AZDOHS with requests for reimbursement as frequently as monthly but not less than quarterly.** Reimbursement requests are only required when expenses have been incurred. Reimbursement requests shall be submitted with the Reimbursement Form provided by the AZDOHS staff. The Subrecipient shall submit a final reimbursement request for expenses received and invoiced prior to the end of the period of performance. The final reimbursement must be received by AZDOHS no more than **forty-five (45) calendar days** after the end of the period of performance. Requests for reimbursement received by AZDOHS later than **forty-five (45) calendar** days after the end of the period of performance will not be paid. The final reimbursement request as submitted shall be marked as final.

Subrecipients will only be reimbursed for expenses that have been obligated, expended and received within the authorized Period of Performance as identified in Section II of this Agreement. Subrecipients are not authorized to obligate or expend funds prior to the start date of the Period of Performance. Any expenses obligated or expended prior to the Period of Performance start date will be deemed unallowable and will not be reimbursed. Any expenses/services that occur beyond the Period of Performance (i.e. cell phone service) will be deemed unallowable and will not be reimbursed.

The AZDOHS requires that all requests for reimbursement are submitted via United States Postal Service, FedEx, UPS, etc. or in person. Reimbursement requests submitted via fax or by any electronic means will not be accepted.

The AZDOHS reserves the right to request and/or require any supporting documentation and/or information it feels necessary in order to process reimbursements. Subrecipient shall promptly provide AZDOHS with all such documents and/or information.

All reports shall be submitted to the contact person as described in Paragraph XXXVII, NOTICES, of this Agreement.

**XI. ASSIGNMENT AND DELEGATION**

The Subrecipient may not assign any rights hereunder without the express, prior written agreement of both parties.

**XII. AMENDMENTS**

Any change in this Agreement including but not limited to the Description of Services and budget described herein, whether by modification or supplementation, must be accomplished by a formal Agreement amendment signed and approved by and between the duly authorized representatives of the Subrecipient and the AZDOHS. In the event of any new legislation, laws, ordinances, or rules affecting this Agreement, the parties agree that the terms of this Agreement shall automatically incorporate the terms of such new legislation, laws, ordinances, or rules.

Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the Subrecipient's compensation, if applicable; 3) be titled as an "Amendment," and 4) be signed by the parties identified in the preceding paragraph. The Subrecipient expressly and explicitly understands and agrees that no other method of communication, including any other document, correspondence, act, or oral communication by or from any person, shall be used or construed as an amendment or modification or supplementation to this Agreement.

**XIII. US DEPARTMENT OF HOMELAND SECURITY AGREEMENT ARTICLES**

**Article A - Disposition of Equipment Acquired Under the Federal Award**

When original or replacement equipment acquired in conjunction with this Agreement by the Subrecipient is no longer needed for the original project or program or for other activities currently or previously supported by DHS/FEMA, the Subrecipient must request instructions from DHS/FEMA via AZDOHS by submitting an Equipment Disposition Request Form in order to make proper disposition of the equipment pursuant to 2 C.F.R. 200.313.

**Article B – Acceptance of Post Award Changes**

In the event FEMA determines that changes are necessary to this Agreement after it has been entered into, including changes to period of performance or terms and conditions, the Subrecipient will be notified of the changes in writing. Once notification has been made, any subsequent request for funds by Subrecipient will constitute Subrecipient's acceptance of the changes to this Agreement and the incorporation of such changes into this Agreement.

**Article C - Procurement of Recovered Materials**

The Subrecipient hereby acknowledges and agrees that it must comply with section 6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act, 42 U.S.C. 6962) and that the requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

**Article D - Whistleblower Protection Act**

The Subrecipient hereby acknowledges and agrees that it must comply with the statutory requirements for whistleblower protections (if applicable) at 10 U.S.C. 2409, 41 U.S.C. 4712, and 10 U.S.C. 2324, 41 U.S.C. section 4304 and 4310.

### **Article E - Use of DHS Seal, Logo and Flags**

Subrecipient hereby acknowledges that it must obtain DHS's approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

### **Article F - USA Patriot Act of 2001**

Subrecipient hereby acknowledges and agrees that it must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act, P.L. 107-56), which amends 18 U.S.C. section 175-175c.

### **Article G – Universal Identifier and System of Award Management (SAM)**

Subrecipient hereby acknowledges and agrees that it must comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A.

### **Article H - Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and, Performance Matters located at 2 C.F.R. Part 200 Appendix XII, the full text of which is incorporated here by reference in the terms and conditions of your award.

### **Article I - Rehabilitation Act of 1973**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, P. L. No. 93-112 (1973) (codified as amended at 29 U.S.C. 794), which provides that no otherwise qualified handicapped individual in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. These requirements pertain to the provision of benefits or services as well as to employment.

### **Article J - Trafficking Victims Protection Act of 2000**

Subrecipient hereby acknowledges and agrees that it must comply with the requirements of the government-wide award term which implements Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104). The award term is located at 2 C.F.R. Part 175.15, the full text of which is incorporated here by reference.

### **Article K - Terrorist Financing**

The Subrecipient hereby acknowledges and agrees that it must comply with U.S. Executive Order 13224 and all U.S. laws that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Subrecipient to ensure compliance with all such laws and U.S. Executive Order 13224.

### **Article L - SAFECOM**

The Subrecipient hereby acknowledges and agrees that recipients who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

### **Article M - Reporting Subawards and Executive Compensation**

All subrecipients are required to comply with the requirements set forth in the government-wide Award Term on Reporting Subawards and Executive Compensation located at 2 C.F.R. Part 170, Appendix A, the full text of which is incorporated here by reference in the terms and conditions of your award.

### **Article N – Department and Suspension**

The Subrecipient hereby acknowledges and agrees that it is subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, and 2 C.F.R. Part 180. These regulations restrict Federal financial assistance awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

### **Article O - Copyright**

The Subrecipient hereby acknowledges and agrees that it must affix the applicable copyright notices of 17 U.S.C. 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards.

### **Article P - Civil Rights Act of 1964 - Title VI**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), codified at 6 C.F.R. Part 21 and 44 C.F.R. Part 7, which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

### **Article Q - Best Practices for Collection and Use of Personally Identifiable Information (PII)**

The Subrecipient hereby acknowledges and agrees that if it collects PII, it is required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII it collects. DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. Subrecipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template as useful resources respectively.

### **Article R - Americans with Disabilities Act of 1990**

The Subrecipient hereby acknowledges and agrees that it shall comply with all State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including but not limited to Arizona Executive Order 2009-9 and the requirements of Titles I, II, and III of the Americans with Disabilities Act, P.L. No. 101-336 (1990) (codified as amended at 42 U.S.C. 12101-12213), which prohibit subrecipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.

### **Article S - Age Discrimination Act of 1975**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

### **Article T - Activities Conducted Abroad**

The Subrecipient hereby acknowledges and agrees that it must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

### **Article U - Acknowledgement of Federal Funding from DHS**

The Subrecipient hereby acknowledges and agrees that it must acknowledge its use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.

### **Article V - DHS Specific Acknowledgements and Assurances**

Subrecipient hereby acknowledges and agrees—and agrees to require any contractors, successors, transferees, and assignees acknowledge and agree—to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.

1. Subrecipient hereby agrees to cooperate with any compliance review or complaint investigation conducted by DHS and/or AZDOHS.
2. Subrecipient hereby agrees to give DHS access and AZDOHS to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance.
3. Subrecipient hereby agrees to submit timely, complete, and accurate reports to the appropriate DHS and AZDOHS officials and maintain appropriate backup documentation to support the reports.
4. Subrecipient hereby agrees to comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

### **Article W - Assurances, Administrative Requirements and Cost Principles, and Audit Requirements**

The Subrecipient hereby acknowledges and agrees that it must complete OMB Standard Form 424B Assurances – Non-Construction Programs, or OMB Standard Form 424D Assurances – Construction Programs as applicable.

DHS financial assistance recipients are required to follow the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 C.F.R. Part 200, and adopted by DHS at 2 C.F.R. Part 3002.

### **Article X - Patents and Intellectual Property Rights**

Unless otherwise provided by law, the Subrecipient hereby acknowledges and agrees that it is subject to the Bayh-Dole Act, P.L. 96-517, codified in 35 U.S.C. 200 et seq., and that it is subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards that are in 37 C.F.R. Part 401 and the standard patent rights clause in 37 C.F.R. 401.14.

### **Article Y – Nondiscrimination in Matters Pertaining to Faith-Based Organizations**

It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. All subrecipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.

### **Article Z – National Environmental Policy Act**

All subrecipients must comply with the requirements of the National Environmental Policy Act (NEPA) 42 U.S.C. 4321 et seq., and the Council on Environmental Quality (CEQ) Regulations (40 C.F.R. Parts 1500-1508) for Implementing the Procedural Provisions of NEPA, which requires Subrecipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.

### **Article AA - Lobbying Prohibitions**

The Subrecipient hereby acknowledges and agrees that it must comply with 31 U.S.C. 1352, and acknowledges and agrees that none of the funds provided under this Agreement may be used to pay any person to influence, or attempt to influence an officer or employee of any agency (whether State or Federal), a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action related to a Federal award or contract, including any extension, continuation, renewal, amendment, or modification.

### **Article AB - Limited English Proficiency (Civil Rights Act of 1964, Title VI)**

The Subrecipient hereby acknowledges and agrees that it must comply with the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with Limited English Proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and additional resources on <http://www.lep.gov>.

### **Article AC - Hotel and Motel Fire Safety Act of 1990**

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990 and the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. section 2225(a), the Subrecipient hereby acknowledges and agrees that it must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with all applicable fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. section 2225.

### **Article AD - Fly America Act of 1974**

The Subrecipient hereby acknowledges and agrees that it must comply with Preference for U.S. Flag Air Carriers (air carriers holding certificates under 49 U.S.C. 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974, 49 U.S.C. 40118, and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

### **Article AE - Federal Leadership on Reducing Text Messaging while Driving**

All subrecipients are encouraged to adopt and enforce policies that ban text messaging while driving as described in U.S. Executive Order 13513, including conducting initiatives described in Section 3(a) of the Order when on official Government business or when performing any work for or on behalf of the federal government.

### **Article AF - Federal Debt Status**

The Subrecipient hereby acknowledges and agrees that it is required to be non-delinquent in its repayment of any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

#### **Article AG - False Claims Act and Program Fraud Civil Remedies**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of The False Claims Act (31 U.S.C. 3729-3733) which prohibits the submission of false or fraudulent claims for payment to the Federal government. See also 31 U.S.C. 3801-3812 which details the administrative remedies for false claims and statements made.

#### **Article AH - Energy Policy and Conservation Act**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of The Energy Policy and Conservation Act, Pub. L. No. 94-163 (1975) (codified as amended at 42 U.S.C. 6201 et. seq.) which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

#### **Article AI - Education Amendments of 1972 (Equal Opportunity in Education Act) – Title IX**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance. These regulations are codified at 6 CFR Part 17 and 44 CFR Part 19.

#### **Article AJ - Duplication of Benefits**

Any cost allocable to a particular Federal award, provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude a subrecipient from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal award.

#### **Article AK - Drug-Free Workplace Regulations**

The Subrecipient hereby acknowledges and agrees that it must comply with the drug-free workplace requirements in Subpart B (or Subpart C, if the Subrecipient is an individual) of 2 C.F.R. part 3001, which adopts the Government-wide implementation (2 C.F.R. part 182) of sec. 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 8101-8106).

#### **Article AL - Civil Rights Act of 1968**

The Subrecipient hereby acknowledges and agrees that it must comply with Title VIII of the Civil Rights Act of 1968, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (42 U.S.C. 3601 et seq.), as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features (see 24 C.F.R. 100.201).

#### **XIV. OFFSHORE PERFORMANCE OF WORK PROHIBITED**

Due to security and identity protection concerns, all services under this Agreement shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by the Subrecipient's contractors and subcontractors at all tiers.

**XV. AGREEMENT RENEWAL**

This Agreement shall not bind nor purport to bind the AZDOHS for any contractual commitment in excess of the original Agreement period, which may not be changed except by a writing signed by all parties hereto in conformity with Paragraph XII, AMENDMENTS.

**XVI. RIGHT TO ASSURANCE**

If the AZDOHS in good faith has reason to believe that the Subrecipient does not intend to, or is unable to perform or continue performing under this Agreement, the AZDOHS may demand in writing that the Subrecipient give a written assurance of intent and ability to perform. If the Subrecipient fails to provide written assurance within the number of days specified in the demand, the AZDOHS at its option may terminate this Agreement.

**XVII. CANCELLATION FOR CONFLICT OF INTEREST**

The AZDOHS may, by written notice to the Subrecipient, immediately cancel this Agreement without penalty or further obligation pursuant to A.R.S. 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on behalf of the State or its subdivisions (unit of Local Government) is an employee or agent of any other party in any capacity or a consultant to any other party to the Agreement with respect to the subject matter of the Agreement. Such cancellation shall be effective when the parties to the Agreement receive written notice from the AZDOHS, unless the notice specifies a later time.

**XVIII. THIRD PARTY ANTITRUST VIOLATIONS**

The Subrecipient hereby assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Subrecipient toward fulfillment of this Agreement.

**XIX. AVAILABILITY OF FUNDS**

Every payment obligation of the AZDOHS under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligations under A.R.S. 35-154. If the funds are not allocated and available for the continuance of this Agreement, the AZDOHS may terminate this Agreement at the end of the period for which funds are available. No liability shall accrue to the AZDOHS in the event this provision is exercised, and the AZDOHS shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph, including purchases and/or contracts entered into by the Subrecipient in the execution of this Agreement.

**XX. FORCE MAJEURE**

If either party hereto is delayed or prevented from the performance of any act required in this Agreement by reason of acts of God, strikes, lockouts, labor disputes, civil disorder, or other causes without fault and beyond the control of the party obligated, performance of such act will be excused for the period of the delay.

**XXI. PARTIAL INVALIDITY**

Any term or provision of this Agreement that is hereafter declared contrary to any current or future law, order, regulation, or rule, or which is otherwise invalid, shall be deemed stricken from this Agreement without impairing the validity of the remainder of this Agreement.

**XXII. ARBITRATION**

In the event of any dispute arising under this Agreement, written notice of the dispute must be provided to the other party within thirty (30) calendar days of the events giving the rise to the dispute. Any claim made by or against the State or any of its political subdivisions (including but not limited to AZDOHS) relating to this Agreement shall be resolved through the administrative claims process. In the event that the parties would otherwise be in court and/or if A.R.S. 12-1518 applies, the parties shall proceed in arbitration through the American Arbitration Association

("AAA"), with the arbitrator to be selected pursuant to AAA rules and the arbitration to be conducted according to the applicable AAA rules, and with the costs of arbitration (including but not limited to the arbitrator's fees and costs) to be divided 50/50 between the parties, subject to reallocation between the parties by the arbitrator. In the event that the parties become involved in litigation with each other relating to this Agreement for any reason in any other forum, both parties agree to have any claim(s) resolved in arbitration on the terms set forth in this part XXII. Any arbitration award may be enforced through the Maricopa County Superior Court or the U.S. District Court located in Phoenix, Arizona.

**XXIII. GOVERNING LAW AND CONTRACT INTERPRETATION**

- a) This Agreement shall be governed and interpreted in accordance with the laws of the State of Arizona.
- b) This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms in this document.
- c) Either party's failure to insist on strict performance of any term or condition of the Agreement shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object.

**XXIV. ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between the parties hereto pertaining to the subject matter hereof and may not be changed or added to except by a writing signed by all parties hereto in conformity with Paragraph XII, AMENDMENTS. All prior and contemporaneous agreements, representations, and understandings of the parties, oral, written, pertaining to the subject matter hereof, are hereby superseded or merged herein.

**XXV. LICENSING**

The Subrecipient, unless otherwise exempted by law, shall obtain and maintain all licenses, permits, and authority necessary to perform those acts it is obligated to perform under this Agreement.

**XXVI. SECTARIAN REQUESTS**

Funds disbursed pursuant to this Agreement may not be expended for any sectarian purpose or activity, including sectarian worship or instruction in violation of the United States or Arizona Constitutions.

**XXVII. ADVERTISING AND PROMOTION OF AGREEMENT**

The Subrecipient shall not advertise or publish information for commercial benefit concerning this Agreement without the prior written approval of the AZDOHS.

**XXVIII. OWNERSHIP OF INFORMATION, PRINTED AND PUBLISHED MATERIAL**

The Subrecipient acknowledges that the DHS and the AZDOHS reserve a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (a) the copyright in any work developed under an award or sub-award; and (2) any rights of copyright to which a subrecipient purchases ownership with Federal support. The Subrecipient shall consult with the AZDOHS regarding the allocation of any patent rights that arise from, or are purchased with, this funding

**XXIX. CLOSED-CAPTIONING OF PUBLIC SERVICE ANNOUNCEMENTS**

Any television public service announcement that is produced or funded in whole or in part by the Subrecipient shall include closed captioning of the verbal content of such announcement.

**XXX. INDEMNIFICATION**

Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. The State of Arizona (AZDOHS) is self-insured per A.R.S. 41-621.

In addition, should Subrecipient utilize a contractor(s) and subcontractor(s), the indemnification clause between Subrecipient and contractor(s) and subcontractor(s) shall include the following:

*Contractor shall defend, indemnify, and hold harmless the (insert name of other governmental entity) and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally on all applicable insurance policies, contractor and its subcontractors shall name the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as an additional insured and also include a waiver of subrogation in favor of the State.*

**XXXI. TERMINATION**

- a) All parties reserve the right to terminate the Agreement in whole or in part due to the failure of the Subrecipient or AZDOHS to comply with any term or condition of the Agreement, to acquire and maintain all required insurance policies, bonds, licenses, and permits or to make satisfactory progress in performing the Agreement. A party invoking the right to terminate shall provide written thirty (30) day advance notice of the termination and the reasons for it to the other party.
- b) If the Subrecipient chooses to terminate the Agreement before the grant deliverables have been met, then the AZDOHS reserves the right to collect all reimbursements distributed to the Subrecipient.
- c) The AZDOHS may, upon termination of this Agreement, procure, on terms and in the manner that it deems appropriate, materials or services to replace those that otherwise would have been provided by Subrecipient under this Agreement. The Subrecipient shall be liable to the AZDOHS for any excess costs incurred by the AZDOHS in procuring materials or services in substitution for those due from the Subrecipient.

**XXXII. CONTINUATION OF PERFORMANCE THROUGH TERMINATION**

The Subrecipient shall continue to perform, in accordance with the requirements of the Agreement, up to the date of termination, as directed in the termination notice.

**XXXIII. PARAGRAPH HEADINGS**

The paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the scope, construction, or interpretation of this Agreement or any of its provisions.

**XXXIV. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, copies, or duplicate originals. Each such counterpart, copy, or duplicate original shall be deemed an original, and collectively they shall constitute one Agreement.

**XXXV. AUTHORITY TO EXECUTE THIS AGREEMENT**

Each individual executing this Agreement on behalf of the Subrecipient represents and warrants that he or she is duly authorized to execute this Agreement on behalf of the Subrecipient.

**XXXVI. SPECIAL CONDITIONS**

- a) The Subrecipient must comply with the most recent version of the Administrative Requirements, Cost Principles, and Audit requirements.
- b) The Subrecipient is prohibited from transferring funds between programs (e.g., State Homeland Security Program, Urban Area Security Initiative, Operation Stonegarden).
- c) The Subrecipient agrees to comply with the U.S. Department of Homeland Security regulation 6 C.F.R Part 19, which prohibits discrimination based on religion in social service programs

**XXXVII. NOTICES**

Any and all notices, requests, demands, or communications by either party to this Agreement, pursuant to or in connection with this Agreement shall be in writing, be delivered in person, or shall be sent to the respective parties at the following addresses:

Arizona Department of Homeland Security  
1700 West Washington Street, Suite 210  
Phoenix, AZ 85007

The Subrecipient shall address all programmatic and reimbursement notices relative to this Agreement to the appropriate AZDOHS staff; contact information at [www.azdohs.gov](http://www.azdohs.gov).

The AZDOHS shall address all notices relative to this Agreement to:

Chief of Police, Richard Jessup  
Enter Title, First & Last Name Above  
The City of San Luis  
Enter Agency Name Above  
1030 E Union Street  
Enter Street Address Above  
San Luis, AZ 85349  
Enter City, State, ZIP Above

**XXXVIII. IN WITNESS WHEREOF**

The parties hereto agree to execute this Agreement.

**FOR AND BEHALF OF THE**

The City of San Luis  
Enter Agency Name Above

Authorized Signature Above  
Tadeo Azael De La Hoya, City Manager  
Print Name & Title Above

Enter Date Above

**FOR AND BEHALF OF THE**

Arizona Department of Homeland Security

Gilbert M. Orrantia  
Director

Date

*(Complete and mail two original documents to the Arizona Department of Homeland Security.)*



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

6. F.

**Meeting Date:** 02/26/2020

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

**Submitted By:** Michelle Boucher, Administrative Coordinator, Police Department

**Action Requested:** Motion  
Order

---

#### ITEM:

Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2020-5. An Order 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 equipment by approving an Intergovernmental Agreement and authorizing execution of Subrecipient Agreement Operation Stonegarden Grant Program Award - Equipment between the State of Arizona through the Arizona Department of Homeland Security and the City of San Luis, Arizona through the San Luis Police Department. **(Richard Jessup, Chief of Police)**

#### SUMMARY:

The City of San Luis Police Department has been awarded \$39,000.00 under the Fiscal Year 2019 Operation Stonegarden Program Award. The adoption of this order will support the United States Border Patrol mission by allowing police officers the ability to prevent or stop the egress of drug and undocumented person smuggling, and the nexus to terrorism.

Funding for equipment will be used to purchase six (6) Mobil Data Computers in the amount of \$30,000.00, and three (3) Computer-Aided Dispatch (CAD) Workstations in the amount of \$9,000.00.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE AND ADOPT ORDER NO. 2020-5 APPROVING THE INTERGOVERNMENTAL AGREEMENT AND GRANT AS PRESENTED.**

N/A

---

#### Fiscal Impact

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	Yes
<b>CITY/STATE/FEDERAL FUNDS:</b>	Federal
<b>TOTAL:</b>	\$39,000
<b>BUDGETED AMOUNT:</b>	Yes
<b>AVAILABLE AMOUNT TO TRANSFER:</b>	N/A
<b>ACCT NAME &amp; GL#/REMAINING BALANCE BEFORE PURCHASE:</b>	250-181-90000 Special Revenue-Public Safety, PD: Capital Outlay/Equipment

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

The San Luis Police Department will receive \$39,000 for equipment in the form of reimbursements.

Account number receiving these funds 250-181-90000 Special Revenue-Public Safety, PD: Capital Outlay/Equipment.

---

---

**Attachments**

Order No. 2020-5

Award Letter

Subrecipient Agreement

---

---



# Order

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

No. 2020-5

**AN ORDER 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 EQUIPMENT BY APPROVING AN INTERGOVERNMENTAL AGREEMENT AND AUTHORIZING EXECUTION OF SUBRECIPIENT AGREEMENT OPERATION STONEGARDEN GRANT PROGRAM – EQUIPMENT BETWEEN THE STATE OF ARIZONA THROUGH THE ARIZONA DEPARTMENT OF HOMELAND SECURITY AND THE CITY OF SAN LUIS, ARIZONA THROUGH THE SAN LUIS POLICE DEPARTMENT.**

**WHEREAS**, the City of San Luis desires to increase police presence within our city limits to support the United States Border Patrol mission by allowing police officers to stop or prevent the egression of drug, undocumented persons smuggling, and the nexus to terrorism;

**WHEREAS**, the Arizona Department of Homeland Security has approved OPSG Equipment to enhance border security throughout the City of San Luis;

**WHEREAS**, the Arizona Department of Homeland Security has prepared an Intergovernmental Agreement which provides for all 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 Intergovernmental Agreement titled “SUBRECIPIENT AGREEMENT 19-AZDOHS-OPSG-190430-02” and the grant application titled “OPSG Equipment” both Attached to this resolution 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 26<sup>th</sup> day of February, 2020.

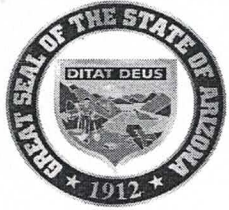
\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

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

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



# State of Arizona Department of Homeland Security



Governor Douglas A. Ducey

Director Gilbert M. Orrantia

February 3, 2020

Chief Richard Jessup  
San Luis Police Department  
PO Box 3720  
San Luis, AZ 85349

Subject: FFY 2019 Operation Stonegarden Grant Program Award  
Subrecipient Agreement Number: **190430-02**  
Project Title: **OPSG Equipment**

Dear Chief Jessup:

The OPSG Budget/Narrative Application that your agency submitted to the Arizona Department of Homeland Security (AZDOHS) for consideration under the Operation Stonegarden Grant Program (OPSG) has been awarded. The project titled "**OPSG Equipment**" has been funded under the Operation Stonegarden Grant Program for **\$39,000**. The grant performance period is **January 31, 2020 through January 31, 2021**. This grant program is part of the U.S. Department of Homeland Security Grant Program and specifically is awarded under CFDA #97.067 (Catalog of Federal Domestic Assistance). The FFY 2019 federal award date as indicated in the U.S. DHS award package is 09/01/2019 with a total amount of funding of \$23,862,500. The Federal Award Identification Number is EMW-2019-SS00002-S01.

To initiate the award process, the following action items must be completed, signed and returned to AZDOHS. Go to [www.azdohs.gov](http://www.azdohs.gov), Grant Programs, Operation Stonegarden Grant Program, Grant Award Information, FFY 2019:

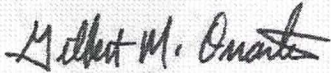
1. Two Subrecipient Agreements - Download **two** original OPSG Subrecipient Agreements (**NOTE**: they are specific to the "Overtime/Mileage" and "Equipment" grants):
  - a. Overtime/Mileage Subrecipient Agreement for an Overtime/Mileage grant
  - b. Equipment Subrecipient Agreement for an Equipment grant
2. OPSG Budget Detail (enclosed)
3. Environmental and Historic Preservation (EHP) required documentation (if applicable, see enclosed EHP Designation Letter).

Hard copies of the Subrecipient Agreements will **not** be mailed to you. These items must be completed and on file at AZDOHS in order for your agency to be eligible for reimbursement. **If all documentation listed in numbers 1, 2, and 3 above (if applicable) is not signed and received by AZDOHS on or before April 30, 2020 this award is rescinded and the funds will be reallocated.**

If your project requires an Environmental and Historic Preservation (EHP) review, this must be completed, submitted and approved by FEMA/AZDOHS prior to any obligation/expenditure of funds. Additionally, all actions associated with this project must be completed, invoiced and received by the end of the period of performance. Reimbursements are limited to approved quantities and funding thresholds. You will not be reimbursed for quantities in excess of what you have been authorized to purchase. AZDOHS reserves the right to request additional documentation at any time.

