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 6:00 p.m., Wednesday, February 12, 2025. The meeting will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349. 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 or 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 6:00 p.m., el día Miercoles, 12 de Febrero del 2025. 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 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, Actuaria de la Ciudad

AMENDED AGENDA ON 2/11/2025
PREVIOUSLY ITEM NO. 5.C. HAS BEEN REMOVED FROM THE CONSENT AGENDA, PLACED IT FOR DISCUSSION/ACTION AS ITEM NO. 6.B., ADDED ITEM NO. 6.I. AND RE-NUMBERED THE ITEMS ACCORDINGLY

AGENDA
Regular Meeting
San Luis City Council
Council Chambers
1090 E. Union Street
San Luis, AZ 85349
February 12, 2025
6:00 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.

TENGA EN CUENTA QUE LOS MIEMBROS DEL CABILDO DE LA CIUDAD ASISTIRÁN EN PERSONA, TELÉFONO O COMUNICACIÓN POR VIDEO CONFERENCIA. LA ALCALDESA O ALCALDE INTERINO DE ESTA REUNIÓN PUEDE CAMBIAR EL ORDEN DE LOS TEMAS; SI ESTÁ AUTORIZADO POR LA LEY Y POR MAYORÍA DE VOTOS DE UN QUÓRUM DE MIEMBROS DEL CABILDO PRESENTES, SE LLEVARÁ A CABO UNA SESIÓN EJECUTIVA INMEDIATAMENTE DESPUÉS DE LA VOTACIÓN DE ACUERDO CON LOS ESTATUTOS DEL ESTADO DE ARIZONA A.R.S. § 38-431.03 (A) Y LA REUNIÓN SERÁ TEMPORALMENTE RECESADA MIENTRAS EL CABILDO DE LA CIUDAD SE RETIRE A UNA SESIÓN EJECUTIVA QUE NO ESTARÁ ABIERTA AL PÚBLICO.

1. **CALL TO ORDER/ROLL CALL 6:00 P.M.**

2. **PLEDGE OF ALLEGIANCE**

3. **INVOCATION**

4. **PROCLAMATION/PRESENTATION**

4. A. Proclamation on Government Communicators Day - February 21, 2025 **Proclaimed**

4. B. Presentation of the 2025 State of Arizona Legislative Session Update. **Presentation Done**
(Armando Esparza, Director of Economic Development)

5. **CONSENT AGENDA**
All matters are considered to be routine by the City Council and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

5. A. **MINUTES OF** **Approved**
- Regular Council meeting held January 8, 2025

5. B. **DISBURSEMENTS** **Approved**
From January 16, 2025 to February 5, 2025
Total $3,896,213.16
(Three Million, Eight Hundred Ninety-Six Thousand, Two Hundred Thirteen Dollars and Sixteen 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 Annual Comprehensive Financial Report for the City of San Luis, Fiscal Year Ended June 30, 2024. **(Roula Encinas, Director of Finance and Heinfeld, Meech & Co., P.C.)** **Approved**

6. B. Discussion and possible action on any and all matters regarding the appointment of a member to serve on the Greater Yuma Port Authority (GYPA). **(Jenny Torres, Acting City Manager)** **Approved**

6. C. Discussion and possible action on any and all matters regarding the purchase of a manufactured restroom unit for the East Community Park. **(Angelica Roldan, Director of Parks and Recreation)** **Approved**

6. D. Discussion and possible action on any and all matters regarding the authorization to purchase a 60-foot Sabre Model S3TL self-supporting Category VI tower. **(Fernando Corona, IT Manager)** **Approved**

6. E. Discussion and possible action on any and all matters regarding the authorization to purchase fabrication of a shelter for the essential protection of communication and radio repeater equipment as part of radio service for first responders. **(Fernando Corona, IT Manager)** **Approved**

6. F. Public Hearing followed by discussion and possible action on any and all matters regarding the recommendation of a Special Event Liquor License Application to the Arizona Department of Liquor Licenses and Control to authorize the San Luis FRONTERA Rotary Club to sell alcohol at the Rotary Royale Casino Night on April 11, 2025. **(Marcos Ramirez, San Luis FRONTERA Rotary Club)** **Approved**

A. Staff and/or Applicant presentation
B. Open Public Hearing
C. Call to the public on this item
D. Close Public Hearing
E. Action on Special Event Liquor License Application to the Arizona Department of Liquor Licenses & Control