If you should have any questions, please do not hesitate to contact your Strategic Planner. Congratulations on your Operation Stonegarden Grant Program award.

Sincerely,



Gilbert M. Orrantia  
Director

Cc: Lt. Marco Santana

Enclosures: OPSG Budget Detail, EHP Designation Letter

**FY 2019 Operation Stonegarden Grant Program  
 Budget Detail - Equipment  
 Agency: San Luis Police Department  
 Grant#: 190430-02**

The signatures below verify the submission/approval process. All parties signify that all aspects of this project are allowable, reasonable and justifiable in accordance with published federal grant guidelines. Subrecipient agrees to the funding shown here:

**EQUIPMENT**

<b>EQUIPMENT</b>	<b>AEL</b>	<b>QUANTITY</b>	<b>COST/UNIT</b>	<b>TOTAL COST</b>	<b>TOTAL AWARD</b>
Mobile Data Computer	04HW-01-MOBL	6	\$5,000	\$30,000	
Computer Aided Dispatch (CAD) Workstations	04AP-01-CADS	3	\$3,000	\$9,000	
					<b>\$39,000</b>

Project Point of Contact

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

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

Strategic Planner or  
 Assistant Director Planning & Preparedness

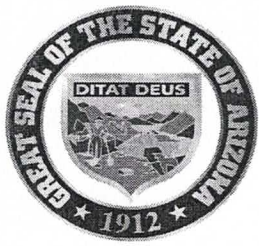
**Susan Dzbanko**

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

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

**This form is to be signed and returned.**



# State of Arizona Department of Homeland Security



Governor Douglas A. Ducey

Director Gilbert M. Orrantia

FFY 2019

Dear OPSG Stakeholder:

The project that your agency submitted to the Arizona Department of Homeland Security (AZDOHS) for consideration under the Operation Stonegarden Grant Program has been awarded.

Please be advised, all projects require an Environmental and Historic Preservation review. Your project has been reviewed and it has been determined to have no potential impact to environmental or historic concerns. No further EHP review is required unless you modify the project and it is approved by AZDOHS. If you need further clarification please contact Michael Stidham at (602) 542-7041 or [mstidham@azdohs.gov](mailto:mstidham@azdohs.gov) with AZDOHS for further information regarding the EHP specific requirements for your award.

As stated in the subrecipient agreement:

The subrecipient shall comply with Federal EHP regulations, laws and Executive Orders as applicable. Subrecipients proposing projects that have the potential to impact the environment, including but not limited to construction of communication towers, modification or renovation of existing buildings, structures and facilities, or new construction including replacement of facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA is also required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. DHS/FEMA will not fund projects that are initiated without the required EHP review.

Additionally, all recipients are required to comply with DHS/FEMA EHP Policy Guidance. This EHP Policy Guidance can be found in FP 108-023-1, Environmental Planning and Historic Preservation Policy Guidance, and FP 108.24.4, Environmental Planning and Historical Preservation Policy.

**SUBRECIPIENT AGREEMENT  
OPERATION STONEGARDEN GRANT PROGRAM  
EQUIPMENT**

**19-AZDOHS-OPSG-190430-02**

(Enter Subrecipient Agreement number above (e.g., 190XXX-XX))

**Between**

**The Arizona Department of Homeland Security  
And  
The City of San Luis**

(Enter the name of the Subrecipient Agency above)

**DUNS Number 879102684**

(Enter the DUNS number above)

WHEREAS, A.R.S. section 41-4254 charges the Arizona Department of Homeland Security (AZDOHS) with the responsibility of administering funds.

THEREFORE, it is agreed that the AZDOHS shall provide funding to the

**The City of San Luis**

(Enter the name of the Subrecipient Agency above)

(Subrecipient) for services under the terms of this Agreement (the "Agreement").

**I. PURPOSE OF AGREEMENT**

The purpose of this Agreement is to specify the rights and responsibilities of AZDOHS in administering the distribution of homeland security grant funds to the Subrecipient, and to specify the rights and responsibilities of the Subrecipient as the recipient of these funds.

**II. PERIOD OF PERFORMANCE, TERMINATION AND AMENDMENTS**

This Agreement shall become effective on **January 31, 2020** and shall terminate on **January 31, 2021**. The obligations of the Subrecipient as described herein will survive termination of this agreement.

**III. DESCRIPTION OF SERVICES**

The Subrecipient shall provide the services for AZDOHS as set forth in writing in Subrecipient's grant application titled: "**OPSG Equipment**" and funded at \$ 39,000 (as may have been modified by the award letter).  
(Enter funded award amount above)

**IV. MANNER OF FINANCING**

The AZDOHS shall under the U.S. Department of Homeland Security grant #EMW-2019-SS-00002 and CFDA #97.067:

- a) Provide up to \$ 39,000 to the Subrecipient for services provided under Paragraph III.
- b) Payment made by the AZDOHS to the Subrecipient shall be on a reimbursement basis only and is conditioned upon receipt of proof of payment and applicable, accurate and complete reimbursement documents, as deemed necessary by the AZDOHS, to be submitted by the

Subrecipient. A listing of acceptable documentation can be found at [www.azdohs.gov](http://www.azdohs.gov). Payments will be contingent upon receipt of all reporting requirements of the Subrecipient under this Agreement.

**V. FISCAL RESPONSIBILITY**

It is understood and agreed that the total amount of the funds used under this Agreement shall be used only for the project as described in the application and award documentation. Therefore, should the project not be completed, the Subrecipient shall reimburse said funds directly to the AZDOHS immediately. If the project is completed at a lower cost than the original budget called for, the amount reimbursed to the Subrecipient shall be for only the amount of dollars actually spent by the Subrecipient in accordance with the approved application. For any funds received under this Agreement for which expenditure is disallowed by an audit exemption or otherwise by the AZDOHS, the State, or Federal government, the Subrecipient shall reimburse said funds directly to the AZDOHS immediately.

**VI. FINANCIAL AUDIT/PROGRAMMATIC MONITORING**

The Subrecipient agrees to comply with the record-keeping requirements and other requirements of A.R.S. 35-214 and 35-215.

- a) In addition, in compliance with the Federal Single Audit Act (31 USC 7501-7507) as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156) and 2 C.F.R. 200.501, the Subrecipient must have a Single Audit or program specific audit conducted in accordance with 2 C.F.R. 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) if the Subrecipient expends more than \$750,000 from Federal awards in its previous fiscal year. If the Subrecipient has expended more than \$750,000 in Federal dollars, a copy of the Subrecipient's single audit or program specific audit report for the previous fiscal year and subsequent fiscal years that fall within the period of performance is due annually to AZDOHS within nine (9) months of the Subrecipient's fiscal year end.
- b) Failure to comply with any requirements imposed as a result of an audit will suspend reimbursement by AZDOHS to the Subrecipient until the Subrecipient is in compliance with all such requirements. Additionally, the Subrecipient will not be eligible for any new awards until the Subrecipient is in compliance with all such requirements.
- c) Subrecipients who do not expend more than \$750,000 in Federal dollars in the previous fiscal year and subsequent fiscal years that fall within the period of performance must submit to AZDOHS via [audits@azdohs.gov](mailto:audits@azdohs.gov), a statement stating they do not meet the threshold and therefore do not have to complete a single audit or program specific audit.
- d) Subrecipient will be monitored periodically by AZDOHS, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Monitoring will be accomplished through a combination of office-based reviews and on-site monitoring visits. Monitoring can involve aspects of the work involved under this Agreement including but not limited to the review and analysis of financial, programmatic, equipment, performance, and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed. Subrecipient shall participate in and cooperate with all such monitoring by AZDOHS, and shall provide access to all personnel, documents, and other records as may be requested from time to time by AZDOHS. Subrecipient also shall comply with all requests of AZDOHS that AZDOHS deems necessary to assure the parties' compliance with their obligations under this Agreement.

e) The Subrecipient agrees to cooperate with any assessments, state/national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this Agreement.

## **VII. APPLICABLE STANDARDS AND REGULATIONS**

The Subrecipient must comply with the applicable Notice of Funding Opportunity (NOFO) and Code of Federal Regulations (C.F.R.) 2 C.F.R. 200. The NOFO for this program is hereby incorporated into this Agreement by reference. By accepting this award, the Subrecipient agrees that all allocation and use of funds under this grant will be in accordance with the requirements contained in the NOFO and all other applicable law.

### **Davis Bacon Act**

HSGP Program subrecipients using funds for construction projects must comply with the *Davis-Bacon Act* (40 U.S.C. 3141 *et seq.*). Subrecipients must obtain written approval from AZDOHS prior to use of any HSGP funds for construction or renovation. Subrecipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the state in which the work is to be performed. Additional information regarding compliance with the *Davis-Bacon Act*, including Department of Labor (DOL) wage determinations, is available from the following website <https://www.dol.gov/whd/govcontracts/dbra.htm>.

### **Insurance Coverage**

The Subrecipient affirms the organization maintain insurance coverage as described in 2 C.F.R. 200.310. The non-Federal (Subrecipient) entity must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal (Subrecipient) entity. Federally-owned property need not be insured unless required by the terms and conditions of the Federal award.

### **National Incident Management System (NIMS)**

The Subrecipient agrees to remain in compliance with National Incident Management System (NIMS) implementation initiatives as outlined in the applicable NOFO.

### **Environmental Planning and Historic Preservation**

The Subrecipient shall comply with Federal, State and Local environmental and historical preservation (EHP) regulations, laws and Executive Orders as applicable. See FEMA publication FP 108-023-1, titled "Environmental Planning and Historic Preservation (EHP) Policy Guidance," available at [https://www.fema.gov/media-library-data/1533321728657-592e122ade85743d1760fd4747241776/GPD\\_EHP\\_Policy\\_Final\\_Amendment\\_GPD\\_final\\_508.pdf](https://www.fema.gov/media-library-data/1533321728657-592e122ade85743d1760fd4747241776/GPD_EHP_Policy_Final_Amendment_GPD_final_508.pdf). Subrecipients proposing projects that have the potential to impact the environment, including but not limited to construction of communication towers, modification or renovation of existing buildings, structures and facilities, or new construction including replacement of facilities, must participate in the Federal Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) EHP review process. The EHP review process involves the submission of a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA is also required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. If ground disturbing activities occur during project implementation, the Subrecipient must ensure monitoring of ground disturbance and if any archeological resources are discovered, the Subrecipient shall immediately cease construction in that area and notify FEMA, AZDOHS and the appropriate State Historic

Preservation Office. DHS/FEMA will not fund projects that are initiated without the required EHP review. In addition, the following provisions must be adhered to:

### **Consultants/Trainers/Training Providers**

Invoices for consultants/trainers/training providers must include at a minimum: a description of services; dates of services; number of hours for services performed; rate charged for services; and, the total cost of services performed. Consultant/trainer/training provider costs must be within the prevailing rates; must be obtained under consistent treatment with the procurement policies of the Subrecipient and 2 C.F.R. 200; and shall not exceed the maximum of \$450 per day per consultant/trainer/training provider unless prior written approval is granted by the AZDOHS. This includes internal personnel hired on backfill/overtime to deliver training. In addition to the per day \$450 maximum amount, the consultant/trainer/training provider may be reimbursed reasonable travel, lodging, meal and incidental expenses not to exceed the State rate. Itemized receipts are required for lodging and travel reimbursements. The Subrecipient will not be reimbursed costs other than travel, lodging, meals and incidentals on travel days for consultants/trainers/training providers. See Travel Costs below.

### **Contractors/Subcontractors**

The Subrecipient may enter into written subcontract(s) for performance of certain of its functions under the Agreement in accordance with terms established in 2 C.F.R. 200 and the applicable NOFO. The Subrecipient agrees and understands that no subcontract that the Subrecipient enters into with respect to performance under this Agreement shall in any way relieve the Subrecipient of any responsibilities for performance of its duties. The Subrecipient shall give the AZDOHS immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the Subrecipient by any subcontractor or vendor which may result in litigation related in any way to this Agreement.

### **Travel Costs**

All grant funds expended for travel, lodging, meals and incidentals are subject to the standards of the Subrecipient's policies and procedures, as well as the State of Arizona Accounting Manual (SAAM). These policies must be applied uniformly to both federally financed and other activities of the Subrecipient. AZDOHS will reimburse at the most restrictive allowability and rate. At no time will the Subrecipient's reimbursement(s) exceed the State rate established by the Arizona Department of Administration, General Accounting Office Travel Policies: <https://gao.az.gov/travel>.

### **Procurement**

The Subrecipient shall comply with its own procurement rules/policies and must also comply with Federal procurement rules/policies and all Arizona state procurement code provisions and rules. The Federal intent is that all Homeland Security Funds are awarded competitively. The Subrecipient shall not enter into a Noncompetitive (Sole or Single Source) Procurement Agreement, unless prior written approval is granted by the AZDOHS via the Noncompetitive Procurement Request Form. The Noncompetitive Procurement Request Form and instructions are located on the AZDOHS website: <https://azdohs.gov/grant-program-forms>.

### **Training and Exercise**

The Subrecipient agrees that any grant funds used for training and exercise must be in compliance with the applicable NOFO. All training must be included and approved in your application and/or approved through the DEMA/AZDOHS training request process prior to execution of training contract(s). All exercises must utilize and comply with the FEMA Homeland Security Exercise and Evaluation Program (HSEEP) guidance for exercise design, development, conduct, evaluation and reporting. The Subrecipient agrees to:

- a) Submit an exercise summary and attendance/sign-in roster to AZDOHS with all related reimbursement requests.
- b) Email the After Action Report/Improvement Plan (AAR/IP) to the local County Emergency Manager, the AZDOHS Strategic Planner, and the Arizona Department of Military Affairs (DEMA) Exercise Branch within 90 days of completion of an exercise or as prescribed by the most current HSEEP guidance.

### **Communications Equipment**

All Land Mobile Radio equipment purchased with Homeland Security funds is required to comply with the following:

- a) P25 (Project 25) standards;
- b) SAFECOM Guidance (see <https://www.dhs.gov/safecom>);
- c) Land Mobile Radio Minimum Equipment Standards as approved by the Statewide Interoperability Executive Committee (SIEC); and
- d) Arizona's State Interoperable Priority Programming Guide also as approved by the SIEC

### **Nonsupplanting Agreement**

The Subrecipient shall not use funds received under this Agreement to supplant Federal, State, Tribal or Local funds or other resources that would otherwise have been made available for this program/project. The Subrecipient may be required to demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt of expected receipt of Federal funds. Further, if a position created by a grant is filled from within, the vacancy created by this action must be filled within thirty (30) days. If the vacancy is not filled within thirty (30) days, the Subrecipient must stop charging the grant for the new position. Upon filling the vacancy, the Subrecipient may resume charging for the grant position.

### **E-Verify**

Compliance requirements for A.R.S. 41-4401—immigration laws and E-Verify requirement.

- a) The Subrecipient warrants its compliance with all State and Federal immigration laws and regulations relating to its employees and to employees of any contractor or subcontractor retained through Subrecipient to provide goods or services related to this Agreement, including but not limited to A.R.S. 23-214, Subsection A (that subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program").
- b) A breach of a warranty by Subrecipient regarding compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and the Subrecipient may be subject to penalties to be determined at AZDOHS's discretion, up to and including termination of this Agreement.
- c) The AZDOHS retains the legal right to inspect the papers of any Subrecipient employee who works on the Agreement, and to those of any employee of any contractor or subcontractor retained through Subrecipient to provide goods or services related to this Agreement, to ensure that the Subrecipient is complying with the warranty under paragraph (a) above.

### **Property Control**

Effective control and accountability must be maintained by Subrecipient for all property/equipment purchased under this Agreement. The Subrecipient must adequately safeguard all such property/equipment and must assure that it is used for authorized purposes as described in the NOFO, the grant application as approved by AZDOHS, and 2 C.F.R. 200. The Subrecipient shall exercise caution in the use, maintenance, protection and preservation of such property.

- a) Property/equipment shall be used by the Subrecipient in the program or project for which it was acquired as long as needed, whether or not the program or project continues to be supported by federal grant funds. Subrecipient is required to maintain and utilize equipment as outlined in 2 C.F.R. 200.313 - Equipment. Any loss, damage, or theft shall be investigated by Subrecipient and reported by Subrecipient to the AZDOHS. Any equipment lost, damaged or stolen shall be replaced by the Subrecipient at the Subrecipient's expense and an updated Property Control Form shall be submitted to AZDOHS by Subrecipient.
- b) Nonexpendable Property/Equipment and Capital Assets:
  - a. Nonexpendable Property/Equipment is property which has a continuing use, is not consumed in use, is of a durable nature with an expected service life of one or more years, has an acquisition cost of \$5,000 (Five Thousand Dollars) or more, and does not become a fixture or lose its identity as a component of other equipment or systems.
  - b. A Capital Asset is any personal or real property, or fixture that has an acquisition cost of \$5,000 (Five Thousand Dollars) or more per unit and a useful life of more than one year.
- c) A Property Control Form (if applicable) shall be maintained for the entire scope of the program or project for which property was acquired through the end of its useful life and/or disposition. All Nonexpendable Property and Capital Assets must be included on the Property Control Form. The Subrecipient shall provide AZDOHS a copy of the Property Control Form with the final quarterly programmatic report. The Property Control Form can be located at <https://azdohs.gov/grant-program-forms>. The Subrecipient agrees to be subject to equipment monitoring and auditing by state or federal authorized representatives to verify information.
- d) A physical inventory of Nonexpendable Property/Equipment and Capital Assets must be taken and the results reconciled with the Property Control Form at least once every two years.
  - a. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated and reported by Subrecipient to AZDOHS immediately.
  - b. Adequate maintenance procedures must be developed to keep the property in good condition.
- e) When Nonexpendable Property/Equipment and/or Capital Assets are no longer in operational use by the Subrecipient, an updated Property Control Form must be submitted by Subrecipient to AZDOHS immediately. The disposition of equipment shall be in compliance with the AZDOHS Disposition Guidance and 2 C.F.R. 200. If the Subrecipient is requesting disposition of Capital Assets for reasons other than theft, destruction, or loss, the Subrecipient must submit an Equipment Disposition Request Form to AZDOHS and receive approval prior to the disposition. The Equipment Disposition Guidance and Request Form can be found at <https://azdohs.gov/grant-program-forms>.
- f) Equipment Record Retention  
Pursuant to 2 C.F.R. 200.333(c), records for real property and equipment acquired with Federal funds must be retained for three (3) years after final disposition.

## **Allowable Costs**

The allowability of costs incurred under this Agreement shall be determined in accordance with the general principles of allowability and standards for selected cost items as set forth in the applicable Code of Federal Regulations, authorized equipment lists, and guidance documents referenced above.

- a) The Subrecipient agrees that use of grant funds for any indirect costs that may be incurred must be in accordance with 2 C.F.R. 200 and the applicable NOFO. Indirect costs must be applied for and approved in writing by the AZDOHS prior to expenditure and reimbursement.
- b) The Subrecipient agrees that grant funds are not to be expended for any Management and Administrative (M&A) costs that may be incurred by the Subrecipient for administering these funds unless explicitly applied for and approved in writing by the AZDOHS and shall be in compliance with the applicable NOFO.

## **VIII. DEBARMENT CERTIFICATION**

The Subrecipient is to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, which are at 2 C.F.R. Part 180 as adopted by DHS at 2 C.F.R. Part 3000. These regulations restrict federal financial assistance awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

## **IX. FUNDS MANAGEMENT**

The Subrecipient must maintain funds received under this Agreement in separate ledger accounts and cannot mix these funds with funds from other sources. The Subrecipient must manage funds according to applicable Federal regulations for administrative requirements, costs principles, and audits.

The Subrecipient must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

- Financial Management
- Procurement
- Personnel
- Property
- Travel

A system is adequate if it is 1) written; 2) consistently followed – it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds.

## **X. REPORTING REQUIREMENTS**

Regular reports by the Subrecipient shall include:

### a) Programmatic Reports

The Subrecipient shall provide quarterly programmatic reports to the AZDOHS within fifteen (15) calendar days of the last day of the quarter in which services are provided. The Subrecipient shall use the form provided by the AZDOHS to submit quarterly programmatic reports. The report shall contain such information as deemed necessary by the AZDOHS. The Subrecipient shall use the Quarterly Programmatic Report form, which is posted at <https://azdohs.gov/grant-program-forms>. Quarterly programmatic reports shall be submitted to the AZDOHS until the entire project is completed. If the project has been fully completed and implemented, and there will be no further updates, then the quarterly programmatic report for the quarter in which the project was completed will be sufficient as the final report. The report should be marked as final and should be inclusive of all necessary and pertinent information regarding the project as deemed necessary by the AZDOHS.

- b) Subrecipients must provide substantial/detailed information as to the status of completion of the milestones included in the application as approved by AZDOHS. Failure to adequately provide complete information will result in the Quarterly Report being rejected and resubmission will be required.
- c) Quarterly Programmatic Reports are due:
  - January 15** (for the period from October 1– December 31)
  - April 15** (for the period from January 1 – March 31)
  - July 15** (for the period from April 1 – June 30)
  - October 15** (for the period from July 1 – September 30)
- d) Final Quarterly Report:
 

The final quarterly report is due no more than fifteen (15) calendar days after the end of the performance period. Subrecipient may submit a final quarterly report prior to the end of the performance period if the scope of the project has been fully completed and implemented. The Property Control Form is due with the final quarterly report (if applicable).
- e) Property Control Form – if applicable:
 

The Subrecipient shall provide the AZDOHS a copy of the Property Control Form with the final quarterly report.

  - a. In case of equipment disposition:
 

The Property Control Form shall be updated and a copy provided to AZDOHS no more than forty-five (45) calendar days after equipment disposition, if applicable. The Subrecipient's use and disposition of equipment must be in compliance with the AZDOHS Disposition Guidance and 2 C.F.R. 200.313.
- f) Financial Reimbursements
 

**The Subrecipient shall provide AZDOHS with requests for reimbursement as frequently as monthly but not less than quarterly.** Reimbursement requests are only required when expenses have been incurred. Reimbursement requests shall be submitted with the Reimbursement Form provided by the AZDOHS staff. The Subrecipient shall submit a final reimbursement request for expenses received and invoiced prior to the end of the period of performance. The final reimbursement must be received by AZDOHS no more than **forty-five (45) calendar days** after the end of the period of performance. Requests for reimbursement received by AZDOHS later than **forty-five (45) calendar** days after the end of the period of performance will not be paid. The final reimbursement request as submitted shall be marked as final.

Subrecipients will only be reimbursed for expenses that have been obligated, expended and received within the authorized Period of Performance as identified in Section II of this Agreement. Subrecipients are not authorized to obligate or expend funds prior to the start date of the Period of Performance. Any expenses obligated or expended prior to the Period of Performance start date will be deemed unallowable and will not be reimbursed. Any expenses/services that occur beyond the Period of Performance (i.e. cell phone service) will be deemed unallowable and will not be reimbursed.

The AZDOHS requires that all requests for reimbursement are submitted via United States Postal Service, FedEx, UPS, etc. or in person. Reimbursement requests submitted via fax or by any electronic means will not be accepted.

The AZDOHS reserves the right to request and/or require any supporting documentation and/or information it feels necessary in order to process reimbursements. Subrecipient shall promptly provide AZDOHS with all such documents and/or information.

All reports shall be submitted to the contact person as described in Paragraph XXXVII, NOTICES, of this Agreement.

**XI. ASSIGNMENT AND DELEGATION**

The Subrecipient may not assign any rights hereunder without the express, prior written agreement of both parties.

**XII. AMENDMENTS**

Any change in this Agreement including but not limited to the Description of Services and budget described herein, whether by modification or supplementation, must be accomplished by a formal Agreement amendment signed and approved by and between the duly authorized representatives of the Subrecipient and the AZDOHS. In the event of any new legislation, laws, ordinances, or rules affecting this Agreement, the parties agree that the terms of this Agreement shall automatically incorporate the terms of such new legislation, laws, ordinances, or rules.

Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the Subrecipient's compensation, if applicable; 3) be titled as an "Amendment," and 4) be signed by the parties identified in the preceding paragraph. The Subrecipient expressly and explicitly understands and agrees that no other method of communication, including any other document, correspondence, act, or oral communication by or from any person, shall be used or construed as an amendment or modification or supplementation to this Agreement.

**XIII. US DEPARTMENT OF HOMELAND SECURITY AGREEMENT ARTICLES**

**Article A - Disposition of Equipment Acquired Under the Federal Award**

When original or replacement equipment acquired in conjunction with this Agreement by the Subrecipient is no longer needed for the original project or program or for other activities currently or previously supported by DHS/FEMA, the Subrecipient must request instructions from DHS/FEMA via AZDOHS by submitting an Equipment Disposition Request Form in order to make proper disposition of the equipment pursuant to 2 C.F.R. 200.313.

**Article B – Acceptance of Post Award Changes**

In the event FEMA determines that changes are necessary to this Agreement after it has been entered into, including changes to period of performance or terms and conditions, the Subrecipient will be notified of the changes in writing. Once notification has been made, any subsequent request for funds by Subrecipient will constitute Subrecipient's acceptance of the changes to this Agreement and the incorporation of such changes into this Agreement.

**Article C - Procurement of Recovered Materials**

The Subrecipient hereby acknowledges and agrees that it must comply with section 6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act, 42 U.S.C. 6962) and that the requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

**Article D - Whistleblower Protection Act**

The Subrecipient hereby acknowledges and agrees that it must comply with the statutory requirements for whistleblower protections (if applicable) at 10 U.S.C. 2409, 41 U.S.C. 4712, and 10 U.S.C. 2324, 41 U.S.C. section 4304 and 4310.

**Article E - Use of DHS Seal, Logo and Flags**

Subrecipient hereby acknowledges that it must obtain DHS's approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

**Article F - USA Patriot Act of 2001**

Subrecipient hereby acknowledges and agrees that it must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act, P.L. 107-56), which amends 18 U.S.C. section 175-175c.

**Article G – Universal Identifier and System of Award Management (SAM)**

Subrecipient hereby acknowledges and agrees that it must comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A.

**Article H - Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and, Performance Matters located at 2 C.F.R. Part 200 Appendix XII, the full text of which is incorporated here by reference in the terms and conditions of your award.

**Article I - Rehabilitation Act of 1973**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, P. L. No. 93-112 (1973) (codified as amended at 29 U.S.C. 794), which provides that no otherwise qualified handicapped individual in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. These requirements pertain to the provision of benefits or services as well as to employment.

**Article J - Trafficking Victims Protection Act of 2000**

Subrecipient hereby acknowledges and agrees that it must comply with the requirements of the government-wide award term which implements Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104). The award term is located at 2 C.F.R. Part 175.15, the full text of which is incorporated here by reference.

**Article K - Terrorist Financing**

The Subrecipient hereby acknowledges and agrees that it must comply with U.S. Executive Order 13224 and all U.S. laws that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Subrecipient to ensure compliance with all such laws and U.S. Executive Order 13224.