6. G.	Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2025-01. 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. **(Damian Miller, Police Lieutenant)**	**Approved**
6. H.	Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2025-02. 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. **(Damian Miller, Police Lieutenant)**	**Approved**
6. I.	Discussion and possible action on any and all matters regarding Resolution No. 2353. A resolution of the Mayor and City Council of the City of San Luis, Arizona, reducing the City Council Members' pay by fifty percent and amending the City of San Luis Personnel Policies to remove City Council Members from dental and vision care coverage paid by the city; establishing an effective date; repealing any conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)**	**Disapproved**
6. J.	Discussion and possible action on any and all matters regarding Resolution No. 2352. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing the Acting City Manager to release the June 22, 2022, lien on land (approved by Resolution No. 2222) upon the adequate substitute assurances for Los Mezquites Subdivision. **(Kay Marion Macuil, City Attorney)**	**Approved**
6. K.	Discussion and possible action on any and all matters regarding Ordinance No. 459. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending Ordinance No. 455; requiring dog licenses; repealing conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)** A. Action on Reading of Ordinance No. 459 by title only B. Action on Ordinance No. 459	**Approved**
7.	**SUMMARY OF CURRENT EVENTS** Events by Mayor, Council Members and/or City Manager pursuant to A.R.S. § 38-431.02 (K).	**Informational Update**

8. **CALL TO THE PUBLIC** — **No Legal Action Permitted**

This is the time for the public to comment. Under A.R.S. § 38-431.01(I), Members of the City Council shall not discuss or take legal action on matters raised during an open call to the public that are not properly noticed on this agenda for discussion and legal action. At the conclusion of an open call to the public, individual Members of the City Council may respond to criticism made by those who have addressed the City Council, may ask staff to review a matter, or may ask that a matter be put on a future agenda.

9. **ADJOURNMENT 7:25 P.M.**

PROCLAMATION

Regular City Council Meeting **4. A.**

Meeting Date: 02/12/2025

Title:

Proclamation on Government Communicators Day - February 21, 2025

Attachments

Proclamation

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Proclamation

GOVERNMENT COMMUNICATIORS DAY
February 21, 2025

WHEREAS, the role of government communications professions is to inform, educate and engage their communities; and

WHEREAS, robust communication in government creates trust and inspires residents to take action and be involved; and

WHEREAS, government communications create relationships and calls to action, build awareness and understanding through storytelling, engage and foster engagement on civic issues and use all channels to include people in critical decisions; and

WHEREAS, it is essential to have strong communications in government because it is a foundational element of living in a democracy where citizens have the freedom to make their voice heard; and

WHEREAS, the City of San Luis is proud and has deep gratitude and recognition for government communicators' professionalism, dedication, hard work, commitment, enthusiasm and sacrifice.

NOW, THEREFORE, BE IT RESOLVED, that, I, Nieves Riedel, Mayor of the City of San Luis, Arizona, do hereby proclaim February 21, 2025, as **"Government Communicators Day"** and encourage all residents to thank the members of the Communications Division who have dedicated their careers to ensure the City of San Luis has effective, impactful and successful communication strategies that resonate and are relevant.

DATED this **12th** day of **February 2025**.

_____
Nieves Riedel, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

PRESENTATION

Regular City Council Meeting **4. B.**

Meeting Date: 02/12/2025

Submitted By: Armando Esparza, Economic Development

Presentation Topic/Summary:

Presentation of the 2025 State of Arizona Legislative Session Update. **(Armando Esparza, Director of Economic Development)**

Attachments

Presentation

FIFTY-SEVENTH LEGISLATURE
UPDATE



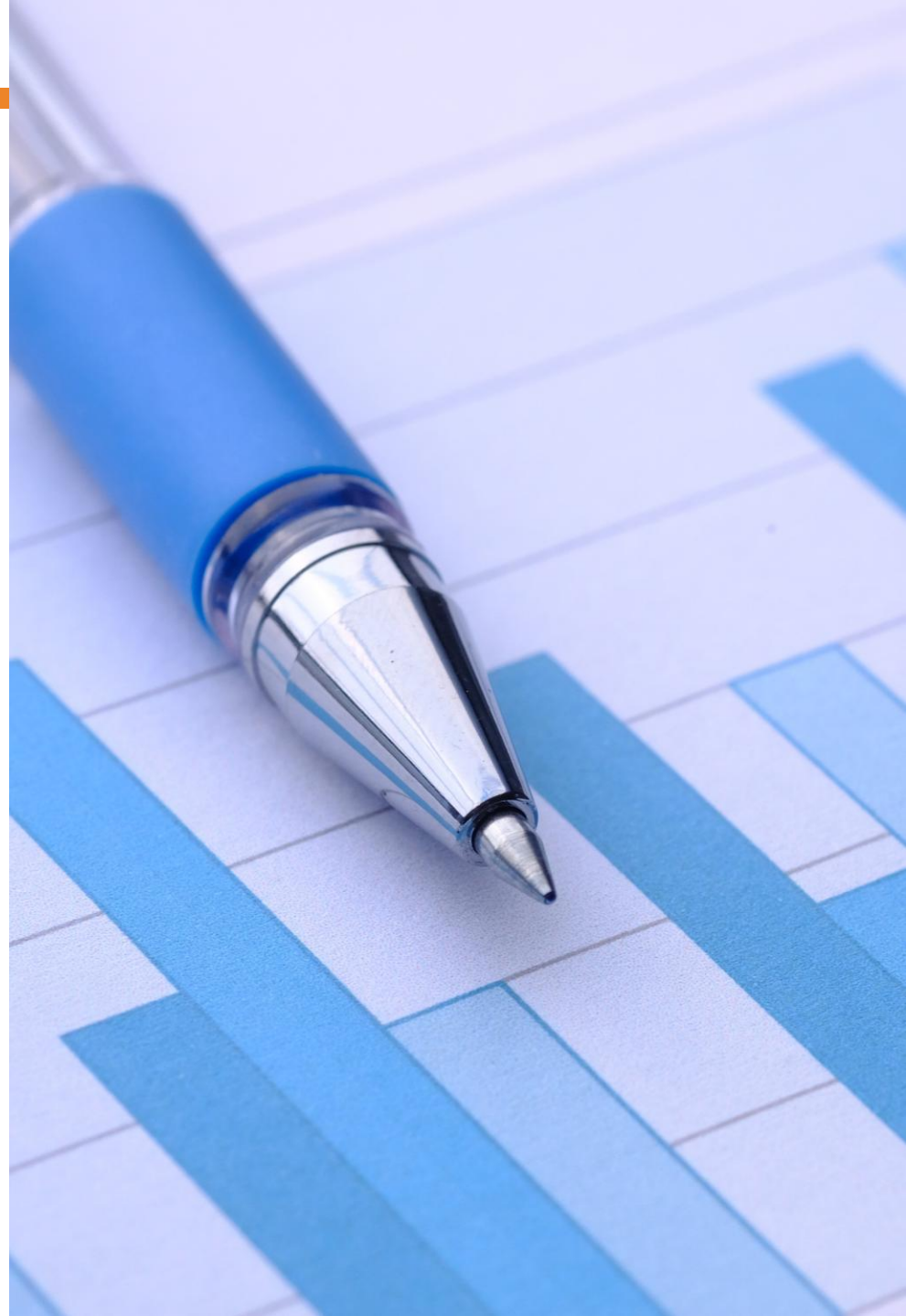
LEGISLATIVE SESSION OVERVIEW



- **Start of Session:** January 13, 2025
- **Bills Introduced:**
  - House Bills: 802
  - Senate Bills: 733
  - Resolutions/Memorials: 109
  - **Total Measures:** 1,644
- **Key Deadlines:**
  - Senate Bill Introduction Deadline: **February 10**
  - House Bill Introduction Deadline: **February 10**
  - Last Day to Hear Bills in Chamber of Origin: **February 21**
  - Last Day to Hear Bills in Opposite Chamber: **March 28**
  - Last Day for Conference Committees: **April 18**
  - 100th Day of Legislative Session: **April 22**

MUNICIPAL FINANCE

- **HCR2021 – Food; Municipal Tax; Exemption**
  - Proposes to exempt food items from municipal transaction privilege taxes, impacting city revenue streams.
  - League Position: Opposed – removes a critical local revenue source that funds essential services.
- **SB1013 – Municipalities; Counties; Fee Increases; Vote**
  - Requires a two-thirds supermajority vote for local governments to raise fees, taxes, or assessments.
  - League Position: Opposed – limits financial flexibility for cities and towns.
- **SCR1008 – Municipalities; Counties; Vote; Fee Increases**
  - Declares that fee increases are a statewide concern and limits local control.
  - If passed, the measure will be on the 2026 ballot.
  - League Position: Opposed – removes local decision-making power.
- **SB1318 – Income Tax Rate Reduction; Surplus**
  - Establishes a mechanism to reduce individual income tax rates annually using 50% of the state's structural surplus.
  - League Position: Opposed – impacts local government funding and essential services.



ZONING & HOUSING



- **HB2371 / SB1229 – Planning; Home Design; Restrictions**
  - Limits municipal authority over home design, lot sizes, and zoning.
  - Cities argue it removes local control over responsible development.
  - League Position: Opposed – broad, top-down mandates fail to consider local needs.
- **SB1698 – Municipalities; Starter Homes Development**
  - Alternative to SB1229 – requires homes to be sold to those earning ≤120% of area median income.
  - Includes a 15-year deed restriction to prevent speculative investors.
  - League Position: Supported – promotes affordability while maintaining responsible planning.

PUBLIC SAFETY

- **HB2221 – Law Enforcement; Defunding; Prohibition**
  - Prevents cities from reducing police budgets from the previous year.
  - If cuts occur, the State Treasurer will withhold shared revenues.
  - League Position: Opposed – removes budget flexibility for local governments.
- **SB1019 – Photo Enforcement Ban**
  - Bans red-light cameras and speed enforcement cameras statewide.
  - League Position: Opposed – cities use these for traffic safety.