**Article L - SAFECOM**

The Subrecipient hereby acknowledges and agrees that recipients who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

### **Article M - Reporting Subawards and Executive Compensation**

All subrecipients are required to comply with the requirements set forth in the government-wide Award Term on Reporting Subawards and Executive Compensation located at 2 C.F.R. Part 170, Appendix A, the full text of which is incorporated here by reference in the terms and conditions of your award.

### **Article N – Department and Suspension**

The Subrecipient hereby acknowledges and agrees that it is subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, and 2 C.F.R. Part 180. These regulations restrict Federal financial assistance awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

### **Article O - Copyright**

The Subrecipient hereby acknowledges and agrees that it must affix the applicable copyright notices of 17 U.S.C. 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards.

### **Article P - Civil Rights Act of 1964 - Title VI**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), codified at 6 C.F.R. Part 21 and 44 C.F.R. Part 7, which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

### **Article Q - Best Practices for Collection and Use of Personally Identifiable Information (PII)**

The Subrecipient hereby acknowledges and agrees that if it collects PII, it is required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII it collects. DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. Subrecipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template as useful resources respectively.

### **Article R - Americans with Disabilities Act of 1990**

The Subrecipient hereby acknowledges and agrees that it shall comply with all State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including but not limited to Arizona Executive Order 2009-9 and the requirements of Titles I, II, and III of the Americans with Disabilities Act, P.L. No. 101-336 (1990) (codified as amended at 42 U.S.C. 12101-12213), which prohibit subrecipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.

### **Article S - Age Discrimination Act of 1975**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

### **Article T - Activities Conducted Abroad**

The Subrecipient hereby acknowledges and agrees that it must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

### **Article U - Acknowledgement of Federal Funding from DHS**

The Subrecipient hereby acknowledges and agrees that it must acknowledge its use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.

### **Article V - DHS Specific Acknowledgements and Assurances**

Subrecipient hereby acknowledges and agrees—and agrees to require any contractors, successors, transferees, and assignees acknowledge and agree—to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.

1. Subrecipient hereby agrees to cooperate with any compliance review or complaint investigation conducted by DHS and/or AZDOHS.
2. Subrecipient hereby agrees to give DHS access and AZDOHS to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance.
3. Subrecipient hereby agrees to submit timely, complete, and accurate reports to the appropriate DHS and AZDOHS officials and maintain appropriate backup documentation to support the reports.
4. Subrecipient hereby agrees to comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

### **Article W - Assurances, Administrative Requirements and Cost Principles, and Audit Requirements**

The Subrecipient hereby acknowledges and agrees that it must complete OMB Standard Form 424B Assurances – Non-Construction Programs, or OMB Standard Form 424D Assurances – Construction Programs as applicable.

DHS financial assistance recipients are required to follow the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 C.F.R. Part 200, and adopted by DHS at 2 C.F.R. Part 3002.

### **Article X - Patents and Intellectual Property Rights**

Unless otherwise provided by law, the Subrecipient hereby acknowledges and agrees that it is subject to the Bayh-Dole Act, P.L. 96-517, codified in 35 U.S.C. 200 et seq., and that it is subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards that are in 37 C.F.R. Part 401 and the standard patent rights clause in 37 C.F.R. 401.14.

### **Article Y – Nondiscrimination in Matters Pertaining to Faith-Based Organizations**

It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. All subrecipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.

### **Article Z – National Environmental Policy Act**

All subrecipients must comply with the requirements of the National Environmental Policy Act (NEPA) 42 U.S.C. 4321 et seq., and the Council on Environmental Quality (CEQ) Regulations (40 C.F.R. Parts 1500-1508) for Implementing the Procedural Provisions of NEPA, which requires Subrecipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.

### **Article AA - Lobbying Prohibitions**

The Subrecipient hereby acknowledges and agrees that it must comply with 31 U.S.C. 1352, and acknowledges and agrees that none of the funds provided under this Agreement may be used to pay any person to influence, or attempt to influence an officer or employee of any agency (whether State or Federal), a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action related to a Federal award or contract, including any extension, continuation, renewal, amendment, or modification.

### **Article AB - Limited English Proficiency (Civil Rights Act of 1964, Title VI)**

The Subrecipient hereby acknowledges and agrees that it must comply with the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with Limited English Proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and additional resources on <http://www.lep.gov>.

### **Article AC - Hotel and Motel Fire Safety Act of 1990**

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990 and the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. section 2225(a), the Subrecipient hereby acknowledges and agrees that it must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with all applicable fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. section 2225.

### **Article AD - Fly America Act of 1974**

The Subrecipient hereby acknowledges and agrees that it must comply with Preference for U.S. Flag Air Carriers (air carriers holding certificates under 49 U.S.C. 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974, 49 U.S.C. 40118, and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

### **Article AE - Federal Leadership on Reducing Text Messaging while Driving**

All subrecipients are encouraged to adopt and enforce policies that ban text messaging while driving as described in U.S. Executive Order 13513, including conducting initiatives described in Section 3(a) of the Order when on official Government business or when performing any work for or on behalf of the federal government.

### **Article AF - Federal Debt Status**

The Subrecipient hereby acknowledges and agrees that it is required to be non-delinquent in its repayment of any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

**Article AG - False Claims Act and Program Fraud Civil Remedies**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of The False Claims Act (31 U.S.C. 3729-3733) which prohibits the submission of false or fraudulent claims for payment to the Federal government. See also 31 U.S.C. 3801-3812 which details the administrative remedies for false claims and statements made.

**Article AH - Energy Policy and Conservation Act**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of The Energy Policy and Conservation Act, Pub. L. No. 94-163 (1975) (codified as amended at 42 U.S.C. 6201 et. seq.) which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

**Article AI - Education Amendments of 1972 (Equal Opportunity in Education Act) – Title IX**

The Subrecipient hereby acknowledges and agrees that it must comply with the requirements of Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance. These regulations are codified at 6 CFR Part 17 and 44 CFR Part 19.

**Article AJ - Duplication of Benefits**

Any cost allocable to a particular Federal award, provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude a subrecipient from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal award.

**Article AK - Drug-Free Workplace Regulations**

The Subrecipient hereby acknowledges and agrees that it must comply with the drug-free workplace requirements in Subpart B (or Subpart C, if the Subrecipient is an individual) of 2 C.F.R. part 3001, which adopts the Government-wide implementation (2 C.F.R. part 182) of sec. 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 8101-8106).

**Article AL - Civil Rights Act of 1968**

The Subrecipient hereby acknowledges and agrees that it must comply with Title VIII of the Civil Rights Act of 1968, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (42 U.S.C. 3601 et seq.), as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features (see 24 C.F.R. 100.201).

**XIV. OFFSHORE PERFORMANCE OF WORK PROHIBITED**

Due to security and identity protection concerns, all services under this Agreement shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by the Subrecipient's contractors and subcontractors at all tiers.

**XV. AGREEMENT RENEWAL**

This Agreement shall not bind nor purport to bind the AZDOHS for any contractual commitment in excess of the original Agreement period, which may not be changed except by a writing signed by all parties hereto in conformity with Paragraph XII, AMENDMENTS.

**XVI. RIGHT TO ASSURANCE**

If the AZDOHS in good faith has reason to believe that the Subrecipient does not intend to, or is unable to perform or continue performing under this Agreement, the AZDOHS may demand in writing that the Subrecipient give a written assurance of intent and ability to perform. If the Subrecipient fails to provide written assurance within the number of days specified in the demand, the AZDOHS at its option may terminate this Agreement.

**XVII. CANCELLATION FOR CONFLICT OF INTEREST**

The AZDOHS may, by written notice to the Subrecipient, immediately cancel this Agreement without penalty or further obligation pursuant to A.R.S. 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on behalf of the State or its subdivisions (unit of Local Government) is an employee or agent of any other party in any capacity or a consultant to any other party to the Agreement with respect to the subject matter of the Agreement. Such cancellation shall be effective when the parties to the Agreement receive written notice from the AZDOHS, unless the notice specifies a later time.

**XVIII. THIRD PARTY ANTITRUST VIOLATIONS**

The Subrecipient hereby assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Subrecipient toward fulfillment of this Agreement.

**XIX. AVAILABILITY OF FUNDS**

Every payment obligation of the AZDOHS under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligations under A.R.S. 35-154. If the funds are not allocated and available for the continuance of this Agreement, the AZDOHS may terminate this Agreement at the end of the period for which funds are available. No liability shall accrue to the AZDOHS in the event this provision is exercised, and the AZDOHS shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph, including purchases and/or contracts entered into by the Subrecipient in the execution of this Agreement.

**XX. FORCE MAJEURE**

If either party hereto is delayed or prevented from the performance of any act required in this Agreement by reason of acts of God, strikes, lockouts, labor disputes, civil disorder, or other causes without fault and beyond the control of the party obligated, performance of such act will be excused for the period of the delay.

**XXI. PARTIAL INVALIDITY**

Any term or provision of this Agreement that is hereafter declared contrary to any current or future law, order, regulation, or rule, or which is otherwise invalid, shall be deemed stricken from this Agreement without impairing the validity of the remainder of this Agreement.

**XXII. ARBITRATION**

In the event of any dispute arising under this Agreement, written notice of the dispute must be provided to the other party within thirty (30) calendar days of the events giving the rise to the dispute. Any claim made by or against the State or any of its political subdivisions (including but not limited to AZDOHS) relating to this Agreement shall be resolved through the administrative claims process. In the event that the parties would otherwise be in court and/or if A.R.S. 12-1518 applies, the parties shall proceed in arbitration through the American Arbitration Association

("AAA"), with the arbitrator to be selected pursuant to AAA rules and the arbitration to be conducted according to the applicable AAA rules, and with the costs of arbitration (including but not limited to the arbitrator's fees and costs) to be divided 50/50 between the parties, subject to reallocation between the parties by the arbitrator. In the event that the parties become involved in litigation with each other relating to this Agreement for any reason in any other forum, both parties agree to have any claim(s) resolved in arbitration on the terms set forth in this part XXII. Any arbitration award may be enforced through the Maricopa County Superior Court or the U.S. District Court located in Phoenix, Arizona.

**XXIII. GOVERNING LAW AND CONTRACT INTERPRETATION**

- a) This Agreement shall be governed and interpreted in accordance with the laws of the State of Arizona.
- b) This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms in this document.
- c) Either party's failure to insist on strict performance of any term or condition of the Agreement shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object.

**XXIV. ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between the parties hereto pertaining to the subject matter hereof and may not be changed or added to except by a writing signed by all parties hereto in conformity with Paragraph XII, AMENDMENTS. All prior and contemporaneous agreements, representations, and understandings of the parties, oral, written, pertaining to the subject matter hereof, are hereby superseded or merged herein.

**XXV. LICENSING**

The Subrecipient, unless otherwise exempted by law, shall obtain and maintain all licenses, permits, and authority necessary to perform those acts it is obligated to perform under this Agreement.

**XXVI. SECTARIAN REQUESTS**

Funds disbursed pursuant to this Agreement may not be expended for any sectarian purpose or activity, including sectarian worship or instruction in violation of the United States or Arizona Constitutions.

**XXVII. ADVERTISING AND PROMOTION OF AGREEMENT**

The Subrecipient shall not advertise or publish information for commercial benefit concerning this Agreement without the prior written approval of the AZDOHS.

**XXVIII. OWNERSHIP OF INFORMATION, PRINTED AND PUBLISHED MATERIAL**

The Subrecipient acknowledges that the DHS and the AZDOHS reserve a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (a) the copyright in any work developed under an award or sub-award; and (2) any rights of copyright to which a subrecipient purchases ownership with Federal support. The Subrecipient shall consult with the AZDOHS regarding the allocation of any patent rights that arise from, or are purchased with, this funding

**XXIX. CLOSED-CAPTIONING OF PUBLIC SERVICE ANNOUNCEMENTS**

Any television public service announcement that is produced or funded in whole or in part by the Subrecipient shall include closed captioning of the verbal content of such announcement.

**XXX. INDEMNIFICATION**

Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. The State of Arizona (AZDOHS) is self-insured per A.R.S. 41-621.

In addition, should Subrecipient utilize a contractor(s) and subcontractor(s), the indemnification clause between Subrecipient and contractor(s) and subcontractor(s) shall include the following:

*Contractor shall defend, indemnify, and hold harmless the (insert name of other governmental entity) and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally on all applicable insurance policies, contractor and its subcontractors shall name the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as an additional insured and also include a waiver of subrogation in favor of the State.*

**XXXI. TERMINATION**

- a) All parties reserve the right to terminate the Agreement in whole or in part due to the failure of the Subrecipient or AZDOHS to comply with any term or condition of the Agreement, to acquire and maintain all required insurance policies, bonds, licenses, and permits or to make satisfactory progress in performing the Agreement. A party invoking the right to terminate shall provide written thirty (30) day advance notice of the termination and the reasons for it to the other party.
- b) If the Subrecipient chooses to terminate the Agreement before the grant deliverables have been met, then the AZDOHS reserves the right to collect all reimbursements distributed to the Subrecipient.
- c) The AZDOHS may, upon termination of this Agreement, procure, on terms and in the manner that it deems appropriate, materials or services to replace those that otherwise would have been provided by Subrecipient under this Agreement. The Subrecipient shall be liable to the AZDOHS for any excess costs incurred by the AZDOHS in procuring materials or services in substitution for those due from the Subrecipient.

**XXXII. CONTINUATION OF PERFORMANCE THROUGH TERMINATION**

The Subrecipient shall continue to perform, in accordance with the requirements of the Agreement, up to the date of termination, as directed in the termination notice.

**XXXIII. PARAGRAPH HEADINGS**

The paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the scope, construction, or interpretation of this Agreement or any of its provisions.

**XXXIV. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, copies, or duplicate originals. Each such counterpart, copy, or duplicate original shall be deemed an original, and collectively they shall constitute one Agreement.

**XXXV. AUTHORITY TO EXECUTE THIS AGREEMENT**

Each individual executing this Agreement on behalf of the Subrecipient represents and warrants that he or she is duly authorized to execute this Agreement on behalf of the Subrecipient.

**XXXVI. SPECIAL CONDITIONS**

- a) The Subrecipient must comply with the most recent version of the Administrative Requirements, Cost Principles, and Audit requirements.
- b) The Subrecipient is prohibited from transferring funds between programs (e.g., State Homeland Security Program, Urban Area Security Initiative, Operation Stonegarden).
- c) The Subrecipient agrees to comply with the U.S. Department of Homeland Security regulation 6 C.F.R Part 19, which prohibits discrimination based on religion in social service programs

**XXXVII. NOTICES**

Any and all notices, requests, demands, or communications by either party to this Agreement, pursuant to or in connection with this Agreement shall be in writing, be delivered in person, or shall be sent to the respective parties at the following addresses:

Arizona Department of Homeland Security  
1700 West Washington Street, Suite 210  
Phoenix, AZ 85007

The Subrecipient shall address all programmatic and reimbursement notices relative to this Agreement to the appropriate AZDOHS staff; contact information at [www.azdohs.gov](http://www.azdohs.gov).

The AZDOHS shall address all notices relative to this Agreement to:

Chief of Police, Richard Jessup  
Enter Title, First & Last Name Above  
The City of San Luis  
Enter Agency Name Above  
1030 E Union Street  
Enter Street Address Above  
San Luis, AZ 85349  
Enter City, State, ZIP Above

**XXXVIII. IN WITNESS WHEREOF**

The parties hereto agree to execute this Agreement.

**FOR AND BEHALF OF THE**

The City of San Luis  
Enter Agency Name Above

Authorized Signature Above  
Tadeo Azael De La Hoya, City Manager  
Print Name & Title Above

Enter Date Above

**FOR AND BEHALF OF THE**

Arizona Department of Homeland Security

Gilbert M. Orrantia  
Director

Date

*(Complete and mail two original documents to the Arizona Department of Homeland Security.)*



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

6. G.

**Meeting Date:** 02/26/2020

**Department Head:** Jose A. Guzman, Director of Planning & Zoning, Planning & Zoning Department

**Submitted By:** Jose A. Guzman, Director of Planning & Zoning, Planning & Zoning Department

**Action Requested:** Motion

---

### ITEM:

Discussion and possible action on any and all matters regarding Subdivision Case No. 2019-0826F. A request by Core Engineering Group, PLLC, on behalf of Greater Yuma Port Authority, property owner, for the final plat approval for Magrino Industrial Park Unit 3 Subdivision. The property is located east of the commercial port of entry and south of County 25th Street. **(Jose A. Guzman, Director of Planning and Zoning)**

A. Staff presentation

B. Action on Subdivision Case No. 2019-0826F

### SUMMARY:

#### SUMMARY:

The Magrino Industrial Park is located south of County 25th Street between Avenue E and Avenue D adjacent to the commercial port (San Luis II Port of Entry) and the Arizona Department of Transportation (ADOT) inspection station. The property is portion of Parcel ID No. 227-23-032 and 227-23-033.

The Magrino Industrial Park is a project that is being done in phases, this is the 3rd phase. Phase No. 1 was approved by City Council on February 2012 and Phase No. 2 (Magrino Industrial Park Unit No. 2) was approved by City Council on December 9, 2014.

The Magrino Industrial Park Unit No. 3 will consist of approximately 58.5 acres that are proposed to be divided into 1 tract and 13 lots, ranging in size from approximately 1 to 26 acres.

The area north of County 25th Street is currently undeveloped. It is zoned with a mixture of Light Industrial (L-I) and Community Commercial (C-2). The area to the east is zoned as Rural Area Residential (RA-10). The Property to the west is zoned as Light Industrial (L-I) and is where Magrino Industrial Park Unit No. 2 is located.

#### GENERAL PLAN:

The Land Use Map in the 2020 City of San Luis General Plan designates this area as Business and Industrial. These categories include all types of Commercial and Industrial Zoning Districts. The property is zoned as Light Industrial (L-I) which is one of the appropriate zoning districts in these land use categories.

#### ANALYSIS:

In 2007, the Arizona Legislature adopted legislation that required municipalities to certify that all new subdivisions 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.

**PLANNING AND ZONING COMMISSION:**

This item was presented to the Planning and Zoning Commission during their regular meeting of January 14, 2020. The Commission recommended approval of the request with the condition that the applicant had to address all review comments on a letter dated January 13, 2020, prior to presenting this item to City Council.

**DEFERMENT REQUEST:**

On February 13, 2020, the applicant submitted a letter to request deferment of the following items:

1. Defer requirement for the improvement of the roadway depicted as “future” south of Lot 2 until the next unit is developed. This roadway may need to change as the Greater Yuma Port Authority (GYPA) in collaboration with Greater Yuma Economic Development Corporation (GYEDC) has recently courted other large industrial developments. By not building this roadway now, maximum flexibility remains for constructing it to the needs of a future developer. This will conservatively save approximately \$300,000 in construction costs.
2. Defer the extension of Port Authority Avenue to the southerly edge of Lot 1 until the next unit is developed. The roadway as currently proposed in construction plans provides the minimum required access to Lot 1 and Lot 2. Any further extension of it really isn’t needed to access lots or improve the function of the development. This will also provide similar savings, proportional to its length.
3. Defer the construction of the eastern screen wall Lots 4 – 13 for up to two years or until each respective one-acre lot develops. This wall will be built but the Greater Yuma Port Authority would like to generate some revenue from sales of lots to help support the cost of construction of this element.

**STAFF RECOMMENDATION:**

Staff recommends approval of Subdivision Case No. 2019-0826F with the following conditions:

1. No building permits or other forms of approvals for development of the properties identified on the Plat for the subdivision known Magrino Industrial Park Unit No. 3 as Tract B or Unit No. 3 shall occur until provision is made for the completion of Port Authority Avenue and the development of a road and other related public improvements, including, but not limited to, appropriate dedications and development of utility services, connecting Port Authority Avenue to Ave. D in a manner that is satisfactory to the City and in conformance to the Public Works Standards of the City of San Luis.
2. The owner agrees to abide by all City of San Luis codes and regulations related to development that is in effect at the time of City Council approval on any future phases of this subdivision and will pay all city fees related to the development on the Property.
3. The construction of the eastern screen wall for the parcels identified as Lots 4 – 13 on the Plat for the subdivision known Magrino Industrial Park Unit No. 3 shall be deferred until March 1, 2022 by which time it shall be constructed. Performance of this condition shall be secured by the financial assurances for the warranty period for the public improvements for the subdivision known Magrino Industrial Park Unit No. 3.
4. These conditions are in addition to all applicable City codes, rules, fees, and regulations.

**RECOMMENDATION / SUGGESTED MOTION:**

**I MOVE TO APPROVE SUBDIVISION CASE NO. 2019-0826F WITH CONDITIONS AS PRESENTED BY STAFF.**

N/A

---

**Fiscal Impact**

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	N/A
<b>CITY/STATE/FEDERAL FUNDS:</b>	N/A

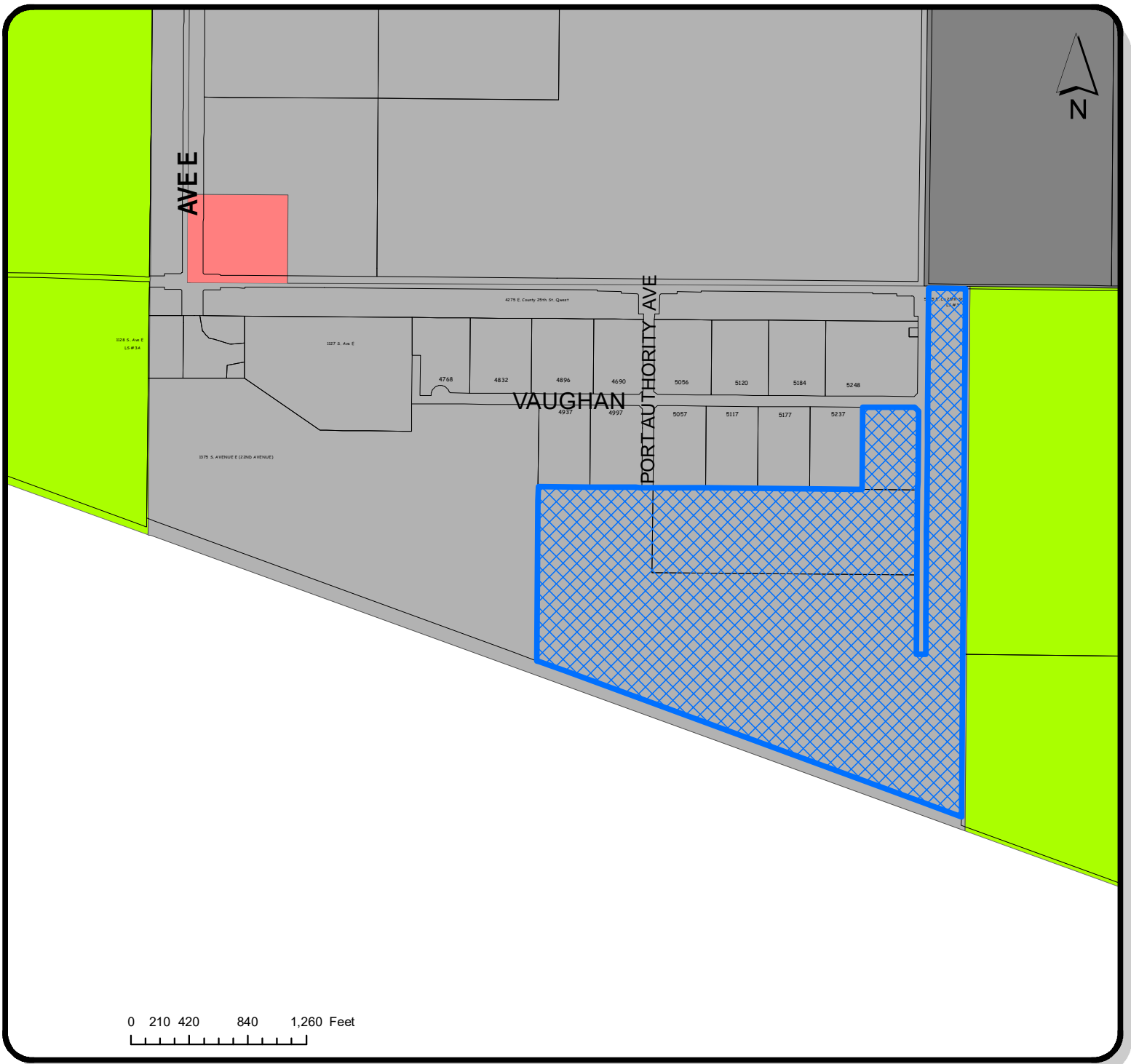
**TOTAL:** N/A  
**BUDGETED AMOUNT:** N/A  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** N/A  
**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**  
N/A

---


**Attachments**

Location Map  
Aerial Picture  
Final Plat  
Deferment Request by Applicant  
Review Comments Letter dated January 13, 2020