ECONOMIC DEVELOPMENT



- **HB2118 – TPT; Sourcing; Business Location; Receipt**
  - Modifies tax collection rules for businesses operating in multiple locations.
  - League Position: Opposed – could impact local revenue streams.
- **HB2596 – Municipal Improvement Districts; Authorization**
  - Expands municipal authority to create improvement districts that can fund infrastructure and economic development projects.
  - League Position: Supported – gives cities more tools to support local development.

NEXT STEPS

- **Monitor Key Bills:** League will continue tracking municipal-impact legislation.
- **Engage with Legislators:** Cities should continue advocacy efforts.
- **Stay Informed:** Regular updates from the League of Arizona Cities and Towns.
- **Attend Governor Hobbs State of the State:**
  - $10M for border security under the Local Border Support Program.
  - New semiconductor manufacturing initiatives.
  - $13M for rural transportation projects (SMART Fund).
  - Expansion of BuildItAZ for workforce training and apprenticeships.
  - $2M for expanding state land auctions to encourage commercial and industrial development.



THANK YOU

Questions or Comments









AGENDA ITEM REVIEW FORM

Regular City Council Meeting **5. A.**

Meeting Date: 02/12/2025

Summary

MINUTES OF

- Regular Council meeting held January 8, 2025

Attachments

1/8/2025 RCM

M I N U T E S
Regular Council Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
San Luis, AZ 85349
January 8, 2025
6:00 p.m.

1. CALL TO ORDER/ROLL CALL

Mayor Nieves Riedel called the Regular City Council meeting to order at approximately 6:00 p.m.

PRESENT:
Mayor Nieves Riedel
Vice Mayor Tadeo Azael De La Hoya
Council Member Luis E. Cabrera
Council Member Maria Cecilia Cruz
Council Member Esteban Rosales
Council Member Lizeth Servin
Council Member Javier Vargas

OTHERS PRESENT:
Jenny Torres, Acting City Manager
Kay Macuil, City Attorney
Sonia Cornelio, City Clerk
Adela Cortez, Director of Human Resources
Adriana Garcia, Human Resources Manager
Angel Ramirez, Fire Chief
Angelica Roldan, Director of Parks & Recreation
Antonio Maldonado, Multimedia Production & Operations Specialist
Antonio Sandoval, Water Operations Manager
Armando Esparza, Director of Economic Development
Danae Figueroa, Magistrate
Edgar Esparza, Billing & Collections Manager
Eduardo Zatarain, Heavy Equipment Operator
Eulogio Vera, Director of Public Works
Francia Alonso, Public Information Officer
Glenn Gimbut, Assistant City Attorney
Heriberto Vargas, Public Works Manager
Johnnie Morris, Fire Battalion Chief
Jorge Perez, Assistant Director of Public Works
Jose Guzman, Director of Development Services
Lizette Varela, Assistant Director of Parks & Recreation
Maria Muñoz, Human Resources Analyst
Maria Sabori, Risk Manager
Melissa Lopez, Deputy City Clerk

Miguel Ramirez, Finance Accounting Manager
Nerys Martinez, Acting Water Systems Operator III
Nigel Reynoso, Chief of Police
Olivia Jenkins, Administrative Services Manager
Oscar Barnett, Project Manager
Roula Encinas, Director of Finance
Tomas Sanchez, City Engineer
Victor De La Torre, Safety Officer
Xochitl Lopez, Administrative Coordinator
Yolanda Dueñas, Facilities Supervisor
Alberto Leon, Resident
Cesar Neyoy, Reporter
Christian Cuevas, Translator
Columba Nuñez, Resident
Fabher Sanchez, Resident
Guillermina Fuentes, Resident
Irma Zatarain, Resident
Luis Marquez, Resident
Maria Robles, Resident
Mark Concha, Resident

2. PLEDGE OF ALLEGIANCE

Council Member Luis E. Cabrera led the Pledge of Allegiance.

3. INVOCATION

Mr. Nigel Reynoso, Chief of Police, led the invocation.

4. PROCLAMATION/PRESENTATIONS

4. A. National Human Trafficking Awareness and Prevention Month - January 2025

Mrs. Sonia Cornelio, City Clerk, read the proclamation by title only.

4. B. Presentation of retirement plaque to Eduardo Zatarain for his 32 years of service to the City of San Luis. (Eulogio Vera, Director of Public Works)

Mr. Eulogio Vera, Director of Public Works, presented Mr. Zatarain with a retirement plaque for his years of service.

The Mayor and City Council thanked and congratulated Mr. Zatarain.

Mr. Zatarain thanked the Mayor, City Council, co-workers, public and his family stating it was an honor for him to have served the community for 32 years and thanked them for their support.

4. C. Presentations followed by discussion on any and all matters regarding the end of the calendar year report by city departments on capital projects, programs, and services offered to our community. (Department Heads)

The Departments of Billing & Collections, City Attorney & Prosecutor, City Clerk, Court, Development Services, Economic Development, Human Resources & Risk Management and Parks & Recreation provided their department's programs, services and accomplishments for the calendar year 2024. The PowerPoint Presentations are attached to the complete Agenda filed at the City Clerk's Office.

5. CONSENT AGENDA

5. A. MINUTES OF
- Special Council meeting held November 20, 2024
- Work Session held December 4, 2024

5. B. DISBURSEMENTS
From December 5, 2024 to December 31, 2024
Total $3,858,587.75 (Three Million, Eight Hundred Fifty-Eight Thousand, Five Hundred, Eighty-Seven Dollars and Seventy-Five Cents)

MOTION: Council Member Javier Vargas/Vice Mayor Tadeo Azael De La Hoya to approve the Consent Agenda as presented. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Tadeo Azael De La Hoya	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Esteban Rosales	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye

6. DISCUSSION AND POSSIBLE ACTION ITEMS:

6. A. Discussion and possible directions to staff on any and all matters regarding the City of San Luis Community Grant Program to provide direct monetary grants to help further non-profit organizations and government entities for projects and activities that provide health and other human services which improve the quality of life for San Luis residents. (Olivia Jenkins, Administrative Services Manager; Kay Macuil, City Attorney; Jenny Torres, Acting City Manager)

Ms. Olivia Jenkins, Administrative Services Manager, said this is a follow-up on a presentation that was made in April 2024 during the city's Budget Retreat regarding the City Council's contributions to entities and organizations who had normally been awarded a monetary assistance.

The research done by staff was to look for other communities that had similar or same processes to award funding for projects within the community. The City of Avondale and the Town of Tolleson were simple, clear and to the point. In the past, the City Council had awarded contributions to entities and agencies. With the proposed new program and procedures, staff will create a system where there is an application process that will open at the beginning of the year and this will provide enough time for a committee to review the applications. She explained the process of the review by the committee composed of three (3) members; one (1) from the Finance Department, one (1) from the Administration and one (1) from the City Council. The dollar amount to be requested is not to exceed $5,000.00 per entity. Staff is recommending a method for the City Council to recommend each fiscal year a budget amount to be considered during the budget retreat. Entities or agencies that have a contract with the city will not have to go through this process.

There was some discussion, questions and answers amongst the City Council and Ms. Jenkins regarding deadlines and process.

This was an informational item only, therefore no action was needed from the City Council.

6. B. Discussion and possible action on any and all matters regarding the continuing temporary staffing services through Hire Quest Inc. (Maria Muñoz, Human Resources Analyst)

Ms. Maria Muñoz, Human Resources Analyst, indicated that the City of San Luis has contracted Hire Quest, Inc., since August 2022. This is a temporary staffing agency to assist the different departments when staffing shortages occur, for special projects or events. Applicants go through the regular recruitment process. Over the last couple of years, they have provided temporary service in the administrative field and manual labor. The city has had some temporary staffing employees that have applied and have been hired by the city. Staff is asking for the City Council to ratify a few purchase orders for Public Works and Prosecutor's Office.

MOTION: Council Member Javier Vargas/Council Member Luis E. Cabrera to approve the use of HireQuest temporary services, ratify purchase orders for the Fiscal Year 2025 described in this agenda item with its attachments, and waive formal purchase procedure under City Code § 3.05.020(F) for the reasons presented. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Tadeo Azael De La Hoya	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Esteban Rosales	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye

6. C. Discussion and possible action on any and all matters regarding strategy for implementing salary adjustments. (Adela Cortez, Director of Human Resources)

Vice Mayor Tadeo Azael De La Hoya stated that given that when the agenda was distributed, the attachments to this item were not attached and did not have time to review the attachments that were added a day before. He recommended continuing this item to the next Regular Council meeting, given that whatever the majority of the City Council decides to approve, that it be retro pay as of January 1, 2025.

MOTION: Vice Mayor Tadeo Azael De La Hoya/Council Member Javier Vargas to continue this item to the next Regular Council meeting provided that whatever is approved by the majority of the City Council that night be retro pay to the employees as of January 1, 2025, and that the City Council gets the full report on it. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Tadeo Azael De La Hoya	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Esteban Rosales	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye

Council Member Luis E. Cabrera commented that just like it has been mentioned in the past, that any agenda items that are posted contain all attachments when posting the agenda. If they are not attached to the agenda item, then just wait until the next Council meeting.

6. D. Discussion and possible action on any and all matters regarding a contract change order on electrical equipment for Well Site #5 New Well and Treatment Unit project. (Jorge Perez, Assistant Director of Public Works)

Mr. Jorge Perez, Assistant Director of Public Works, explained that the Public Works Department is working on a new well and treatment system located at Well Site No. 5 also known as the Public Works Yard. He added that this is a very complex project and it entails a lot of moving parts, hence the city decided to procure some of the equipment ahead of time to alleviate the long lead times. Mr. Perez mentioned some of the parts procured for this project. In April 2024, the City Counci approved the purchase of set electrical equipment that included three (3) major pieces of equipment: the generator, transfer switch and the service entrance section. The generator and transfer switch have been received and the service entrance section is still pending to be delivered in May. Staff wants to be proactive and is seeking other options and found a piece of equipment that is available.