---



**LOCATION OF SUBJECT PROPERTY**

 MAGRINO INDUSTRIAL PARK UNIT NO. 3  
 A PORTION OF ASSESSORS PARCEL NO.  
 227-23-032 and 227-23-033

# Location Map

## SUBDIVISION

MAGRINO INDUSTRIAL PARK UNIT NO. 3

**Date:**  
 1/13/2020

**Checked By:**  
 ROMAN PACHECO

PLANNING & ZONING

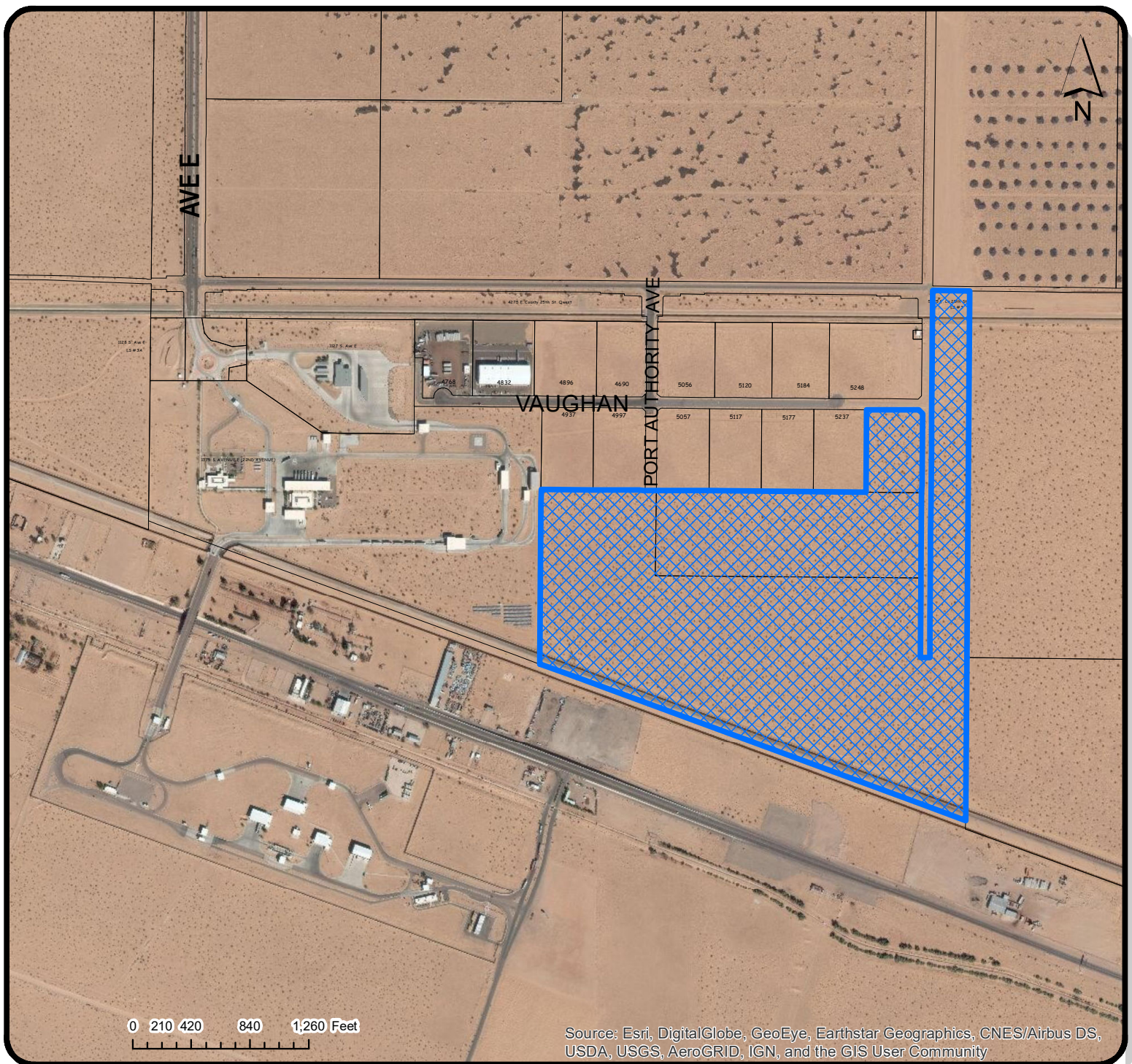


GIS

**Prepared By:**  
 ISAAC GUTIERREZ

**APPROVED BY:**  
 JOSE A. GUZMAN


**Case No.:**  
 2019-0826F



# Location Map

# SUBDIVISION

## LOCATION OF SUBJECT PROPERTY


 MAGRINO INDUSTRIAL PARK UNIT NO. 3  
 A PORTION OF ASSESSORS PARCEL NO.  
 227-23-032 and 227-23-033

MAGRINO INDUSTRIAL PARK UNIT NO. 3

**Date:**  
 1/13/2020

**Checked By:**  
 ROMAN PACHECO

PLANNING & ZONING



GIS

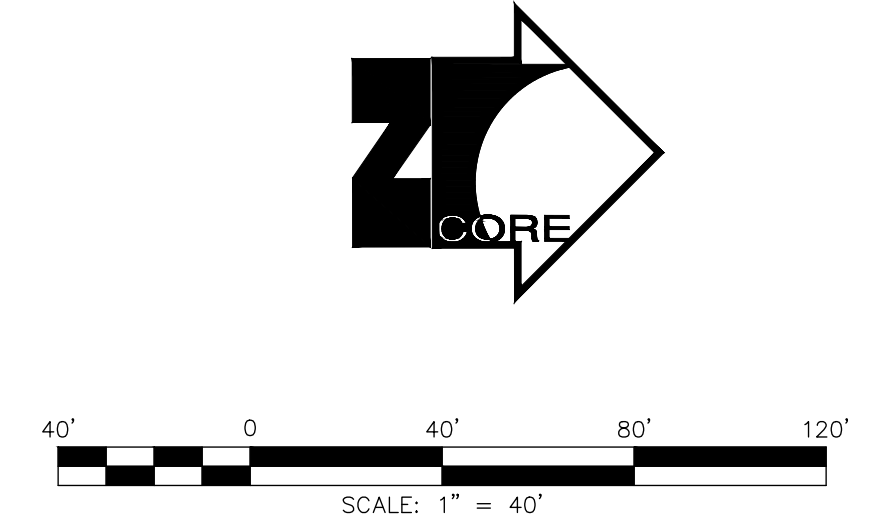
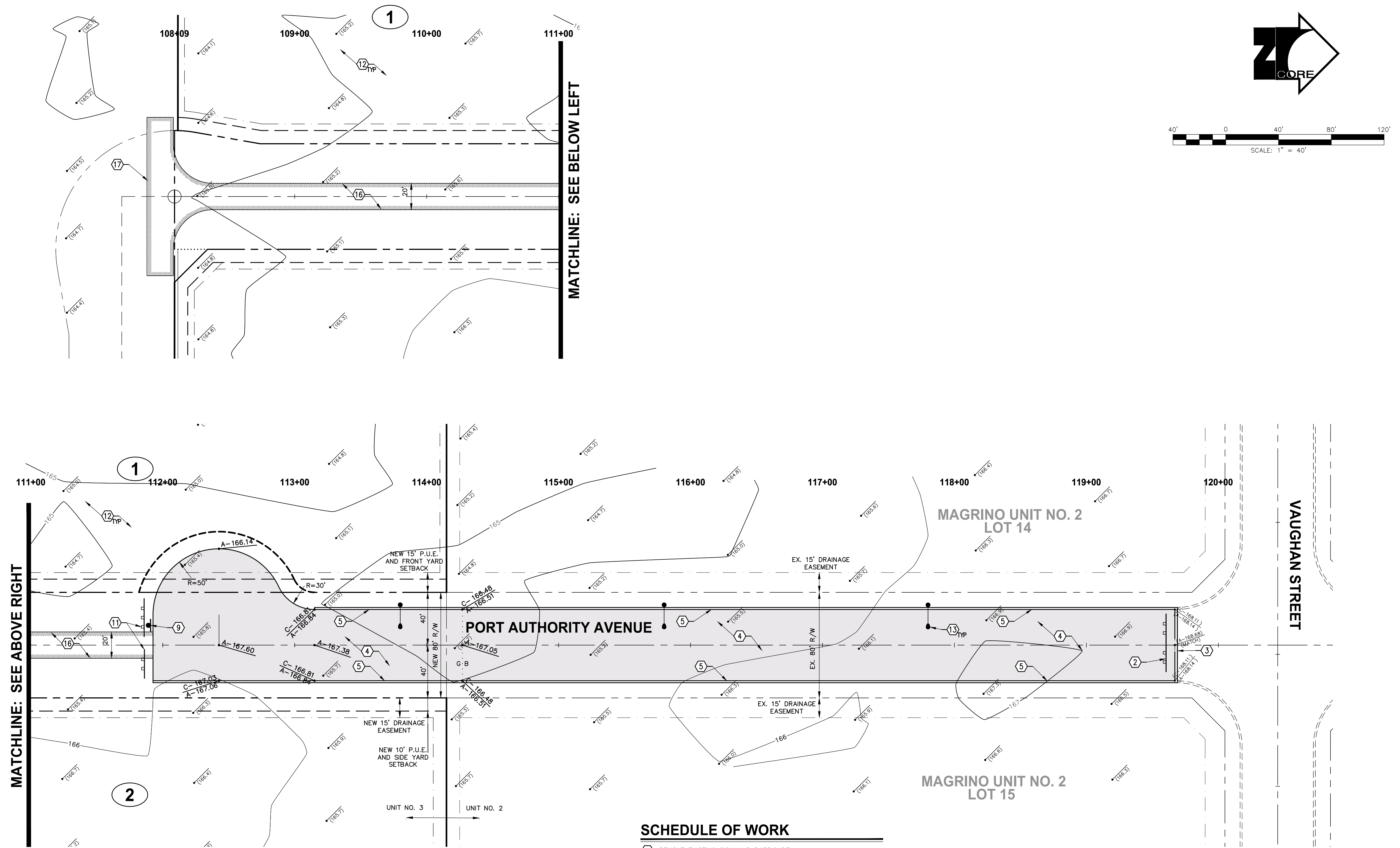
**Prepared By:**  
 ISAAC GUTIERREZ

**APPROVED BY:**  
 JOSE A. GUZMAN

**Case No.:**  
 2019-0826F



Tue, 18 Feb 2020 3:34pm Z:\2019\19-096\Draws\Prelim Plat\19-096 Prelim Plat Grading Plan.dwg - Core Engineering Group, PLLC



**SCHEDULE OF WORK**

2	REMOVE EXISTING SIGN AND BARRICADE	
3	SAWCUT AND MATCH EXISTING	
4	INDUSTRIAL STREET SECTION	-SEE DETAIL A/6
5	PAVEMENT BORDER CURB	-SEE DETAIL C/6
7	STREET NAME SIGN WITH 30"X30" R1-1 "STOP" SIGN.	-SEE DETAIL D/6
8	30" X 30" R1-1 "STOP" SIGN	-SEE DETAIL D/6
9	30" X 30" R5-1 "DO NOT ENTER" SIGN	-SEE DETAIL D/6 (SIM)
10	24" SOLID WHITE THERMOPLASTIC STRIPE	
11	TYPE III BARRICADE	-SEE DETAILS A/7
12	ON-SITE LOT GRADING AND RETENTION BY FUTURE LOT DEVELOPER	-SEE DETAIL B/7
13	STREET LIGHT	-BY APS
14	REMOVE EXISTING PAVEMENT	
16	20' WIDE ABC ACCESS ROAD	-SEE DETAIL E&F/6
17	HAMMERHEAD TURN AROUND	-COY STD NO. 3-210

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

DRAWING RECORD:

DATE:

No.:

**CORE ENGINEERING GROUP, PLLC**  
200 East 16th Street, Suite 150  
Yuma, AZ 85364  
V - 928-344-5931 F - 928-344-5932  
www.CoreEngineeringGroup.com  
Core@core-e-g.com

**CORE**

**MAGRINO INDUSTRIAL PARK  
UNIT NO. 3  
CITY OF SAN LUIS  
YUMA COUNTY, ARIZONA  
ROADWAY PLAN**

THIS DRAWING AND THE DATA CONTAINED HEREON ARE THE PROPERTY OF CORE ENGINEERING GROUP, PLLC AND SHALL NOT BE USED, REPRODUCED OR TRANSMITTED, WITHOUT THE PRIOR EXPRESS CONSENT OF THE COMPANY, NOR SHALL ANY DATA OR INFORMATION CONTAINED HEREON BE USED IN A MANNER INCONSISTENT WITH THE PRIOR EXPRESS WRITTEN AUTHORIZATION OF THE COMPANY.

Professional Engineer  
CERTIFICATE NO. 32329  
DOUGLAS J. NICHOLLS  
Date Signed: 02/18/2020  
ARIZONA, U.S.A.

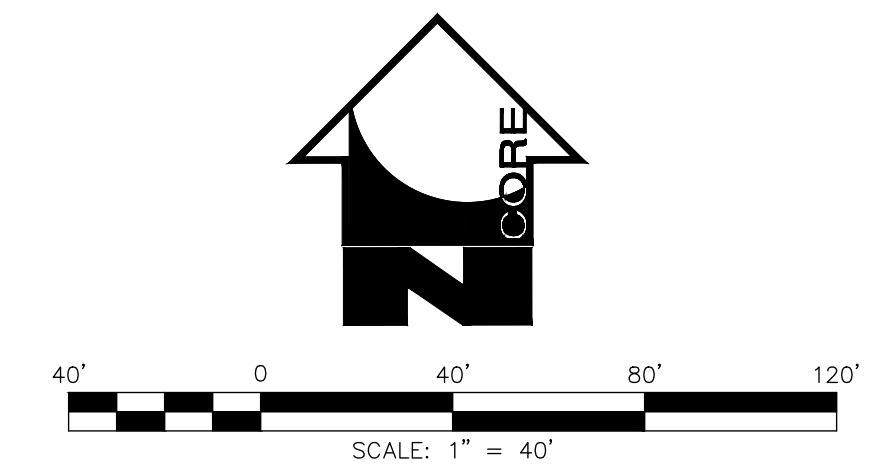
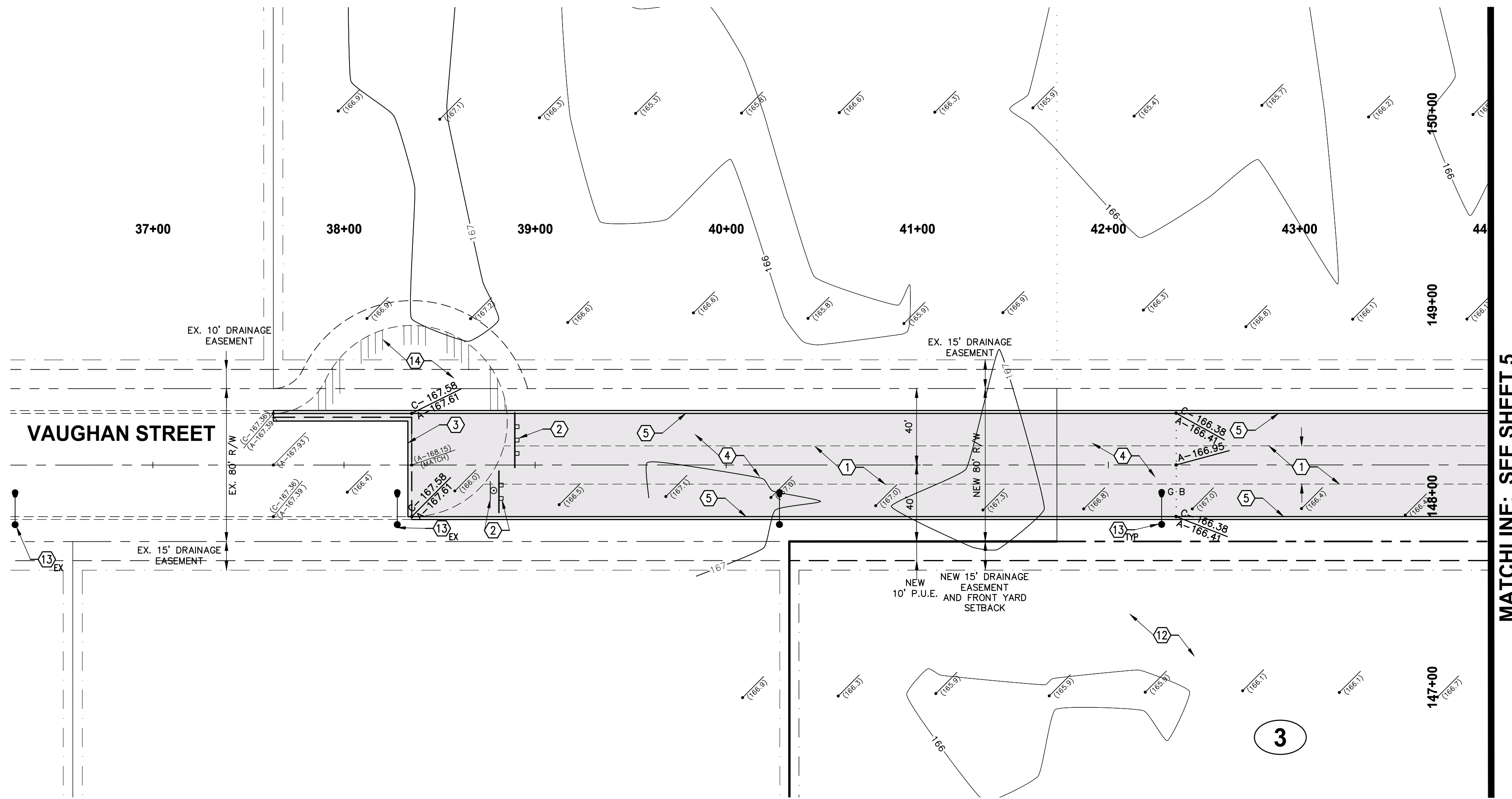
Call at least two full working days before you begin excavation.  
**ARIZONA 811**  
Arizona Blue Stake, Inc.  
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)  
In Maricopa County: (602) 263-1100

Date: DEC. 2019  
Designed: K.L.B.  
Drawn: J.M.G.  
Checked: D.J.N.  
Proj. No.: 19-096

**2**

SHEET

Tue, 18 Feb 2020 3:34pm Z:\2019\19-096\Draws\Prelim Plat\19-096 Prelim Plat - Grading Plan.dwg - Core Engineering Group, PLLC



**LEGEND**

	FOUND SURVEY MONUMENT AS NOTED
	CENTER / SECTIONAL LINE
	EXISTING EASEMENT (AS NOTED)
	EXISTING LOT LINE
	EXISTING RIGHT-OF-WAY LINE
	EXISTING SUBDIVISION BOUNDARY
	EXISTING GROUND LINE
	EXISTING WATER LINE
	EXISTING SEWER LINE
	EXISTING OVERHEAD ELECTRIC
	EXISTING OVERHEAD TELEPHONE
	EXISTING UNDERGROUND ELECTRIC LINE
	EXISTING UNDERGROUND TELEPHONE LINE
	EXISTING GAS LINE
	NEW BORDER CURB
	EXISTING ASPHALT
	EXISTING CONCRETE
	EXISTING ABC CANAL ROAD
	NEW ASPHALT
	NEW ABC PAVEMENT FOR ACCESS ROAD
	EXISTING CHAIN LINK FENCE
	EXISTING BARBED WIRE FENCE
	EXISTING POWER POLE
	EXISTING GUY WIRE ANCHOR
	EXISTING WATER METER
	EXISTING BLOW OFF
	EXISTING SEWER MANHOLE
	EXISTING ELECTRICAL TRANSFORMER
	EXISTING TELEPHONE PEDESTAL
	EXISTING ELECTRICAL JUNCTION BOX
	EXISTING SIGN
	NEW SIGN
	NEW STREET NAME AND STOP SIGN
	NEW LIGHT POLE
	NEW BARRICADE
	EXISTING BARRICADE
	EXISTING FIRE HYDRANT
	EXISTING VALVE
	EXISTING GAS METER
	EXISTING SLOPE
	NEW SLOPE
	RIGHT-OF-WAY
	FINISHED FLOOR ELEVATION
	EXISTING GROUND ELEVATION
	EXISTING CURB ELEVATION
	EXISTING GUTTER ELEVATION
	EXISTING CONCRETE ELEVATION
	EXISTING SIDEWALK ELEVATION
	EXISTING ASPHALT ELEVATION
	EXISTING GRATE ELEVATION
	EXISTING INVERT ELEVATION
	NEW CURB ELEVATION
	NEW GUTTER ELEVATION
	NEW ASPHALT ELEVATION
	NEW FLOW WAY ELEVATION
	NEW GRADE BREAK
	NEW LOT NUMBER
	MEASURED DATA
	RECORDED DATA PER BOOK 23 OF PLATS PAGES 57&58, Y.C.R.
	RECORDED DATA PER COUNTY ROAD MAP #3856
	CALCULATED DATA

**SCHEDULE OF WORK**

- 1 REMOVE EXISTING ABC AND STOCKPILE FOR REUSE (GEN. NOTE 16, SHT 1)
- 2 REMOVE EXISTING SIGN AND BARRICADE
- 3 SAWCUT AND MATCH EXISTING
- 4 INDUSTRIAL STREET SECTION -SEE DETAIL A/6
- 5 PAVEMENT BORDER CURB -SEE DETAIL C/6
- 7 STREET NAME SIGN WITH 30"x30" R1-1 "STOP" SIGN. -SEE DETAIL D/6
- 8 30" X 30" R1-1 "STOP" SIGN -SEE DETAIL D/6
- 9 30" X 30" R5-1 "DO NOT ENTER" SIGN -SEE DETAIL D/6 (SIM)
- 10 24" SOLID WHITE THERMOPLASTIC STRIPE
- 11 TYPE III BARRICADE -SEE DETAILS A/7
- 12 ON-SITE LOT GRADING AND RETENTION BY FUTURE LOT DEVELOPER -SEE DETAIL B/7
- 13 STREET LIGHT -BY APS
- 14 REMOVE EXISTING PAVEMENT
- 15 PROVIDE COLD JOINT FOR FUTURE REMOVAL

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.



**MAGRINO INDUSTRIAL PARK  
UNIT NO. 3  
CITY OF SAN LUIS  
YUMA COUNTY, ARIZONA  
ROADWAY PLAN**

**CORE ENGINEERING GROUP, PLLC**  
200 East 16th Street, Suite 150  
Yuma, AZ 85384  
V - 928-344-5931 F - 928-344-5932  
www.CoreEngineeringGroup.com  
Core@core-e-g.com

**CORE**

DRAWING RECORD:  
No. \_\_\_\_\_  
DATE: \_\_\_\_\_

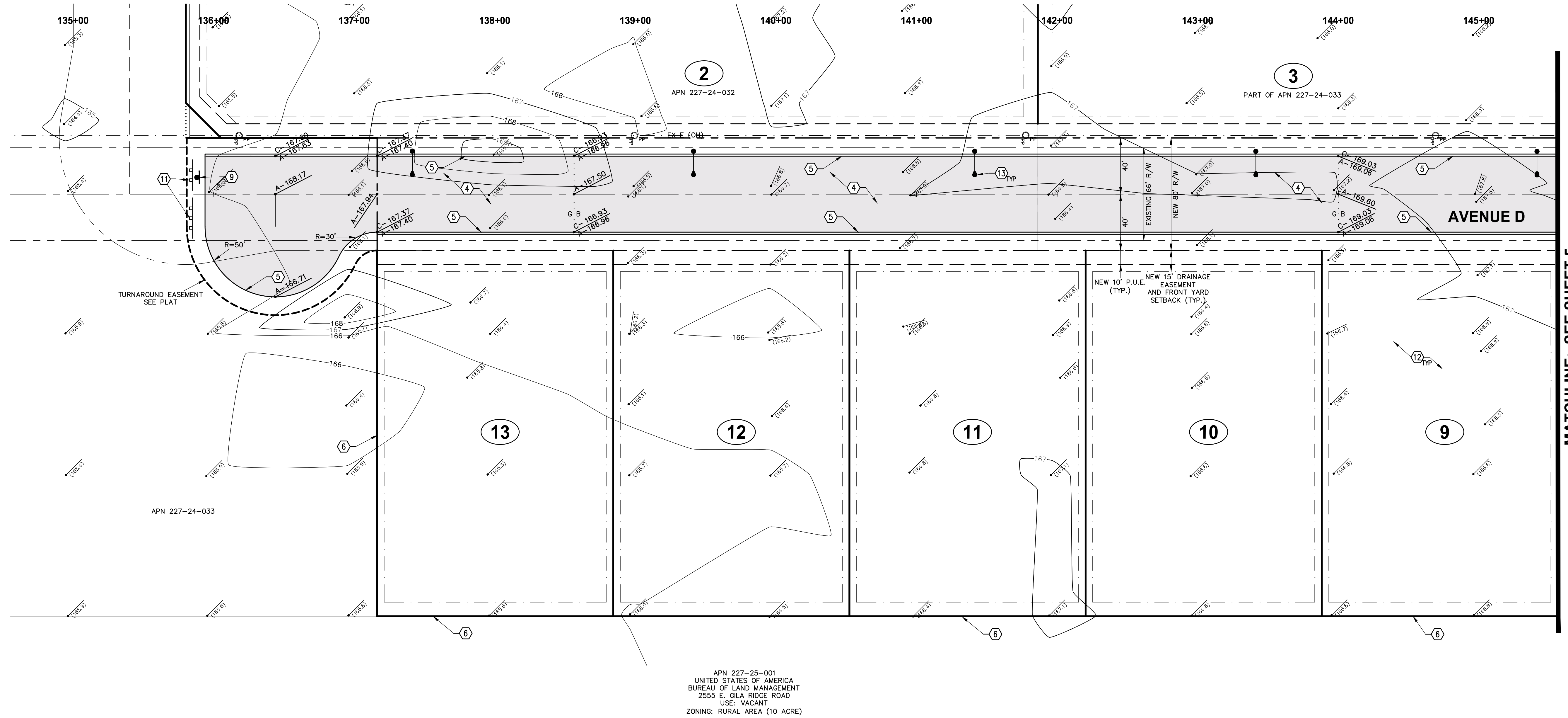
Date: DEC. 2019  
Designed: K.L.B.  
Drawn: J.M.G.  
Checked: D.J.N.  
Proj. No.: 19-096

**3**

SHEET

THIS DRAWING AND THE DATA CONTAINED HEREON ARE THE PROPERTY OF CORE ENGINEERING GROUP, PLLC AND SHALL NOT BE USED, REPRODUCED OR TRANSMITTED, WITHOUT THE PRIOR EXPRESS CONSENT OF THE COMPANY, NOR SHALL ANY DATA OR INFORMATION CONTAINED HEREON BE USED IN A MANNER INCONSISTENT WITH THE PRIOR EXPRESS WRITTEN AUTHORIZATION OF THE COMPANY.