Staff requested a quote and hopefully it can be traded for the one already ordered, but the price of that piece of equipment is too expensive, therefore staff could not move forward with recommending it to have the City Council authorize it. So staff contacted the provider, Specialty Electric, and they contacted their vendor Siemens and provided a proposal of $35,670.00 for an expedited delivery with a guaranteed shipping date of February 2025. If the City Council approves this, it will keep the construction contract on time within the funds the department has available this fiscal year. He added that they need to remove Well Site No. 1 located on 4th Avenue and Cesar Chavez Boulevard as part of the Cesar Chavez Boulevard project, but cannot do it until Well Site No. 5 is up and running.

MOTION: Council Member Luis E. Cabrera/Council Member Esteban C. Rosales to approve the proposed change order for Specialty Electric for the Well Site No. 5 project in the amount of $35,670.00 and the budget transfer for the reasons presented. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Tadeo Azael De La Hoya	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Esteban Rosales	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye

7. SUMMARY OF CURRENT EVENTS

There were no summaries of current events.

8. CALL TO THE PUBLIC

Ms. Guillermina Fuentes, 1630 N. 9th Avenue, San Luis, AZ, stated that as a citizen of this community, she asks the City Council to work for some type of resolution with the matter that will be discussed during executive session regarding Gethsemani Church, so that the city is not paying a lot money. Because this fight is more like a personal fight, the City Council has the ability and knowledge to take a decision without being forced. When people choses its governing body, it is because they are depositing their trust in them, that they will take the best decisions that will benefit the community and not only one (1) person. If the City Council was spending their own money on this matter, she does not believe that they would not want to negotiate a fight. The City Council's responsibility is to look for solutions and not keeping spending money that is not theirs. She respectfully reminded them that the people elected them to their seat to serve the community and not serve from it and none of them have the right to talk like if the city belonged to them. The city belongs to the people and the City Council.

9. EXECUTIVE SESSION:
(Vote to hold an Executive Session pursuant to A.R.S. §§ 38-431.03(A)(3), (4), and (7)

Discussion and possible action to hold an Executive Session pursuant to A.R.S. §§ 38-431.03(A)(3), (4), and (7) on any and all matters regarding the Gethsemani Food Ministry operations impacts and consultation for legal advice with the city attorneys including but not limited to possible directions including contract negotiations (under subsection (4)) or land lease (under subsection (7)) allowed in executive sessions. (Kay Marion Macuil, City Attorney; and Cameron Artigue, Outside Counsel)

10. EXECUTIVE SESSION
Vote to hold Executive Session pursuant to A.R.S. § 38-431.03(A) subsections (1), (3), and (4)
Discussion and possible action to hold an executive session pursuant to A.R.S. §§ 38-431.03(A)(1), (3), and (4) on any and all matters relating to the position and contract of the City Manager as delineated in the above-listed statutes and discussion and legal advice with the city attorney regarding same. (Kay Marion Macuil, City Attorney)

MOTION: Vice Mayor Tadeo Azael De La Hoya/Council Member Javier Vargas to go into Executive Session at approximately 7:51 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Tadeo Azael De La Hoya	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Esteban Rosales	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye

11. MOTION TO GO BACK INTO REGULAR SESSION

MOTION: Vice Mayor Tadeo Azael De La Hoya/Council Member Esteban C. Rosales to go back into Regular Session at approximately 9:05 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Tadeo Azael De La Hoya	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Esteban Rosales	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye

12. ADJOURNMENT

MOTION: Council Member Lizeth Servin/Council Member Javier Vargas to adjourn the Regular Council meeting at approximately 9:06 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Tadeo Azael De La Hoya	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Esteban Rosales	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye

APPROVED:

_____
Nieves Riedel, 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 of the City of San Luis, Arizona, held on January 8, 2025. I further certify that the meeting was duly 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: 02/12/2025

Summary

DISBURSEMENTS
From January 16, 2025 to February 5, 2025
Total $3,896,213.16
(Three Million, Eight Hundred Ninety-Six Thousand, Two Hundred Thirteen Dollars and Sixteen Cents)

Attachments

Disbursements

City of San Luis
Finance Department

COUNCIL MEETING FEBRUARY 12, 2025
Disbursement Report from 01/16/2025 TO 02/05/2025

Bank Accounts	Check Date	Amount	Schedule
Accounts Payable Check Account	01/17/2025	$ 1, 336,398.49	Schedule A
Payroll Check Account	01/24/2025	$ 6,026.74	Schedule B
Payroll Check Account	01/24/2025	$ 518,833.69	Schedule C
Payroll Check Account	01/24/2025	$ 4,805.53	Schedule D
Accounts Payable Check Account	01/24/2025	$ 1, 278,038.27	Schedule E
Payroll Check Account	01/30/2025	$ 540,913.61	Schedule F
Accounts Payable Check Account	01/30/2025	$ 211,196.83	Schedule G
	Total Disbursements:	**$ 3,896,213.16**	

Please contact Ms. Roula Encinas or Mr. Miguel Ramirez prior to the meeting if additional information is needed.

Prepared by Karla Plascencia: _____

Verified by Finance: Miguel Ramirez

For Council approval on: _____

Mayor: _____

Council: _____

_____

_____

_____

_____

_____

RECEIVED
2025 FEB 15 P 10:19
CITY OF SAN LUIS
OFFICE OF THE CITY CLERK

City of San Luis

Payment Register

From Payment Date: 1/13/2025 - To Payment Date: 1/17/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
111003	01/13/2025	Open			Accounts Payable	AT&T MOBILITY LLC	$9,084.20		
111004	01/13/2025	Open			Accounts Payable	ENTERPRISE FM TRUST	$755.68		
111005	01/15/2025	Open			Utility Management Refund	ALEGRIA, ALEJANDRA & FRANCISCO SILVA	$137.65		
111006	01/15/2025	Open			Utility Management Refund	AMEZCUA FELIX, RAUL	$51.01		
111007	01/15/2025	Open			Utility Management Refund	CABRERA, HUASCAR G & AIDA A CORNELIO	$185.28		
111008	01/15/2025	Open			Utility Management Refund	CARRILLO, GABRIEL & GIANNA	$91.16		
111009	01/15/2025	Open			Utility Management Refund	CONTRERAS, EDUARDO, E	$35.23		
111010	01/15/2025	Open			Utility Management Refund	DEL CAMPO, FLOR	$174.30		
111011	01/15/2025	Open			Utility Management Refund	DURAN NAVARRO, FERNANDO	$199.07		
111012	01/15/2025	Open			Utility Management Refund	EVELYN & PIZZAS AND BEER, LLC	$1,655.91		
111013	01/15/2025	Open			Utility Management Refund	GARCIA, FRANCISCO & CORTEZ , MARIBEL	$86.23		
111014	01/15/2025	Open			Utility Management Refund	GONZALEZ, SANDRA, YADIRA	$190.78		
111015	01/15/2025	Open			Utility Management Refund	HERAS, JESUS, AXEL	$52.97		
111016	01/15/2025	Open			Utility Management Refund	HERNANDEZ, JOSE F & KELLY HILL	$222.63		
111017	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$41.19		
111018	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$50.98		
111019	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$68.01		
111020	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$49.54		
111021	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$37.90		
111022	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$49.84		
111023	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$68.29		
111024	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #125	$76.70		
111025	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$68.35		
111026	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$77.74		
111027	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$54.57		
111028	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$68.39		

SCHEDULE A

City of San Luis

Payment Register

From Payment Date: 1/13/2025 - To Payment Date: 1/17/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
111029	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$65.47		
111030	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$65.39		
111031	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$47.76		
111032	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$42.38		
111033	01/15/2025	Open			Utility Management Refund	HOUSING AMERICA CORP GRP #126	$91.21		
111034	01/15/2025	Open			Utility Management Refund	KAKOURIS , KYLE A & SAMANTHA D	$174.14		
111035	01/15/2025	Open			Utility Management Refund	LIZARRAGA, ELEONOR & VICTOR A QUINTERO	$165.41		
111036	01/15/2025	Open			Utility Management Refund	LOPEZ, IMELDA	$194.13		
111037	01/15/2025	Open			Utility Management Refund	MENDEZ, JOSE, E	$65.01		
111038	01/15/2025	Open			Utility Management Refund	MONARREZ, MARIA, I	$222.81		
111039	01/15/2025	Open			Utility Management Refund	ORTEGA TORRES, MARTHA	$313.42		
111040	01/15/2025	Open			Utility Management Refund	RAMIREZ, ANILU	$5.60		
111041	01/15/2025	Open			Utility Management Refund	RODRIGUEZ, ISAAC, F	$123.73		
111042	01/15/2025	Open			Utility Management Refund	RUIZ, GLORIA C	$228.85		
111043	01/15/2025	Open			Utility Management Refund	SALCIDO , YOLANDA	$218.33		
111044	01/15/2025	Open			Utility Management Refund	SAMUEL, RIVAS	$140.79		
111045	01/15/2025	Open			Utility Management Refund	SANCHEZ, DIANA	$26.68		
111046	01/15/2025	Open			Utility Management Refund	SANCHEZ, ISSAMAR	$203.26		
111047	01/15/2025	Open			Utility Management Refund	SANCHEZ, PEDRO, A	$207.13		
111048	01/15/2025	Open			Utility Management Refund	SANTA CRUZ, EFRAIN	$51.62		
111049	01/15/2025	Open			Utility Management Refund	SANTILLAN , ELIZABETH	$125.19		
111050	01/15/2025	Open			Utility Management Refund	TRANSPORTES NENAS LLC / CO IRINEO MUJICA ARZATE	$220.98		
111051	01/15/2025	Open			Utility Management Refund	VALENZUELA, GERARDO & MARLEN	$109.06		
111052	01/15/2025	Open			Utility Management Refund	VILLA RODELO, ERIK	$258.51		
111053	01/15/2025	Open			Utility Management Refund	VILLA, LUIS FELIPE	$311.76		
111054	01/16/2025	Open			Accounts Payable	FOP/ALC	$420.00		