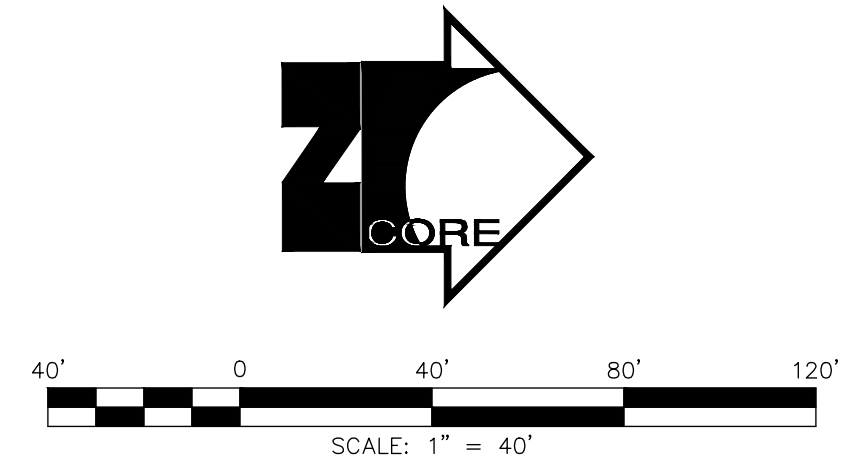
Tue, 18 Feb 2020 3:35pm, Z:\2019\19-096\Draws\Prelim\Plat\19-096 Prelim Plat\_Graffing Plan.dwg, \* Core Engineering Group, PLLC



APN 227-25-001  
 UNITED STATES OF AMERICA  
 BUREAU OF LAND MANAGEMENT  
 2555 E. GILA RIDGE ROAD  
 USE: VACANT  
 ZONING: RURAL AREA (10 ACRE)

**SCHEDULE OF WORK**

- ① REMOVE EXISTING ABC AND STOCKPILE FOR REUSE (GEN, NOTE 16, SHEET 1)
- ② REMOVE EXISTING SIGN AND BARRICADE
- ③ SAWCUT AND MATCH EXISTING
- ④ INDUSTRIAL STREET SECTION -SEE DETAIL A/6
- ⑤ PAVEMENT BORDER CURB -SEE DETAIL C/6
- ⑥ 6' SCREEN WALL BY FUTURE LOT DEVELOPERS OR GYPA
- ⑦ STREET NAME SIGN WITH 30"x30" R1-1 "STOP" SIGN. -SEE DETAIL D/6
- ⑧ 30" X 30" R1-1 "STOP" SIGN -SEE DETAIL D/6
- ⑨ 30" X 30" R5-1 "DO NOT ENTER" SIGN -SEE DETAIL D/6 (SIM)
- ⑩ 24" SOLID WHITE THERMOPLASTIC STRIPE
- ⑪ TYPE III BARRICADE -SEE DETAILS A/7
- ⑫ ON-SITE LOT GRADING AND RETENTION BY FUTURE LOT DEVELOPER -SEE DETAIL B/7
- ⑬ STREET LIGHT -BY APS
- ⑭ REMOVE EXISTING PAVEMENT



Call at least two full working days before you begin excavation.  
**ARIZONA 811**  
 Arizona Blue Stake, Inc.  
 Dial 8-1-1 or 1-800-STAKE-IT (782-5348)  
 In Maricopa County: (602) 263-1100

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

DRAWING RECORD:

No.	DATE:	
-----	-------	--

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 ROADWAY PLAN**

**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**CORE**

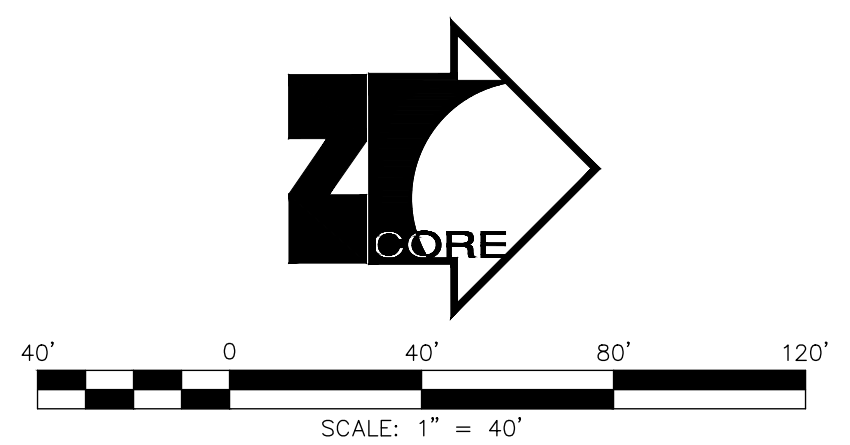
Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096

4

SHEET

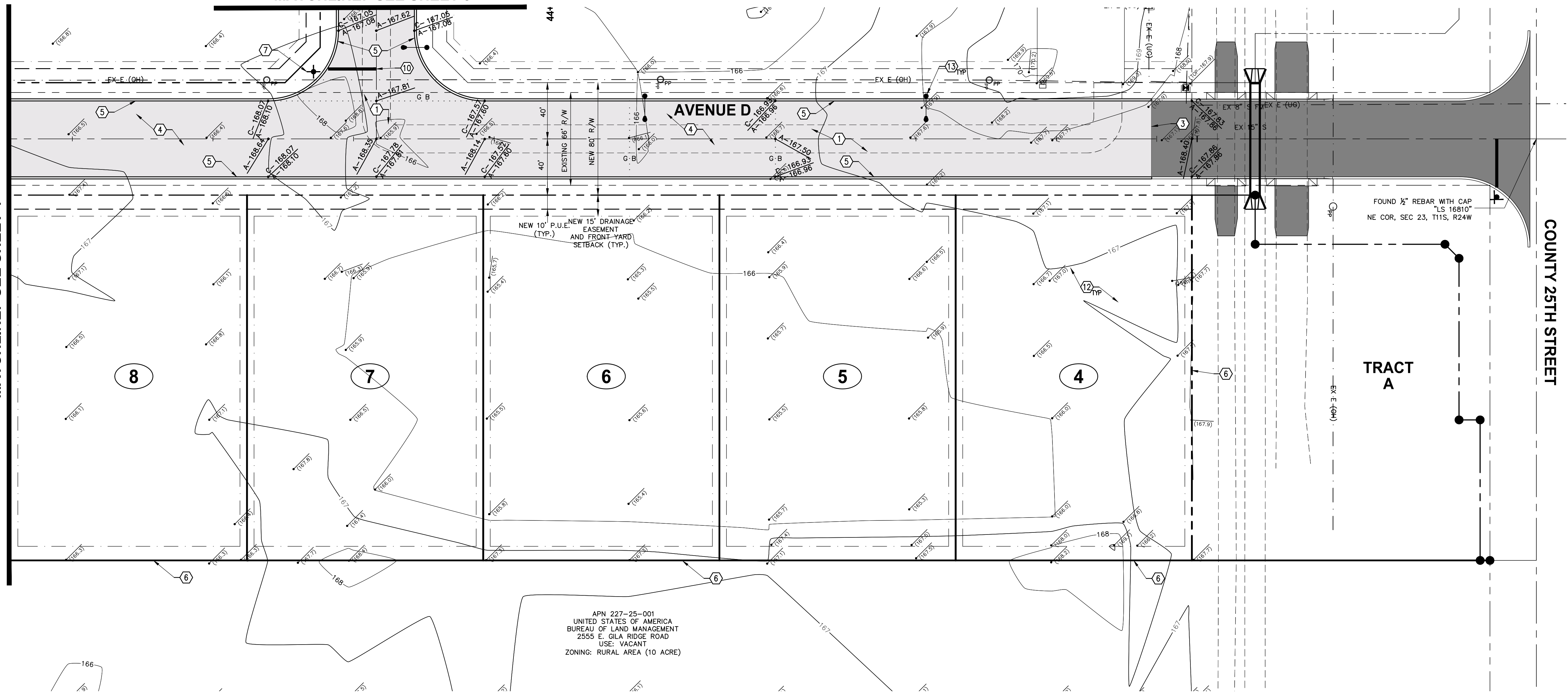
Tue, 18 Feb 2020 3:35pm Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot Grading Plan.dwg - Core Engineering Group, PLLC

**WORK PERMITTED  
WITH UNIT NO. 2  
BUT NOT CONSTRUCTED  
- SEE PREVIOUS DESIGN**



**MATCHLINE: SEE SHEET 3**

**MATCHLINE: SEE SHEET 4**



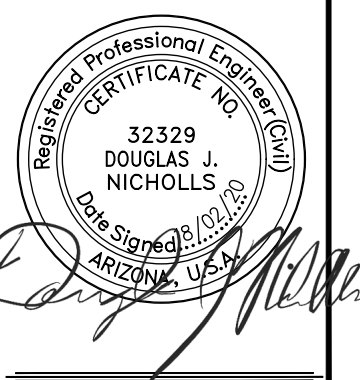
APN 227-25-001  
UNITED STATES OF AMERICA  
BUREAU OF LAND MANAGEMENT  
2555 E. GILA RIDGE ROAD  
USE: VACANT  
ZONING: RURAL AREA (10 ACRE)

**SCHEDULE OF WORK**

- 1 REMOVE EXISTING ABC AND STOCKPILE FOR REUSE (GEN NOTE 16, PAGE 1)
- 2 REMOVE EXISTING SIGN AND BARRICADE
- 3 SAWCUT AND MATCH EXISTING
- 4 INDUSTRIAL STREET SECTION -SEE DETAIL A/6
- 5 PAVEMENT BORDER CURB -SEE DETAIL C/6
- 6 6' SCREEN WALL BY FUTURE LOT DEVELOPERS OR GYPA
- 7 STREET NAME SIGN WITH 30"x30" R1-1 "STOP" SIGN. -SEE DETAIL D/6
- 8 30" X 30" R1-1 "STOP" SIGN -SEE DETAIL D/6
- 9 30" X 30" R5-1 "DO NOT ENTER" SIGN -SEE DETAIL D/6 (SIM)
- 10 24" SOLID WHITE THERMOPLASTIC STRIPE
- 11 TYPE III BARRICADE -SEE DETAILS A/7
- 12 ON-SITE LOT GRADING AND RETENTION BY FUTURE LOT DEVELOPER -SEE DETAIL B/7
- 13 STREET LIGHT -BY APS
- 14 REMOVE EXISTING PAVEMENT

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

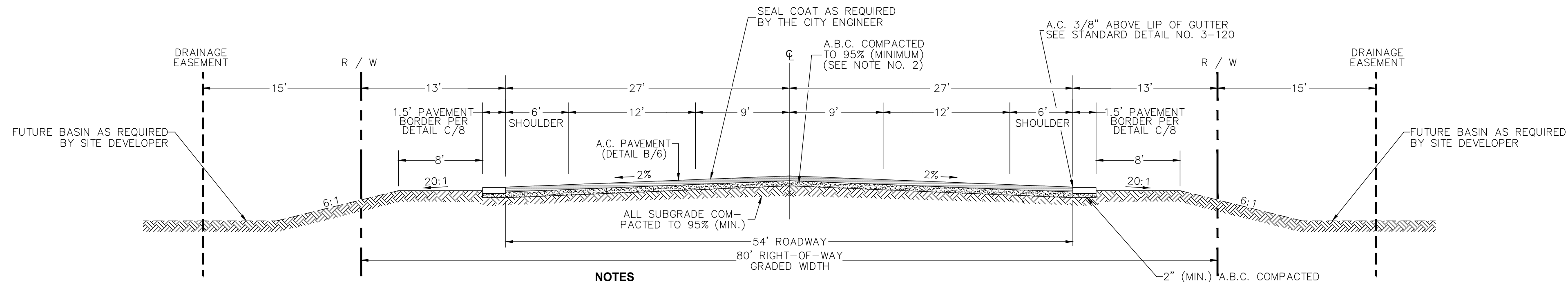


Date: DEC. 2019  
Designed: K.L.B.  
Drawn: J.M.G.  
Checked: D.J.N.  
Proj. No.: 19-096

**CORE ENGINEERING GROUP, PLLC**  
200 East 16th Street, Suite 150  
Yuma, AZ 85364  
V - 928-344-5931 F - 928-344-5932  
www.CoreEngineeringGroup.com  
Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
UNIT NO. 3  
CITY OF SAN LUIS  
YUMA COUNTY, ARIZONA  
ROADWAY PLAN**

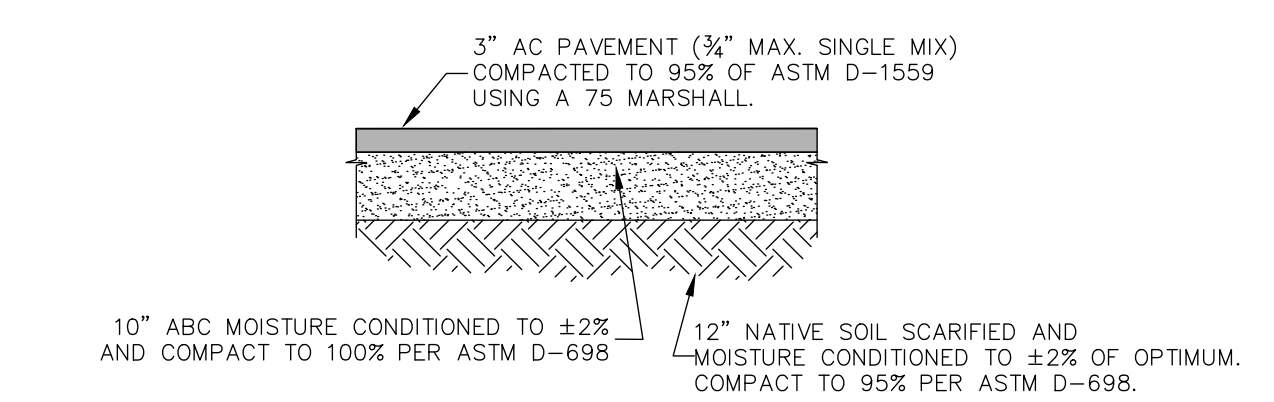
DRAWING RECORD:  
No. \_\_\_\_\_  
DATE: \_\_\_\_\_



**INDUSTRIAL STREET SECTION**

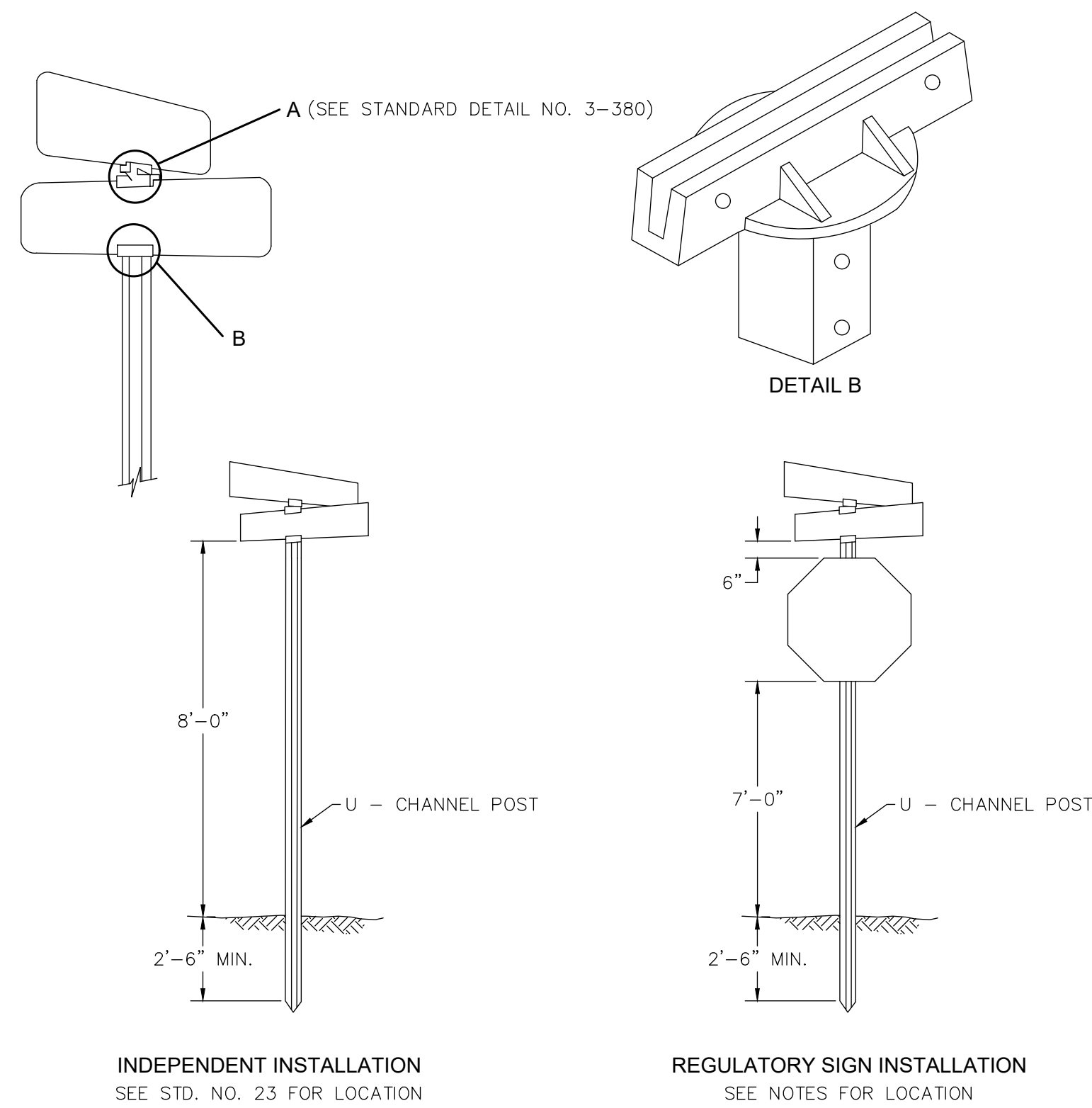
YUMA COUNTY CONSTRUCTION STANDARD DETAIL DRAWINGS STD. NO. 2-070 (MODIFIED, NTS)

**A**  
6



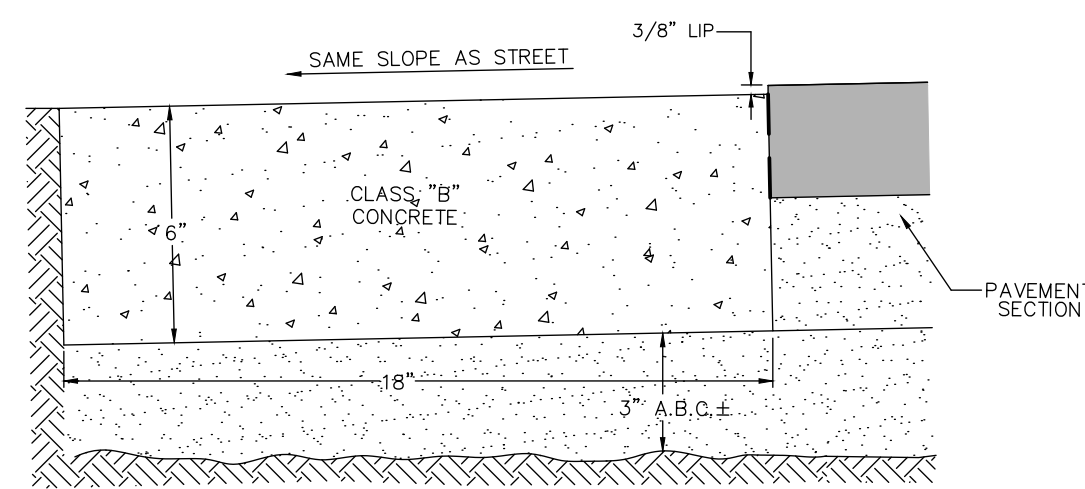
**PAVEMENT STRUCTURAL SECTION**

**B**  
6



**ABC STRUCTURAL SECTION**

**E**  
6



**PAVEMENT BORDER**

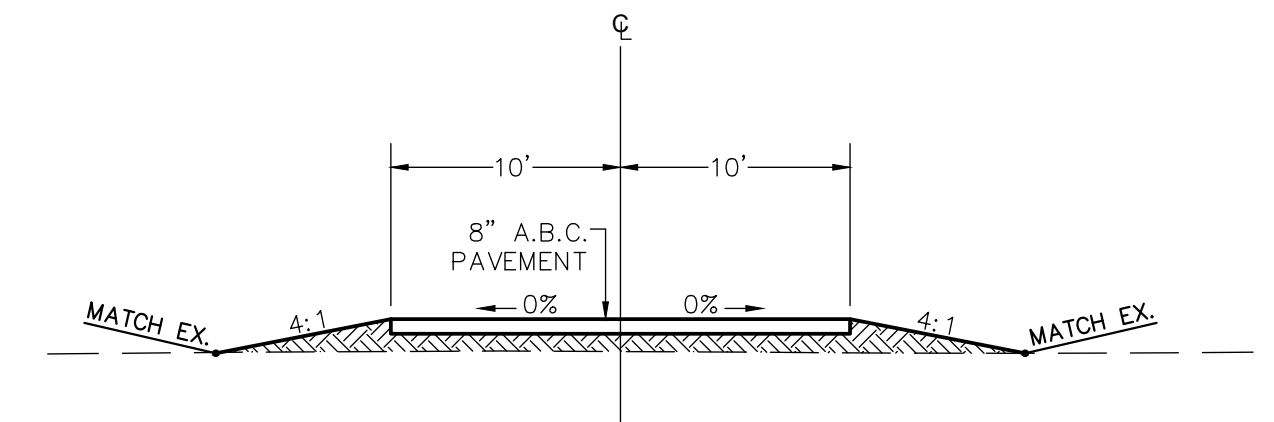
YUMA COUNTY CONSTRUCTION STANDARD DETAIL NO. 3-160 (MODIFIED)

**C**  
6

**DOUBLE FACED STREET SIGN - STOP SIGN**

YUMA COUNTY CONSTRUCTION STANDARD DETAIL NO. 3-380

**D**  
6

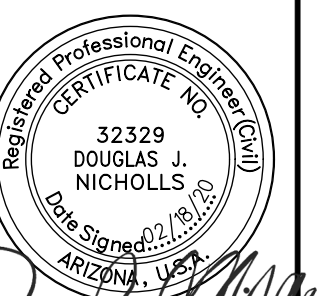


**20' ABC ACCESS ROADWAY**

**F**  
6

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.



Date: DEC. 2019  
Designed: K.L.B.  
Drawn: J.M.G.  
Checked: D.J.N.  
Proj. No.: 19-096

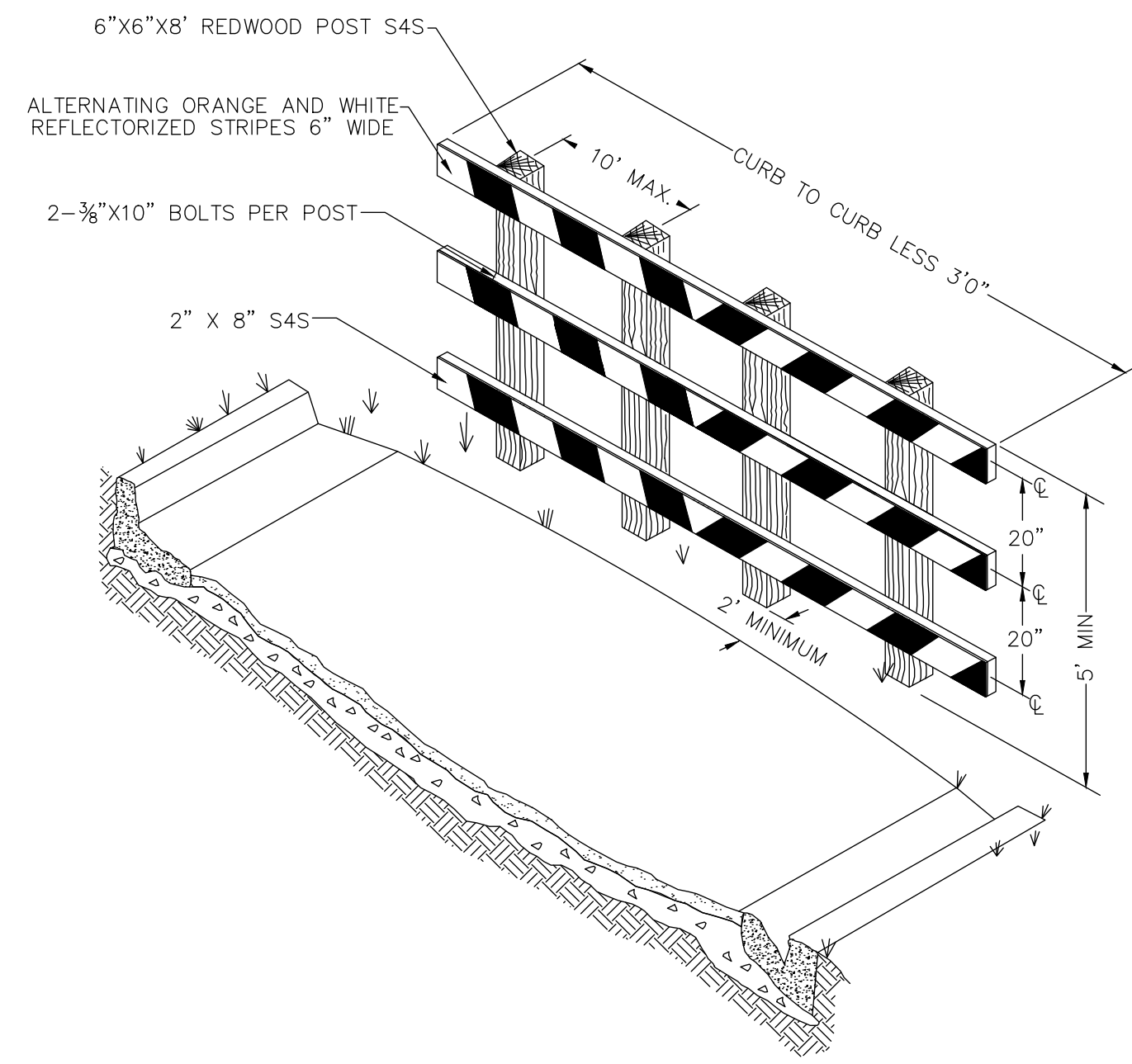
Tue, 18 Feb 2020 3:53pm Z:\2019\19-096\Draws\Prelim Plot\19-096 Details.dwg \* Core Engineering Group, PLLC

**CORE ENGINEERING GROUP, PLLC**  
200 East 16th Street, Suite 150  
Yuma, AZ 85364  
V - 928-344-5931 F - 928-344-5932  
www.CoreEngineeringGroup.com  
Core@core-eg.com

**MAGRINO INDUSTRIAL PARK  
UNIT NO. 3  
CITY OF SAN LUIS  
YUMA COUNTY, ARIZONA  
PAVING DETAILS**

DRAWING RECORD:  
No. \_\_\_\_\_  
DATE: \_\_\_\_\_

THIS DRAWING AND THE DATA CONTAINED HEREON ARE THE PROPERTY OF CORE ENGINEERING GROUP, PLLC AND SHALL NOT BE USED, REPRODUCED OR TRANSMITTED, WITHOUT THE PRIOR EXPRESS CONSENT OF THE COMPANY, NOR SHALL ANY DATA OR INFORMATION CONTAINED HEREON BE USED IN A MANNER INCONSISTENT WITH THE PRIOR EXPRESS WRITTEN AUTHORIZATION OF THE COMPANY.

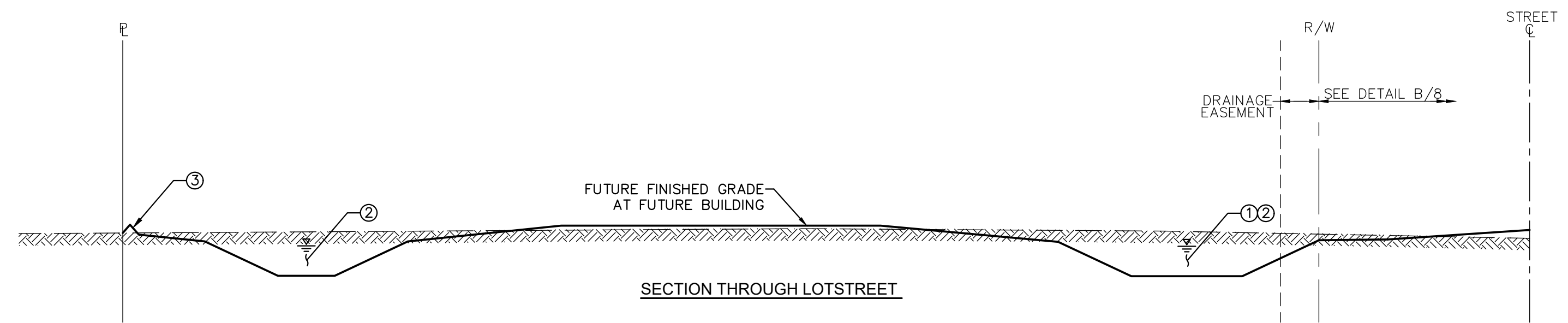
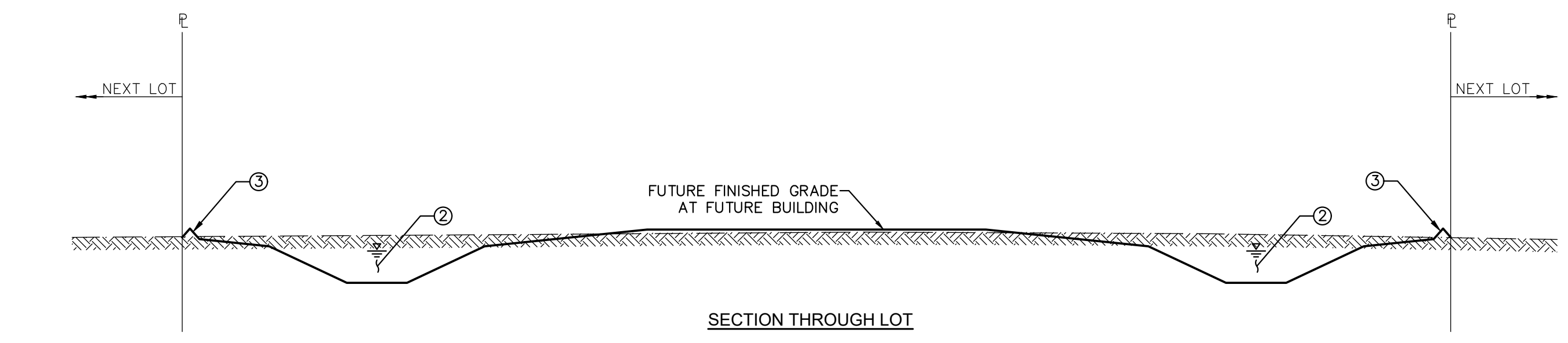
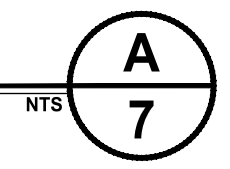


**NOTES**  
 BARRICADE MARKINGS SHALL BE 3M ENGINEER GRADE REFLECTIVE SHEETING ON .080" THICK ALUMINUM SHEET OR EQUAL AS DIRECTED BY PUBLIC WORKS.  
 RAIL TIMBER TO BE NO. 1 D.F. S4S AND TO RECEIVE 2 COATS OF OUTSIDE WHITE PAINT ON NON-REFLECTIVE SURFACES. STRIPES SHALL SLOPE TOWARD THE CENTER OF THE PAVEMENT FROM BOTH SIDES, UNLESS OTHERWISE INSTRUCTED BY THE ENGINEER.

STREET WIDTH	NO. OF POSTS
26' - 32'	4
38' - 44'	5
48'	6
68' - 72'	8

**TYPE III BARRICADE**

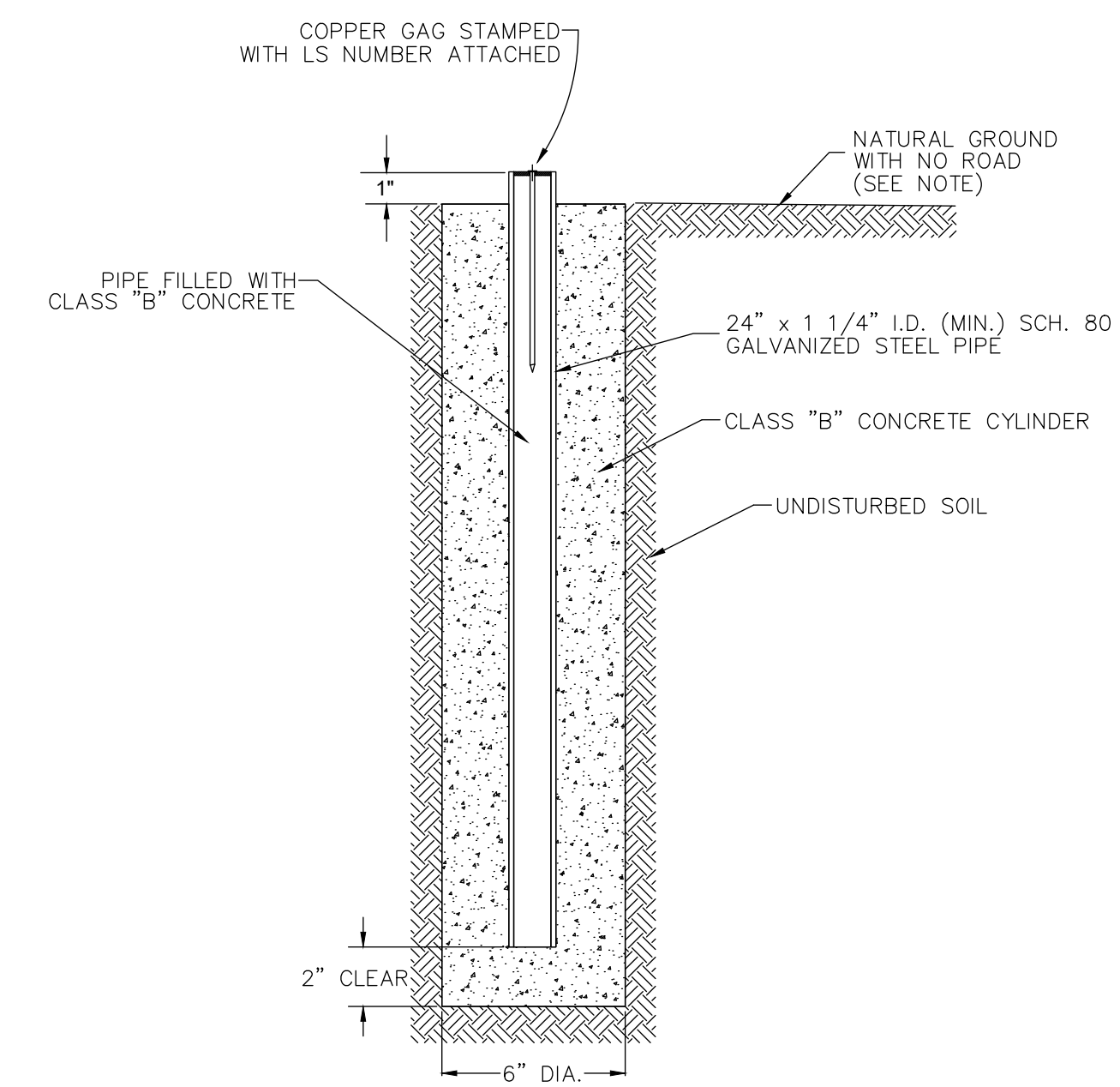
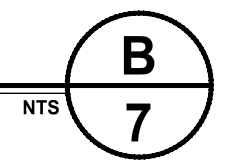
YUMA COUNTY CONSTRUCTION STANDARD DETAIL NO. 3-360



- ① ROADWAY RETENTION BASIN -SEE DETAILS B&C/B
- ② POSSIBLE ON SITE RETENTION BY LOT DEVELOPER
- ③ BERM AS REQUIRED TO PREVENT CROSS PROPERTY DRAINAGE -BY LOT DEVELOPER

**NOTE**  
 THE INTENT OF THIS DETAIL IS TO SHOW THE LOT DRAINAGE/GRADING FUTURE CONCEPT. THIS DETAIL IS FOR REFERENCE ONLY SINCE THE LOT GRADING AND ROADSIDE DRAINAGE WILL BE BY INDIVIDUAL LOT DEVELOPER AT THE TIME OF LOT DEVELOPMENT. A STANDARD GRADING PERMIT IS STILL REQUIRED FOR THE LOT DEVELOPMENT.

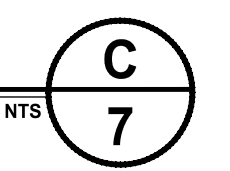
**CONCEPTUAL ON-SITE RETENTION AND LOT GRADING DETAIL (BY OTHERS)**



**NOTE**  
 IF SUBDIVISION BOUNDARY MONUMENT IS LOCATED WITHIN THE ROADWAY, INSTALL STANDARD NO. 4-080.

**BOUNDARY MONUMENT**

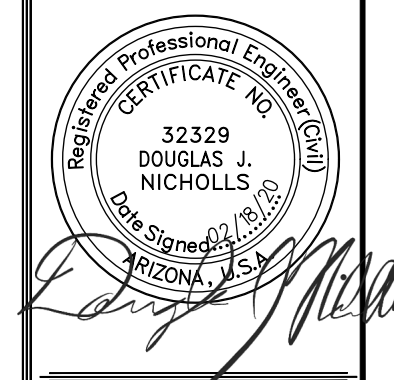
YUMA COUNTY CONSTRUCTION STANDARD DETAIL DRAWING NO. 4-030



DRAWING RECORD:
No.
DATE:

**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928.344.5931 F - 928.344.5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA**



Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096



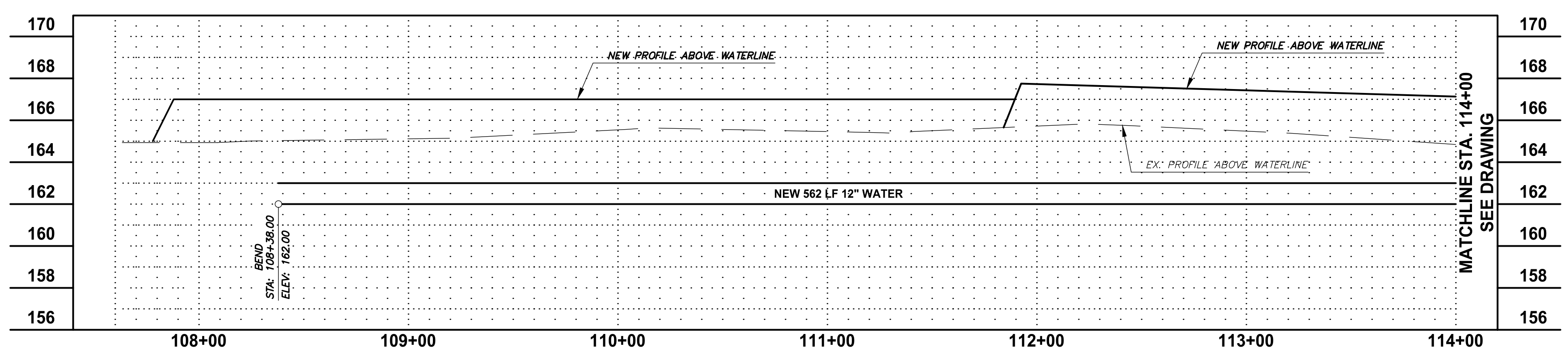
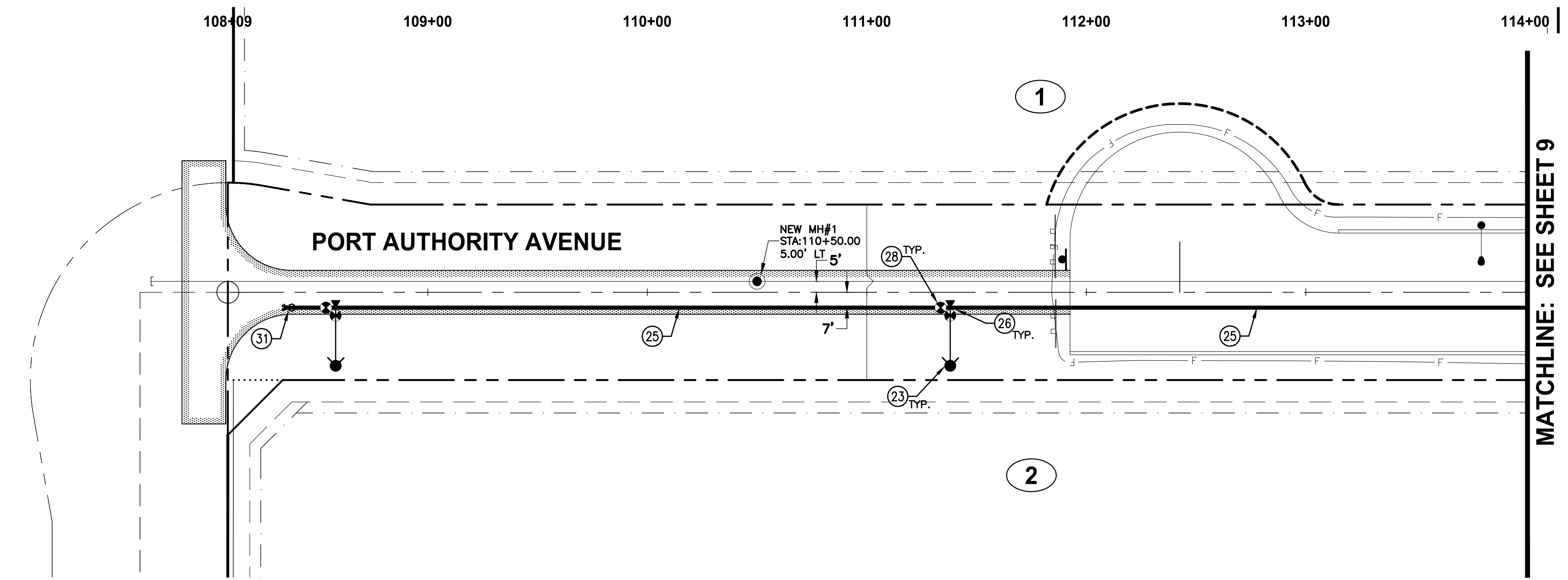
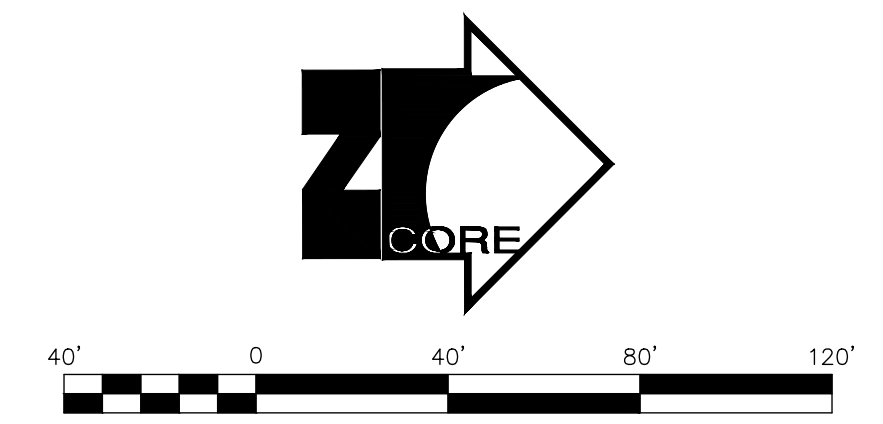
**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

Tue, 18 Feb 2020 3:32pm, Z:\2019\19-096\Draws\Prelim Plot\19-096 Details.dwg, Core Engineering Group, PLLC

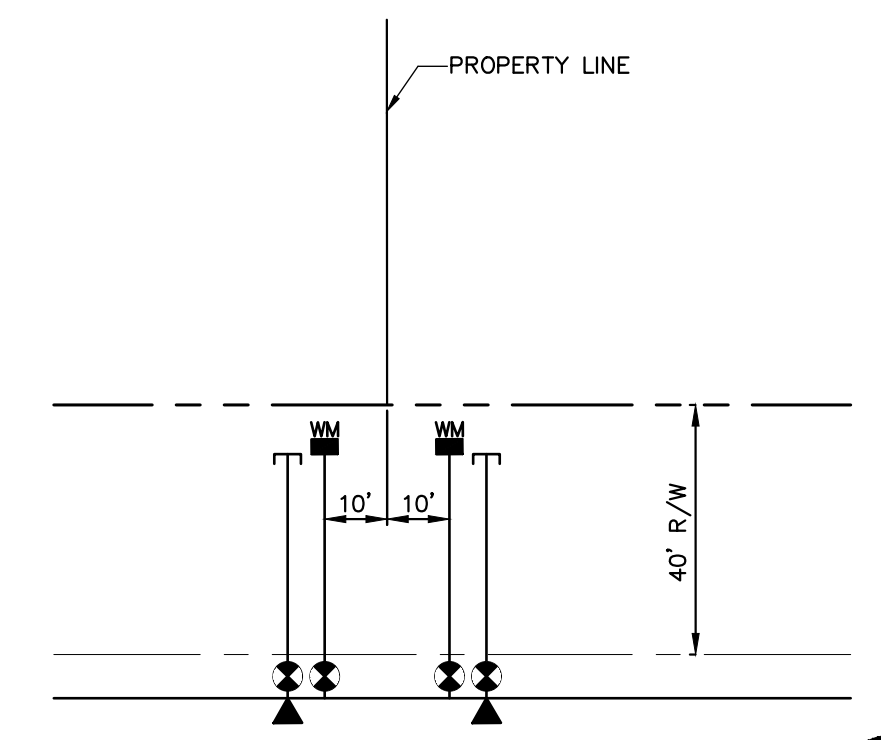
THIS DRAWING AND THE DATA CONTAINED HEREON ARE THE PROPERTY OF CORE ENGINEERING GROUP, PLLC AND SHALL NOT BE USED, REPRODUCED OR TRANSMITTED, WITHOUT THE PRIOR EXPRESS CONSENT OF THE COMPANY, NOR SHALL ANY DATA OR INFORMATION CONTAINED HEREON BE USED IN A MANNER INCONSISTENT WITH THE PRIOR EXPRESS WRITTEN AUTHORIZATION OF THE COMPANY.

Tue, 18 Feb 2020 3:37pm Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot Water.dwg - Core Engineering Group, PLLC



**WATER SCHEDULE OF WORK**

- (20) 12" 45° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020  
-COY STD NO. 5-025
- (21) 1" SINGLE WATER SERVICE (COST INCLUDED IN ITEM 22) -COY STD NO. 5-035  
-COY STD NO. 5-015  
-SEE DETAIL A/8
- (22) 1" SERVICE METER BOX -COY STD NO. 5-055
- (23) 6" FIRE HYDRANT ASSEMBLY AND STREET MARKER -COY STD NO. 5-155  
-COY STD NO. 5-160
- (24) 6" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- (25) 12" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- (26) 12" X 12" X 6" TEE AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020  
-COY STD NO. 5-025
- (27) 6" GATE VALVE WITH ANCHOR, VALVE BOX, FRAME AND COVER -COY STD NO. 5-065  
-COY STD NO. 5-075
- (28) 12" GATE VALVE WITH ANCHOR, VALVE BOX, AND COVER -COY STD NO. 5-065  
-COY STD NO. 5-075
- (29) CONNECT NEW 12" WATERLINE TO EXISTING
- (30) 12" 90° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020  
-COY STD NO. 5-025
- (31) WATERMAIN BLOWOFF -COY STD NO. 5-085



**TYPICAL WATER SERVICE SPACING FROM PROPERTY LINE** A  
8

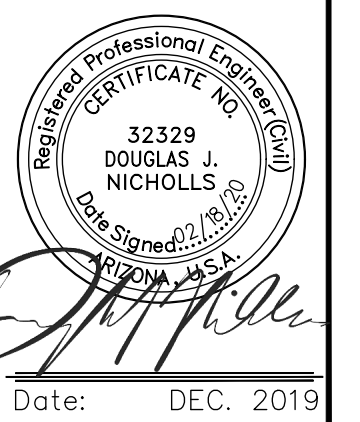
**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

DRAWING RECORD:	
No.	
DATE:	

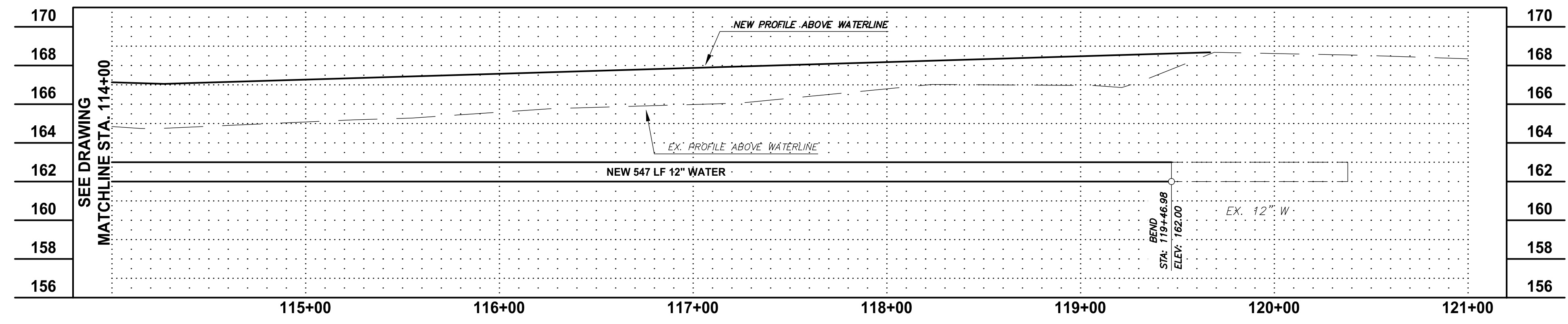
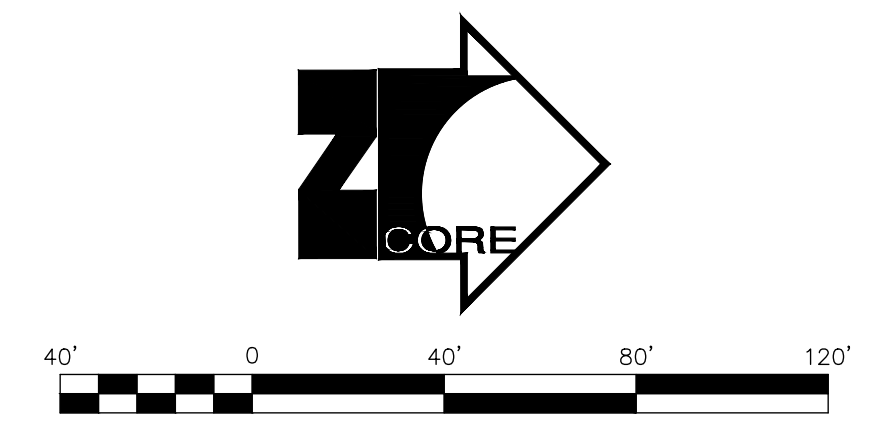
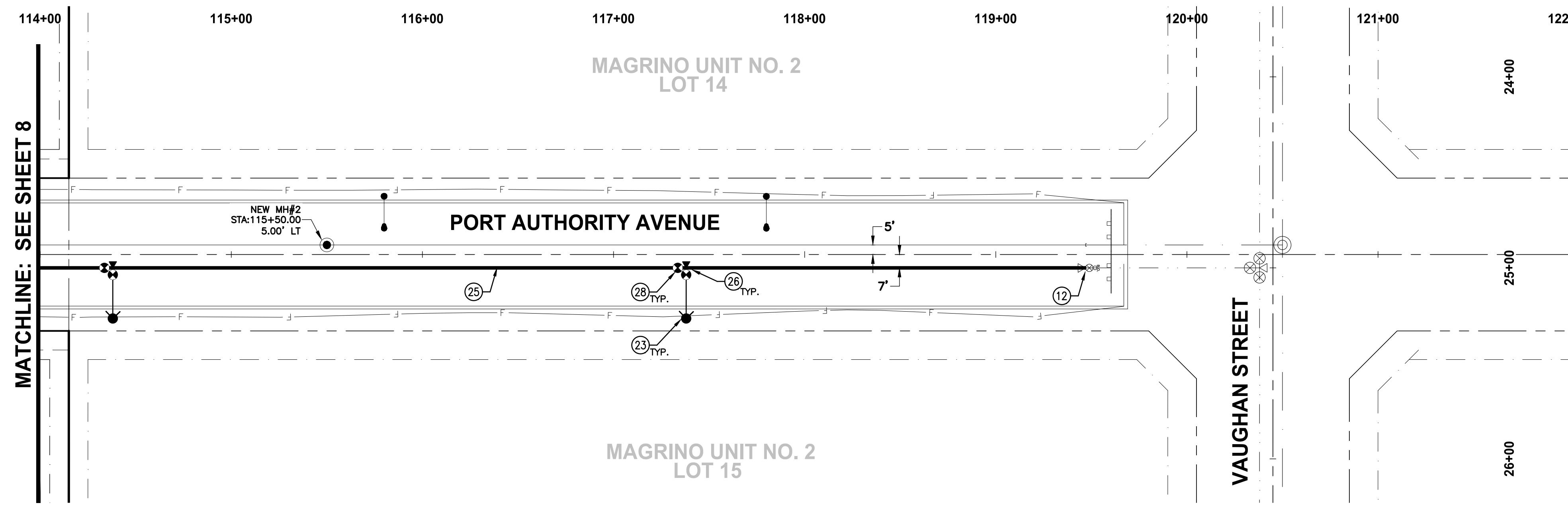
**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 PORT AUTHORITY - WATER PLAN & PROFILE**



Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096

Tue, 18 Feb 2020 3:37pm Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot Water.dwg Core Engineering Group, PLLC



**WATER SCHEDULE OF WORK**

- 20 12" 45° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020 -COY STD NO. 5-025
- 21 1" SINGLE WATER SERVICE (COST INCLUDED IN ITEM 22) -COY STD NO. 5-035 -COY STD NO. 5-015 -SEE DETAIL A/8
- 22 1" SERVICE METER BOX -COY STD NO. 5-055
- 23 6" FIRE HYDRANT ASSEMBLY AND STREET MARKER -COY STD NO. 5-155 -COY STD NO. 5-160
- 24 6" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- 25 12" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- 26 12" X 12" X 6" TEE AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020 -COY STD NO. 5-025
- 27 6" GATE VALVE WITH ANCHOR, VALVE BOX, FRAME AND COVER -COY STD NO. 5-065 -COY STD NO. 5-075
- 28 12" GATE VALVE WITH ANCHOR, VALVE BOX, AND COVER -COY STD NO. 5-065 -COY STD NO. 5-075
- 29 CONNECT NEW 12" WATERLINE TO EXISTING
- 30 12" 90° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020 -COY STD NO. 5-025
- 31 WATERMAIN BLOWOFF -COY STD NO. 5-085

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.



DRAWING RECORD:

No.	DATE

**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**CORE**  
 MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 PORT AUTHORITY - WATER PLAN & PROFILE

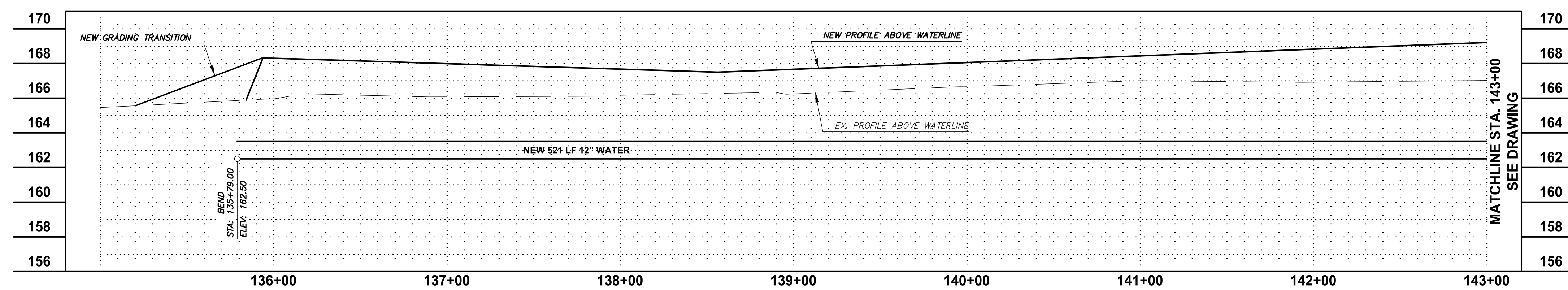
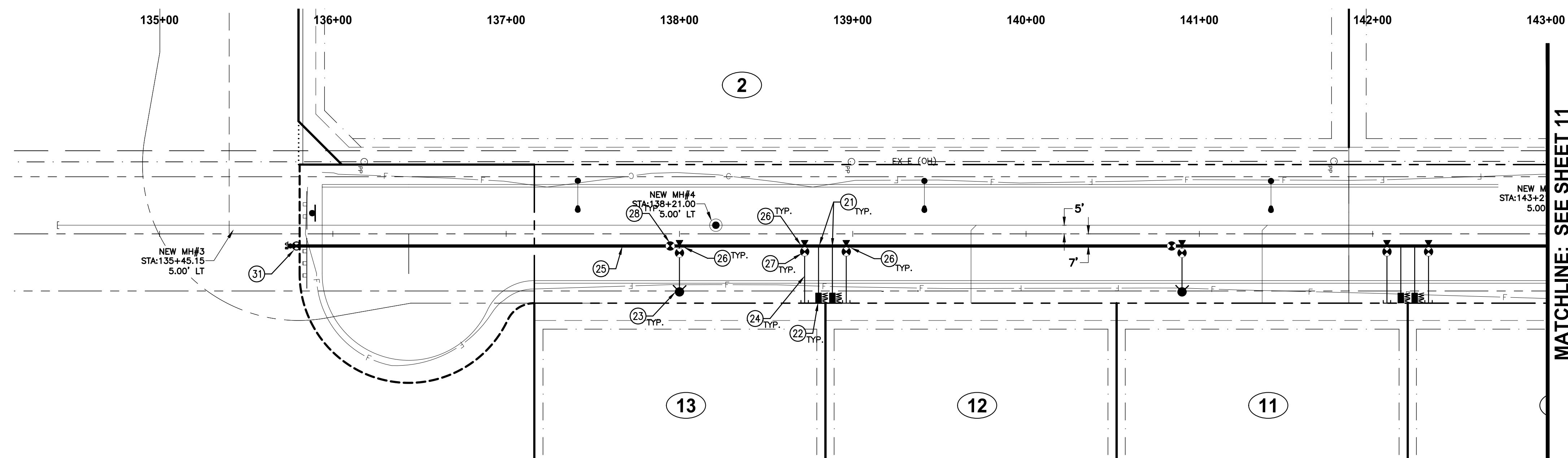
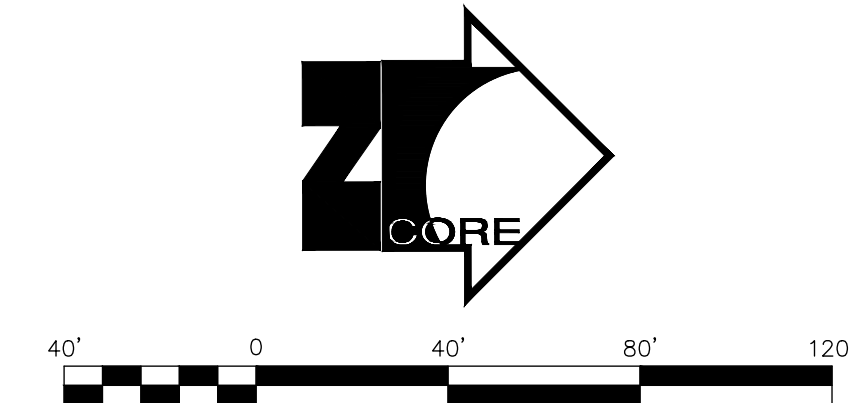
THIS DRAWING AND THE DATA CONTAINED HEREON ARE THE PROPERTY OF CORE ENGINEERING GROUP, PLLC AND SHALL NOT BE USED, REPRODUCED OR TRANSMITTED, WITHOUT THE PRIOR EXPRESS CONSENT OF THE COMPANY, NOR SHALL ANY DATA OR INFORMATION CONTAINED HEREON BE USED IN A MANNER INCONSISTENT WITH THE PRIOR EXPRESS WRITTEN AUTHORIZATION OF THE COMPANY.

32329  
 DOUGLAS J.  
 NICHOLLS  
 Licensed Professional Engineer  
 ARIZONA

Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096

**9**  
 SHEET

Tue, 18 Feb 2020 3:38pm Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot Water.dwg - Core Engineering Group, PLLC



**WATER SCHEDULE OF WORK**

- 20 12" 45° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020
- 21 1" SINGLE WATER SERVICE (COST INCLUDED IN ITEM 22) -COY STD NO. 5-035
- 22 1" SERVICE METER BOX -COY STD NO. 5-055
- 23 6" FIRE HYDRANT ASSEMBLY AND STREET MARKER -COY STD NO. 5-155
- 24 6" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- 25 12" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- 26 12" X 12" X 6" TEE AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020
- 27 6" GATE VALVE WITH ANCHOR, VALVE BOX, FRAME AND COVER -COY STD NO. 5-065
- 28 12" GATE VALVE WITH ANCHOR, VALVE BOX, AND COVER -COY STD NO. 5-075
- 29 CONNECT NEW 12" WATERLINE TO EXISTING
- 30 12" 90° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020
- 31 WATERMAIN BLOWOFF -COY STD NO. 5-085

DRAWING RECORD:

No.	DATE	

**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**CORE**

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 AVE D - WATER PLAN & PROFILE**

THIS DRAWING AND THE DATA CONTAINED HEREON ARE THE PROPERTY OF CORE ENGINEERING GROUP, PLLC AND SHALL NOT BE USED, REPRODUCED OR TRANSFERRED WITHOUT THE PRIOR EXPRESS CONSENT OF THE COMPANY, NOR SHALL ANY DATA OR INFORMATION CONTAINED HEREON BE USED IN A MANNER INCONSISTENT WITH THE PRIOR EXPRESS WRITTEN AUTHORIZATION OF THE COMPANY.

Professional Engineer  
 CERTIFICATE NO.  
 32329  
 DOUGLAS J.  
 NICHOLLS  
 License Expires 12/31/2023  
 ARIZONA, U.S.A.

Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096

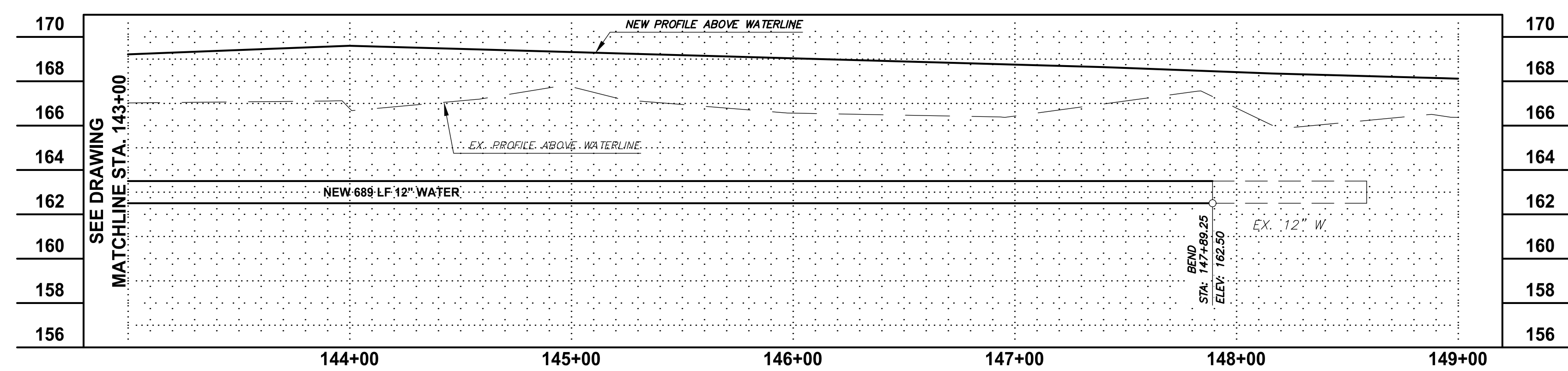
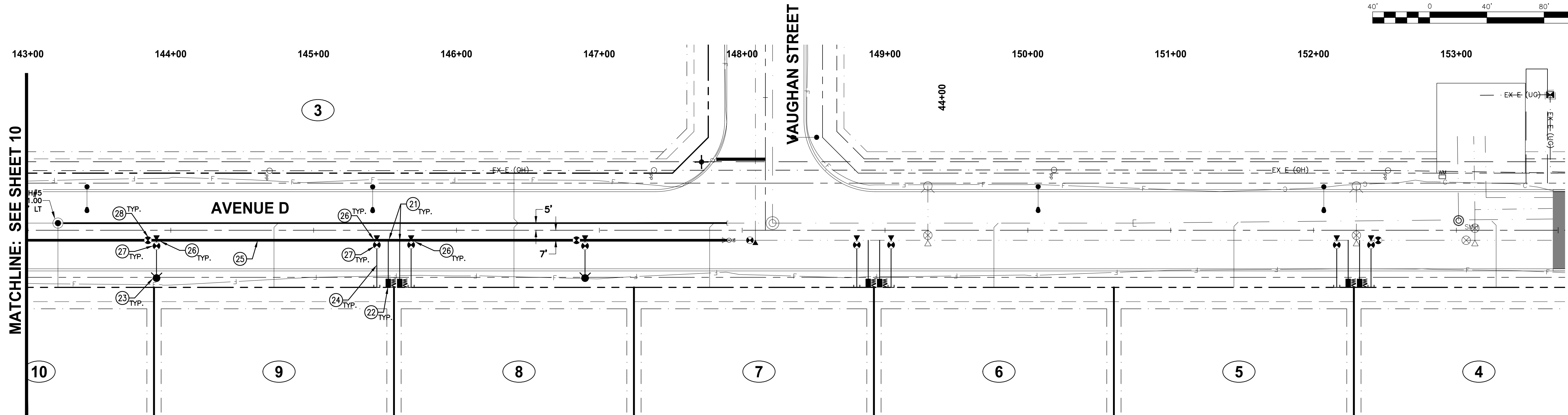
SHEET **10**

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.



Tue, 18 Feb 2020 3:35pm Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot\_Watskw.dwg - Core Engineering Group, PLLC



**WATER SCHEDULE OF WORK**

- (20) 12" 45° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020  
-COY STD NO. 5-025
- (21) 1" SINGLE WATER SERVICE (COST INCLUDED IN ITEM 22) -COY STD NO. 5-035  
-COY STD NO. 5-015  
-SEE DETAIL A/8
- (22) 1" SERVICE METER BOX -COY STD NO. 5-055
- (23) 6" FIRE HYDRANT ASSEMBLY AND STREET MARKER -COY STD NO. 5-155  
-COY STD NO. 5-160
- (24) 6" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- (25) 12" CLASS 150 C900 PVC WATERLINE -COY STD NO. 5-010
- (26) 12" X 12" X 6" TEE AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020  
-COY STD NO. 5-025
- (27) 6" GATE VALVE WITH ANCHOR, VALVE BOX, FRAME AND COVER -COY STD NO. 5-065  
-COY STD NO. 5-075
- (28) 12" GATE VALVE WITH ANCHOR, VALVE BOX, AND COVER -COY STD NO. 5-065  
-COY STD NO. 5-075
- (29) CONNECT NEW 12" WATERLINE TO EXISTING
- (30) 12" 90° BEND AND THRUST BLOCK (COST INCLUDED IN WATERLINE) -COY STD NO. 5-020  
-COY STD NO. 5-025
- (31) WATERMAIN BLOWOFF -COY STD NO. 5-085

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.



Professional Engineer  
 CERTIFICATE NO. 32329  
 DOUGLAS J. NICHOLLS  
 License Expires 12/31/2025  
 ARIZONA, U.S.A.

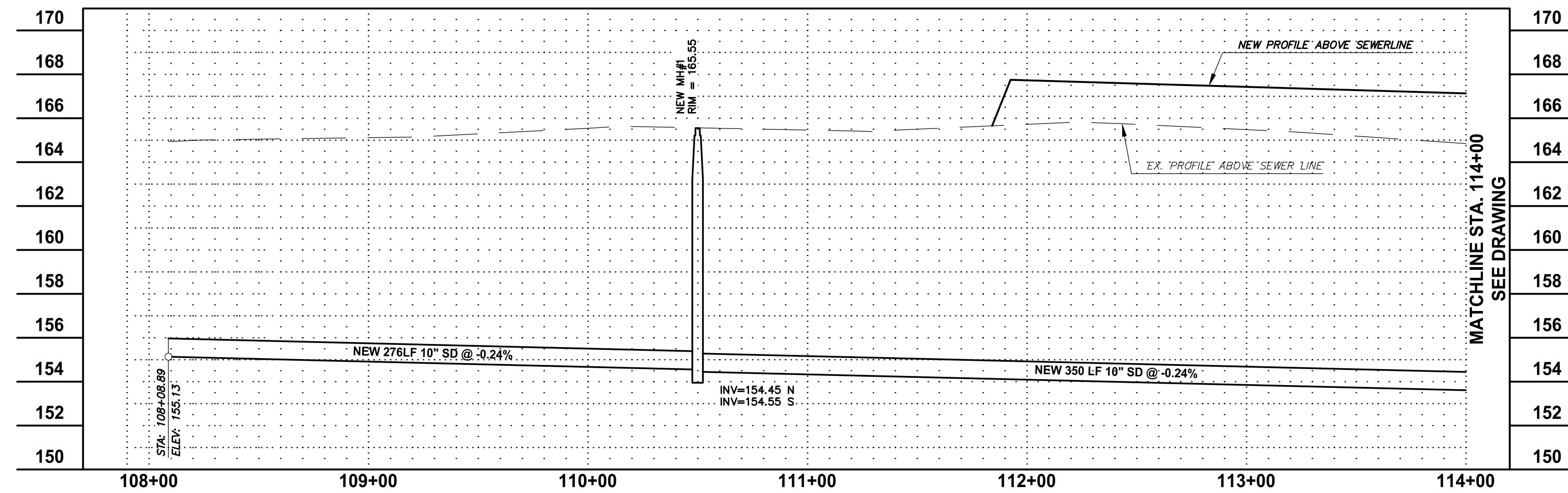
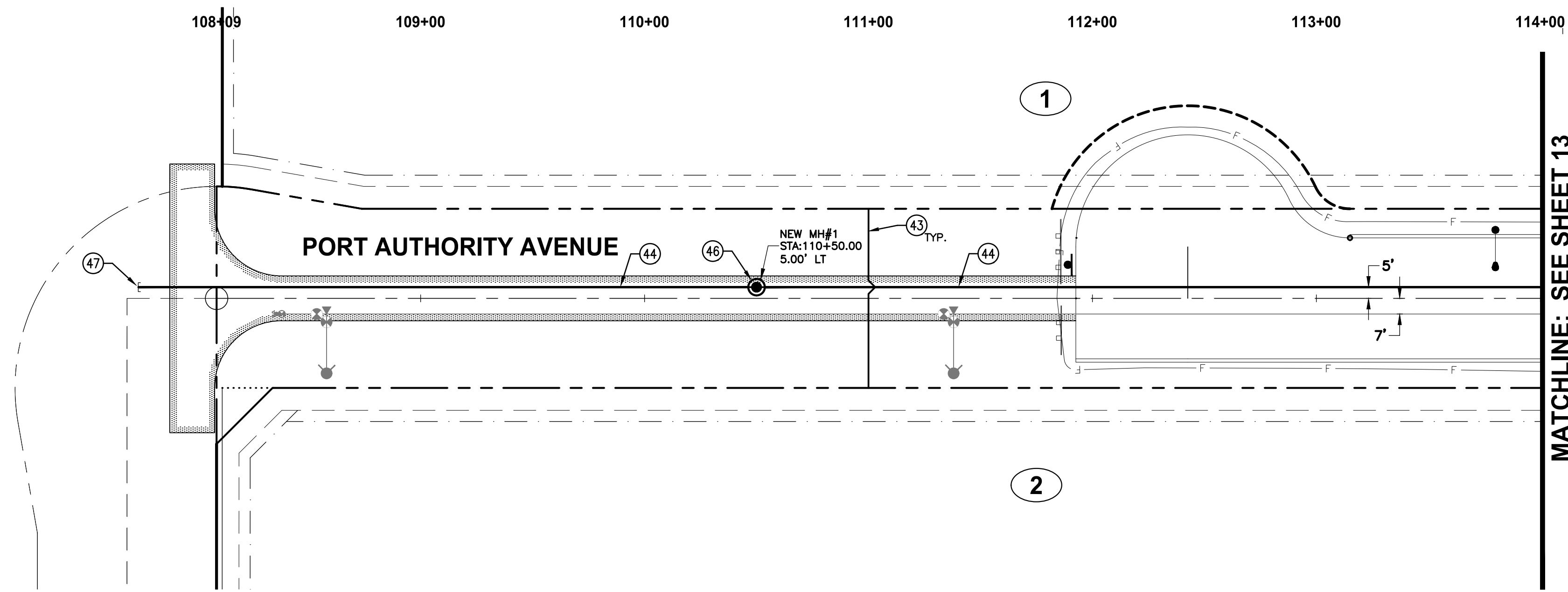
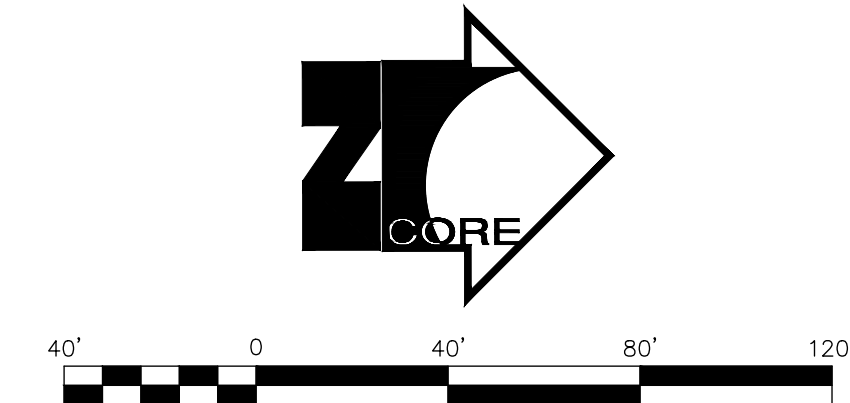
Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096

**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 AVE D - WATER PLAN & PROFILE**

DRAWING RECORD:	
No.	
DATE:	

Tue, 18 Feb 2020 3:38pm, Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot - Watssew.dwg, Core Engineering Group, PLLC



**SEWER SCHEDULE OF WORK**

- (41) 8" SDR 35 PVC SEWER LINE -COY STD NO. 5-010
- (42) 60" POLYMER MANHOLE -COY STD NO. 6-080
- (43) 6" SEWER SERVICE (TYP. ALL LOTS) -COY STD NO. 5-015
- (44) 10" SDR 35 PVC SEWER LINE -COY STD NO. 5-010
- (45) 8" WATER & SEWER CROSSING -COY STD NO. 5-005
- (46) 48" POLYMER MANHOLE -COY STD NO. 6-080 (SIM.)
- (47) WATERTIGHT CAP -COY STD NO. 6-090
- (48) ADJUST POLYMER MANHOLE TO FINAL GRADE -COY STD NO. 6-080

DRAWING RECORD:	
No.	
DATE:	

**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 PORT AUTHORITY - SEWER PLAN & PROFILE**

Professional Engineer  
 CERTIFICATE NO. 32329  
 DOUGLAS J. NICHOLLS  
 License No. 19-096

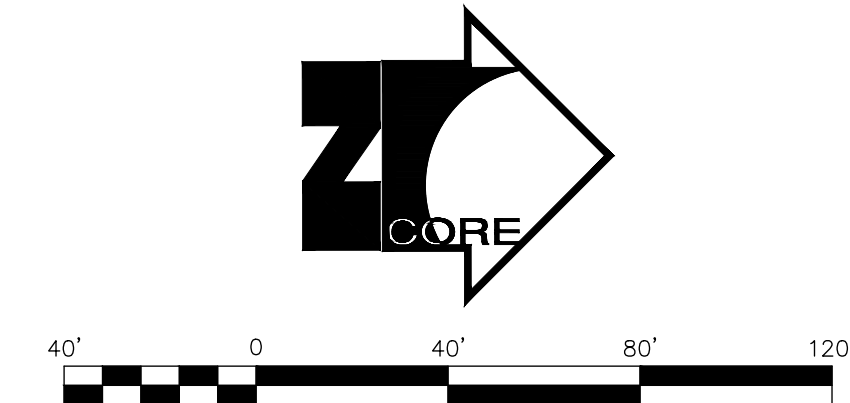
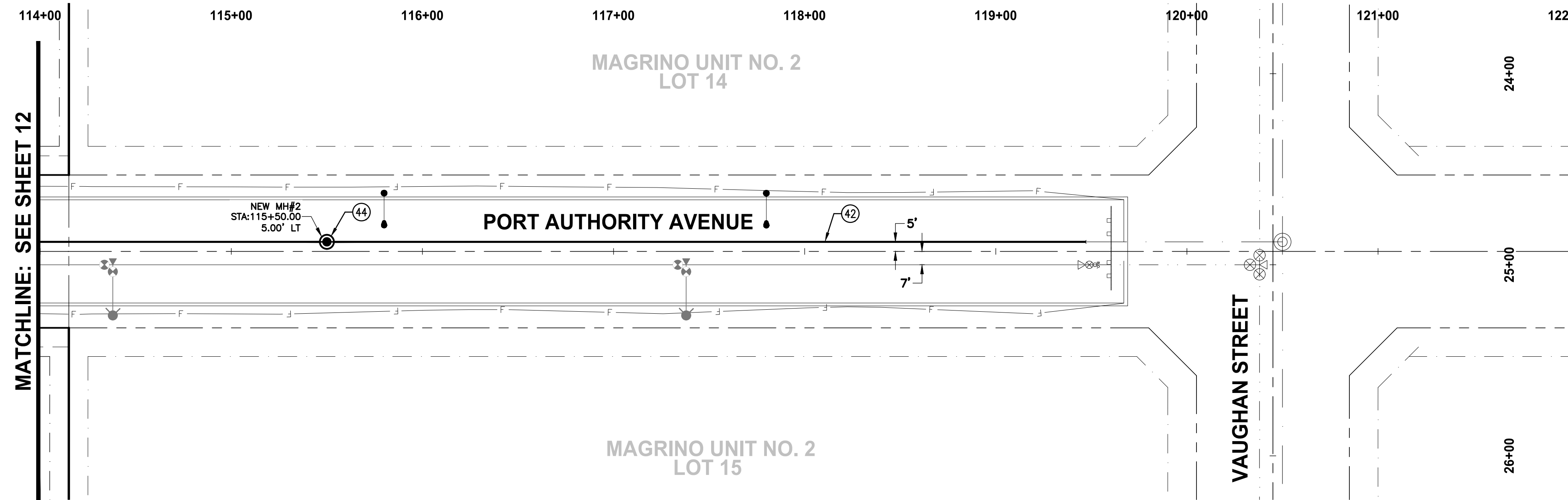
Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096



**UTILITY DISCLAIMER**

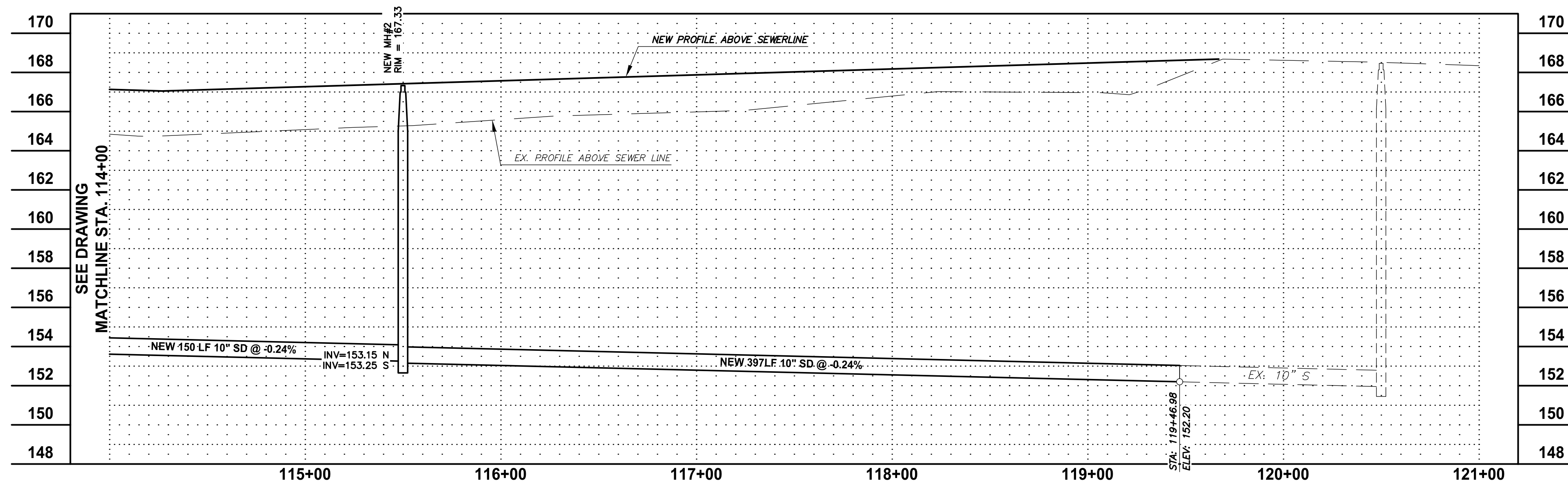
THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

Tue, 18 Feb 2020 3:39pm, Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot - Watsaw.dwg, Core Engineering Group, PLLC



**SEWER SCHEDULE OF WORK**

- (41) 8" SDR 35 PVC SEWER LINE -COY STD NO. 5-010
- (42) 60" POLYMER MANHOLE -COY STD NO. 6-080
- (43) 6" SEWER SERVICE (TYP. ALL LOTS) -COY STD NO. 5-015
- (44) 10" SDR 35 PVC SEWER LINE -COY STD NO. 5-010
- (45) 8" WATER & SEWER CROSSING -COY STD NO. 5-005
- (46) 48" POLYMER MANHOLE -COY STD NO. 6-080 (SIM.)
- (47) WATERTIGHT CAP -COY STD NO. 6-090
- (48) ADJUST POLYMER MANHOLE TO FINAL GRADE -COY STD NO. 6-080



**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 PORT AUTHORITY - SEWER PLAN & PROFILE**

Professional Engineer  
 CERTIFICATE NO. 32329  
 DOUGLAS J. NICHOLLS  
 Date Signed: 12/18/2019

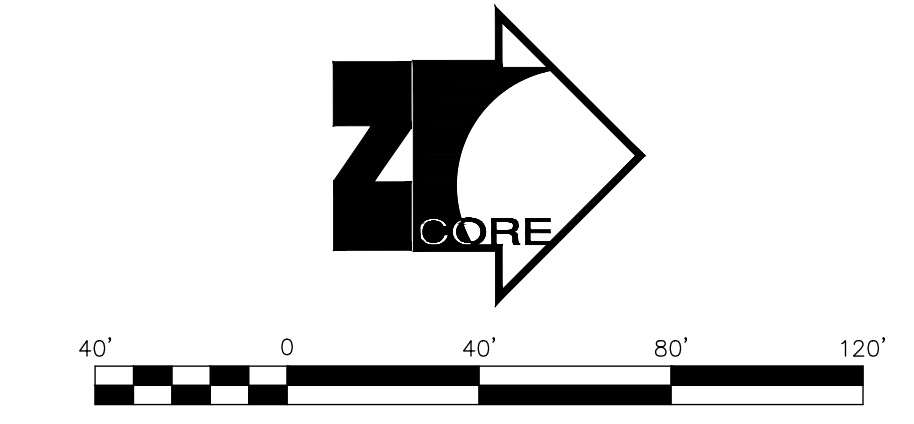
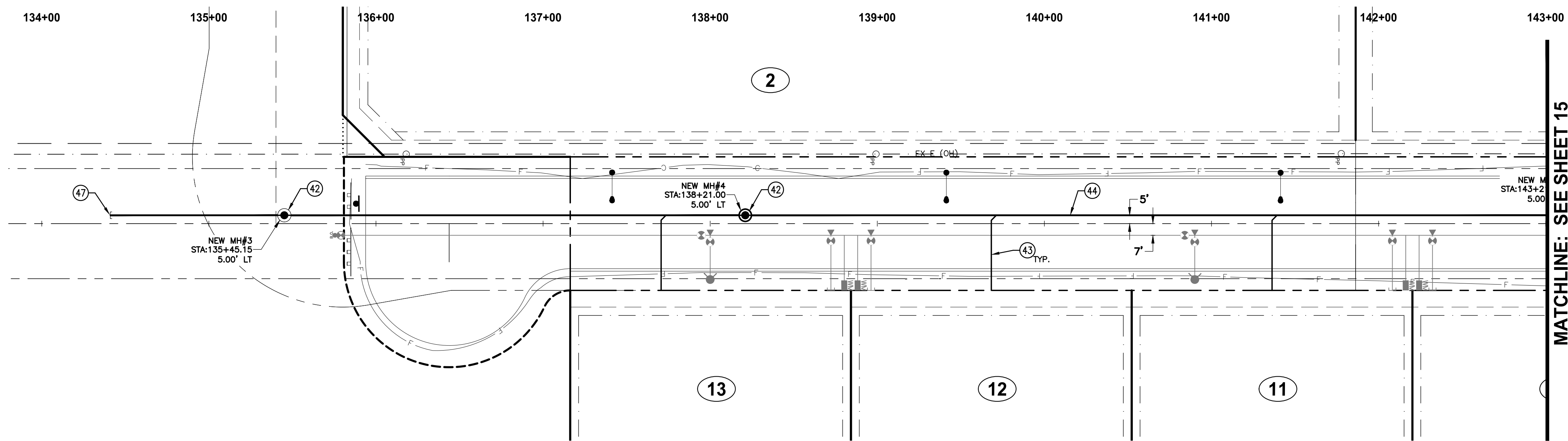
Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096



**UTILITY DISCLAIMER**

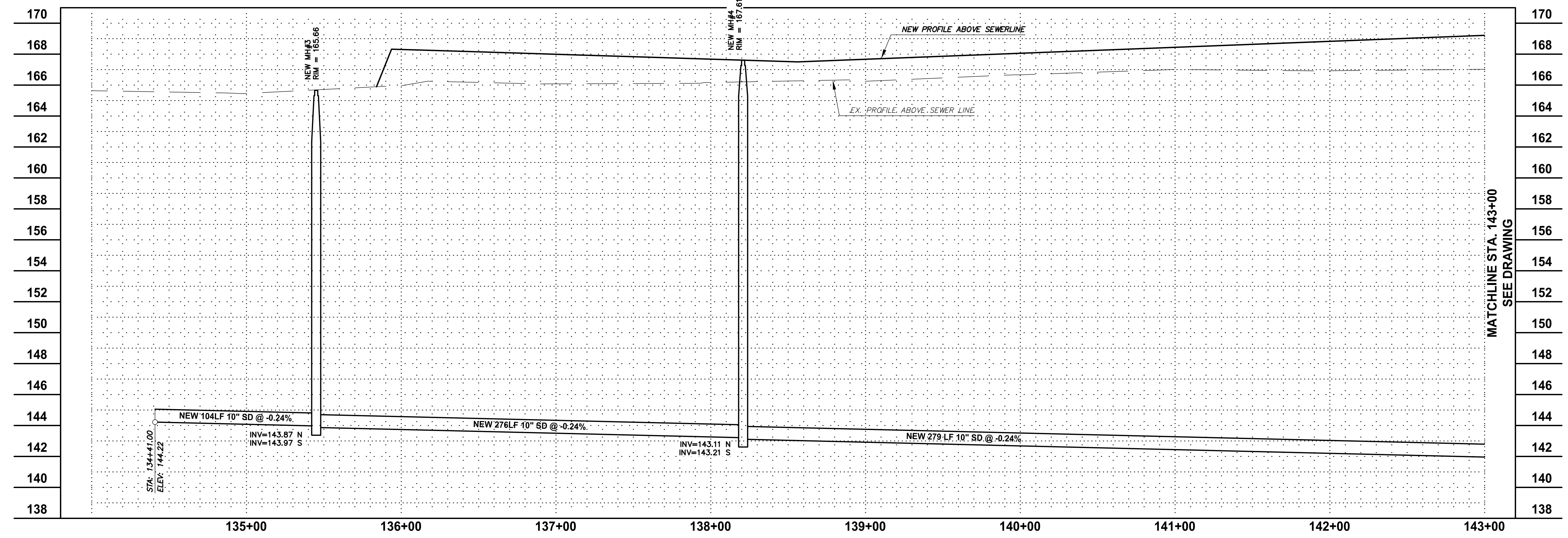
THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

Tue, 18 Feb 2020 3:39pm Z:\2019\19-096\Draws\Prelim Plot\19-096 Prelim Plot - Watssew.dwg Core Engineering Group, PLLC



**SEWER SCHEDULE OF WORK**

41	8" SDR 35 PVC SEWER LINE	-COY STD NO. 5-010
42	60" POLYMER MANHOLE	-COY STD NO. 6-080 -COY STD NO. 6-090
43	6" SEWER SERVICE (TYP. ALL LOTS)	-COY STD NO. 6-015 -COY STD NO. 5-015
44	10" SDR 35 PVC SEWER LINE	-COY STD NO. 5-010
45	8" WATER & SEWER CROSSING	-COY STD NO. 5-005
46	48" POLYMER MANHOLE	-COY STD NO. 6-080 (SIM.) -COY STD NO. 6-090
47	WATERTIGHT CAP	
48	ADJUST POLYMER MANHOLE TO FINAL GRADE	-COY STD NO. 6-080

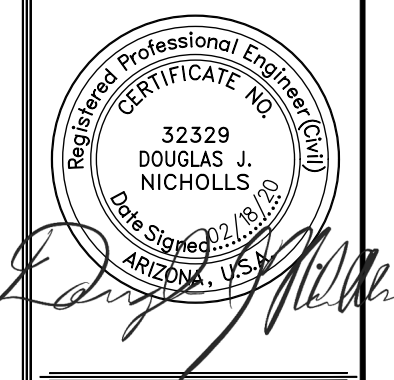


DRAWING RECORD:

No.	DATE:

**CORE ENGINEERING GROUP, PLLC**  
 200 East 16th Street, Suite 150  
 Yuma, AZ 85364  
 V - 928-344-5931 F - 928-344-5932  
 www.CoreEngineeringGroup.com  
 Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
 UNIT NO. 3  
 CITY OF SAN LUIS  
 YUMA COUNTY, ARIZONA  
 AVE D - SEWER PLAN & PROFILE**



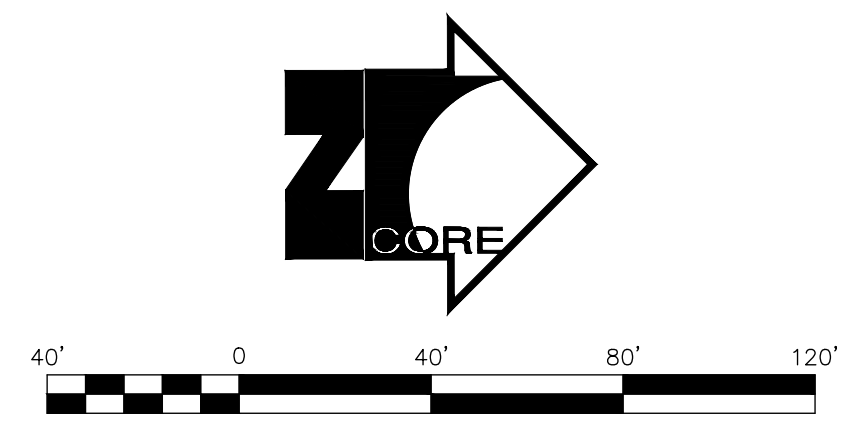
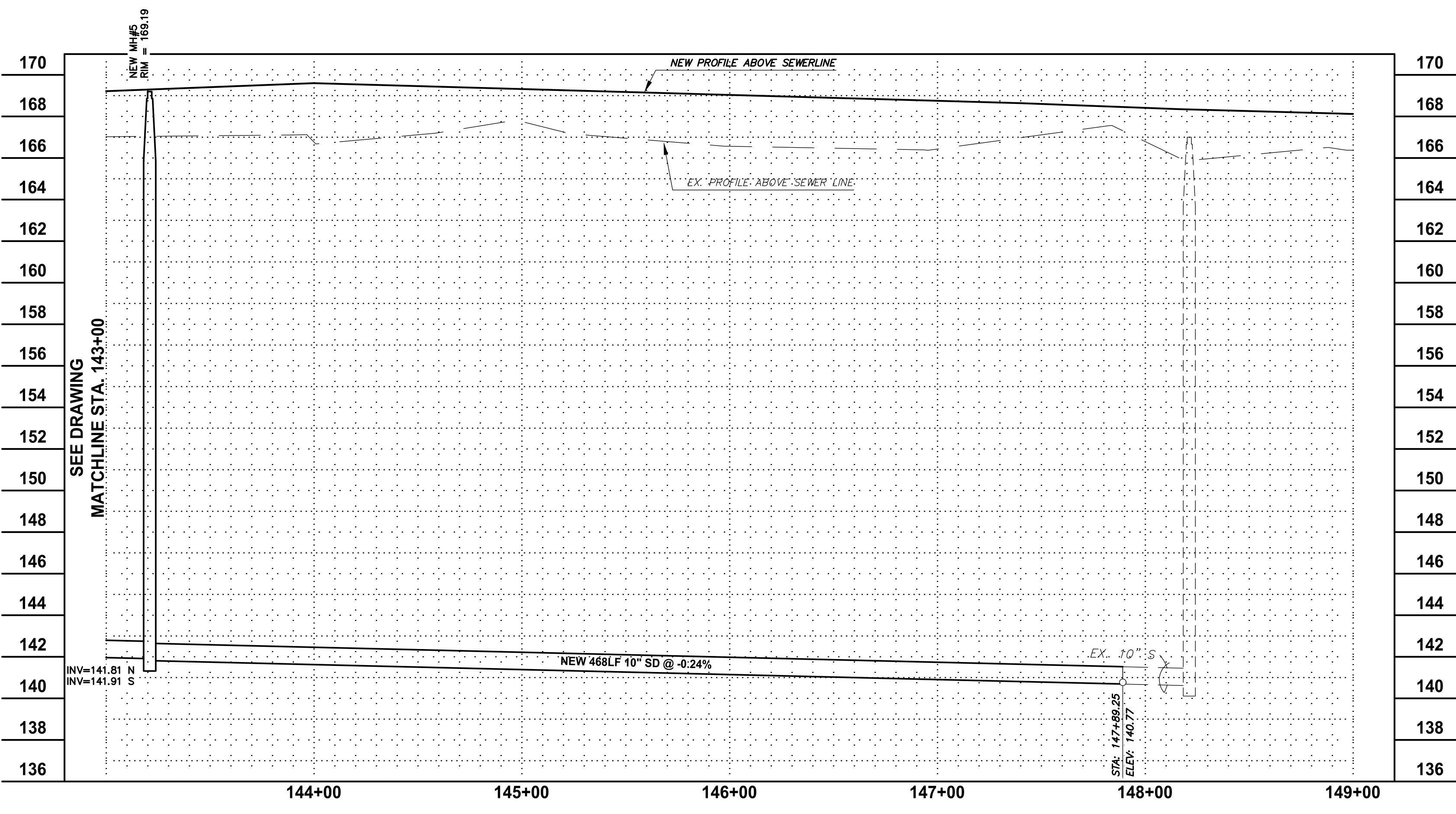
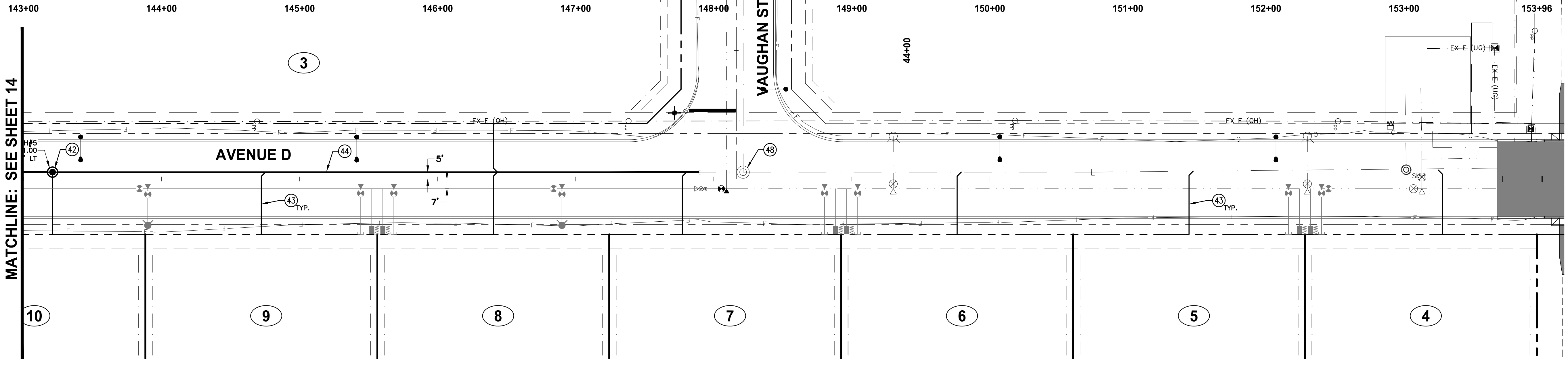
Date: DEC. 2019  
 Designed: K.L.B.  
 Drawn: J.M.G.  
 Checked: D.J.N.  
 Proj. No.: 19-096



**UTILITY DISCLAIMER**  
 THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

Tue, 18 Feb 2020 3:40pm Z:\2019\19-096\Draws\Prelim Pln\19-096 Prelim Pln\_Watsew.dwg Core Engineering Group, PLLC

MATCHLINE: SEE SHEET 14

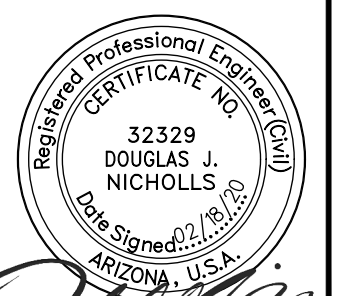


**SEWER SCHEDULE OF WORK**

- (41) 8" SDR 35 PVC SEWER LINE -COY STD NO. 5-010
- (42) 60" POLYMER MANHOLE -COY STD NO. 6-080  
-COY STD NO. 6-090
- (43) 6" SEWER SERVICE (TYP. ALL LOTS) -COY STD NO. 6-015  
-COY STD NO. 5-015
- (44) 10" SDR 35 PVC SEWER LINE -COY STD NO. 5-010
- (45) 8" WATER & SEWER CROSSING -COY STD NO. 5-005
- (46) 48" POLYMER MANHOLE -COY STD NO. 6-080 (SIM.)  
-COY STD NO. 6-090
- (47) WATERTIGHT CAP
- (48) ADJUST POLYMER MANHOLE TO FINAL GRADE -COY STD NO. 6-080

**UTILITY DISCLAIMER**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM THE FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.



Date: DEC. 2019  
Designed: K.L.B.  
Drawn: J.M.G.  
Checked: D.J.N.  
Proj. No.: 19-096

**CORE ENGINEERING GROUP, PLLC**  
200 East 16th Street, Suite 150  
Yuma, AZ 85364  
V - 928.344.5931 F - 928.344.5932  
www.CoreEngineeringGroup.com  
Core@core-e-g.com

**MAGRINO INDUSTRIAL PARK  
UNIT NO. 3  
CITY OF SAN LUIS  
YUMA COUNTY, ARIZONA  
AVE D - SEWER PLAN & PROFILE**

DRAWING RECORD:  
No. \_\_\_\_\_  
DATE: \_\_\_\_\_

THIS DRAWING AND THE DATA CONTAINED HEREON ARE THE PROPERTY OF CORE ENGINEERING GROUP, PLLC AND SHALL NOT BE USED, REPRODUCED OR TRANSMITTED, WITHOUT THE PRIOR EXPRESS CONSENT OF THE COMPANY, NOR SHALL ANY DATA OR INFORMATION CONTAINED HEREON BE USED IN A MANNER INCONSISTENT WITH THE PRIOR EXPRESS WRITTEN AUTHORIZATION OF THE COMPANY.





**Core Engineering Group, PLLC**

200 E. 16<sup>th</sup> Street, Suite # 150

Yuma, Arizona 85364

voice 928-344-5931

fax 928-344-5932

[www.CoreEngineeringGroup.com](http://www.CoreEngineeringGroup.com)

## **MEMORANDUM**

Date: February 13, 2020

To: Jose Guzman, Planner  
City of San Luis

From: Kevin L. Burge, P.E.

Re: Development Agreement  
Magrino Industrial Park Unit No. 3

Thank you for meeting with us yesterday. Pursuant to our discussion and on behalf of our client, GYPA, we would respectfully request the following items be included in the development agreement between the Greater Yuma Port Authority and the City of San Luis regarding the development of Magrino Industrial Park Unit No. 3:

1. Defer requirement for the improvement of the roadway depicted as “future” south of Lot 2 until the next unit is developed. This roadway may need to change as the GYPA in collaboration with GYEDC has recently courted other large industrial developments. By not building this roadway now, maximum flexibility remains for constructing it to the needs of a future developer. This will conservatively save approximately \$300,000 in construction costs.
2. Defer the extension of Port Authority Avenue to the southerly edge of Lot 1 until the next unit is developed. The roadway as currently proposed in construction plans provides the minimum required access to Lot 1 and Lot 2. Any further extension of it really isn't needed to access lots or improve function of the development. This will also provide similar savings, proportional to its length.
3. Defer the construction of the eastern screen wall Lots 4 – 13 for up to two years or until each respective one acre lot develops. This wall will be built but the Greater Yuma Port Authority would like to generate some revenue from sales of lots to help support the cost of construction of this element.

Please let myself, or our client Buna George/GYPA, know if you have any questions or concerns.



# City of San Luis

## Planning and Zoning Department

---

January 13, 2020

Core Engineering Group, PLLC  
200 E. 16<sup>th</sup> Street, Suite 150  
Yuma, Arizona 85364

Re: Subdivision Case No. 2019-0826F/ Magrino Industrial Park Unit No. 3

Kevin,

City staff has reviewed the final plat submitted regarding Magrino Industrial Park Unit No. 3, below are the City of San Luis comments:

**Planning and Zoning Department:**

1. Label future units as one lot.
2. Provide purpose of Tract A.
3. Applicant must submit the pending application signatures and notarized waiver as per A.R.S. Section 12-1134.
4. If applicable, owner must submit required improvement districts petitions.
5. Bonds or Assurances shall be submitted in accordance with Subdivision Regulations Section 6.2
6. Submit Evidence of Title as per Section 5.1.8.D of the Subdivision Regulations
7. Comply with Subdivision Regulation Section 5.1.8.A- protective covenants.
8. Provide protective fence on the east side of tract A and lot 4 through 13.

**City Engineer:**

1. Revise the boundary of the subdivision to include the "Future Units" area. Label the "Future Units" as a parcel (noting that a different parcel was already named "Future Units" in Unit 2.)
2. Purpose for Tract A is not given.

3. A 'Tract A1' is shown on Sheet 1 and is labeled as 'Tract D' on Sheet 2.
4. Line for US/Mexico border is missing.
5. Label new right-of-way along Tract A (sheet 2)
6. Add callouts for right-of-way and easements along east side of Avenue D (sheet 2.)
7. Show existing and new right-of-way along Vaughn Street on north side of Lot 3 (per GYPA/Magrino Lot Tie and Lot Split dedications.)
8. Dedicate right-of-way and improve full street along the south side of Lot 2
9. A temporary turnaround is shown on sheet 3 near the north end of Port Authority Avenue – improve entire length of Port Authority Avenue and install temporary turnaround to the south of Lots 1 and 2 (Only needed if comment No. 9 above goes away.)
10. Plat will need to be signed by all landowners (GYPA and Cocopah Indian Tribe.)

Improvement Plans:

1. Sheet 1 – Revise general note 1 to delete reference to Yuma County Standards and to instead reference City of San Luis Standards, which consist of City of Yuma Standard Details, MAG Specifications and City of San Luis Supplement.
2. Roadway Plans –
  - Provide roadway plans for the road on the south side of Lot 2. (Per Comment 8 above.)
  - Extend Port Authority Avenue roadway improvements to the south line of Lots 1 and 2
  - Schedule of Work Item 1 – Remove and stockpile ABC. Used ABC may not be use for City of San Luis roadways unless tested and meeting required specifications.
  - Schedule of Work Item 6 – 6' Screen Wall by Developers. Perimeter wall of subdivision to be constructed as a part of subdivision improvements.
  - Schedule of Work Item 15 – Provide cold joint for future removal. Do not provide cold joint – pavement will be sawcut for future roadway work.
  - Avenue D – Several low spot in the paving profile are detailed (between lots 5 and 6, 9 and 10, 12 and 13.) Ensure Avenue D is sufficiently above adjacent grades to allow for roadway flows to flow offsite. Note also that as Avenue D has ribbon curb that no longitudinal slope of the roadway is required.
3. Submit Drainage Report
4. Water Plans and Details –
  - Plans show water lines with up to about 7 feet of cover. Generally limit cover to no more than 5 feet to reduce future City maintenance expenses.
  - Extend water line on Avenue D to beyond limits of paving.
5. Sewer Plans –
  - Manholes shall be constructed of polymer concrete, per the City of San Luis Supplement.
  - Provide special designs as needed for deep manholes.
6. Roadway, Water and Sewer Details – Remove all references to Yuma County standards and specifications from the details. If Standard Details are reproduced on the plans (they do not need to be), clearly identify any modifications to the details.

7. Submit ADEQ approvals.
8. Submit Title Report.
9. Submit CC&R's.

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  
Director of Planning and Zoning



## AGENDA ITEM REVIEW FORM

### Regular City Council Meeting

9.

Meeting Date: 02/26/2020

Department Head: Sonia Cornelio, City Clerk, City Clerk's Office

Submitted By: Sonia Cornelio, City Clerk, City Clerk's Office

Action Requested: Motion

#### ITEM:

#### **EXECUTIVE SESSION**

Vote to hold an Executive Session pursuant to A.R.S. §§38-431.03(A)(1) and 38-431.03(A)(3)

Discussion and possible action to hold an executive session pursuant to A.R.S. §§38-431.03(A)(1) and 38-431.03(A)(3) on any and all matters relating to the position of Director of Public Works and the employment, assignment, appointment, and/or salaries of that position and/or discussion and legal advice with the attorney or attorneys of the city regarding same. **(Council Members Gloria Torres, Jose Ponce and Africa Luna-Carrasco)**

#### SUMMARY:

Council Members Gloria Torres, Jose Ponce and Africa Luna-Carrasco requested that this item be placed on the Agenda for February 26, 2020.

see attachment for signature

\_\_\_\_\_  
Gloria Torres, Council Member

see attachment for signature

\_\_\_\_\_  
Jose Ponce, Council Member

see attachment for signature

\_\_\_\_\_  
Africa Luna-Carrasco, Council Member

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO HOLD AN EXECUTIVE SESSION PURSUANT TO A.R.S. §38-431.03(A) SUBSECTIONS (1) AND (3).**

N/A

#### 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 associated with this item.

---

---

**Attachments**

AIR Form with signatures

---

---



# AGENDA ITEM REVIEW FORM

**Regular City Council Meeting**

**9. C.**

**Meeting Date:** 02/26/2020

**Department Head:** Sonia Cornelio, City Clerk, City Clerk's Office

**Submitted By:** Sonia Cornelio, City Clerk, City Clerk's Office

**Action Requested:** Motion

**ITEM:**

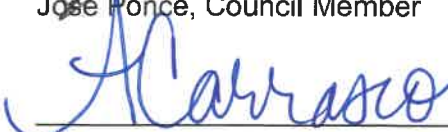
Discussion and possible action to hold an executive session pursuant to A.R.S. §§38-431.03(A)(1) and 38-431.03(A)(3) on any and all matters relating to the position of Director of Public Works and the employment, assignment, appointment, and/or salaries of that position and/or discussion and legal advice with the attorney or attorneys of the city regarding same. **(Council Members Gloria Torres, Jose Ponce and Africa Luna-Carrasco)**

**SUMMARY:**

Council Members Gloria Torres, Jose Ponce and Africa Luna-Carrasco requested that this item be placed on the Agenda for February 26, 2020.

  
\_\_\_\_\_  
Gloria Torres, Council Member

  
\_\_\_\_\_  
Jose Ponce, Council Member

  
\_\_\_\_\_  
Africa Luna-Carrasco, Council Member

**RECOMMENDATION / SUGGESTED MOTION:**

**I MOVE TO HOLD AN EXECUTIVE SESSION PURSUANT TO A.R.S. §38-431.03(A) SUBSECTIONS (1) AND (3).**

N/A

**Fiscal Impact**

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	n/a
<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 associated with this item.

---