City of San Luis

Payment Register

From Payment Date: 1/13/2025 - To Payment Date: 1/17/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
111055	01/16/2025	Open			Accounts Payable	SAN LUIS POLICE OFFICERS ASSOC	$525.00		
111056	01/16/2025	Open			Accounts Payable	SUPPORT PAYMENT CLEARINGHOUSE	$3,202.79		
111057	01/16/2025	Open			Accounts Payable	UNITED WAY OF YUMA COUNTY INC.	$14.00		
111058	01/16/2025	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS ASSOC	$123.00		
111059	01/16/2025	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS-IAFF	$1,510.00		
111060	01/16/2025	Open			Accounts Payable	AIRGAS USA LLC	$364.39		
111061	01/16/2025	Open			Accounts Payable	ANGEL'S TOWING SERVICE/AUTO SALES	$705.00		
111062	01/16/2025	Open			Accounts Payable	ARIZONA PUBLIC SERVICE	$719.27		
111063	01/16/2025	Open			Accounts Payable	ARIZONA SUPREME COURT (AOC)	$18.00		
111064	01/16/2025	Open			Accounts Payable	ASCAP	$445.67		
111065	01/16/2025	Open			Accounts Payable	AYALA, SOCORRO	$91.00		
111066	01/16/2025	Open			Accounts Payable	AZUL CAFE LLC	$414.06		
111067	01/16/2025	Open			Accounts Payable	BOUND TREE MEDICAL, LLC.	$4,339.63		
111068	01/16/2025	Open			Accounts Payable	BRICENO, JUAN, M	$1,200.00		
111069	01/16/2025	Open			Accounts Payable	CNJ AUTO GLASS & WINDOW TINTING, LLC	$650.00		
111070	01/16/2025	Open			Accounts Payable	COMITE DE BIENESTAR INC	$2,500.00		
111071	01/16/2025	Open			Accounts Payable	CONSTRUCTION SUPPLY HOLDINGS II, LLC	$102.18		
111072	01/16/2025	Open			Accounts Payable	CRUZ, MARIA, CECILIA	$69.00		
111073	01/16/2025	Open			Accounts Payable	DE LA HOYA, TADEO	$155.05		
111074	01/16/2025	Open			Accounts Payable	DEFIORE, NICOLAS, DION	$200.00		
111075	01/16/2025	Open			Accounts Payable	ESCALANTE, ALVARO	$428.00		
111076	01/16/2025	Open			Accounts Payable	FELKNER, GIANA, VANESSA	$100.00		
111077	01/16/2025	Open			Accounts Payable	FERRELLGAS, LP	$523.24		
111078	01/16/2025	Open			Accounts Payable	GARCIA, ALDO	$388.00		
111079	01/16/2025	Open			Accounts Payable	GONZALEZ, KAROLINA	$104.00		
111080	01/16/2025	Open			Accounts Payable	GOV'INVEST INC	$6,685.79		
111081	01/16/2025	Open			Accounts Payable	HD SUPPLY, INC.	$2,911.11		
111082	01/16/2025	Open			Accounts Payable	HORIZON DISTRIBUTORS	$961.26		
111083	01/16/2025	Open			Accounts Payable	JAMES COOKE & HOBSON INC.	$4,265.81		
111084	01/16/2025	Open			Accounts Payable	JAY'S ELECTRIK LLC	$2,969.36		
111085	01/16/2025	Open			Accounts Payable	LA BODEGA, LLC	$528.68		
111086	01/16/2025	Open			Accounts Payable	LAGUNA, LIZETH	$91.00		
111087	01/16/2025	Open			Accounts Payable	LAWSON PRODUCTS INC.	$2,517.64		
111088	01/16/2025	Open			Accounts Payable	LEON, ALFREDO	$241.47		
111089	01/16/2025	Open			Accounts Payable	LIMON CAZARES, EMMA	$25.00		
111090	01/16/2025	Open			Accounts Payable	LOPEZ JUAREZ, ELVIRA	$500.00		
111091	01/16/2025	Open			Accounts Payable	LUNA, JUAN	$200.00		
111092	01/16/2025	Open			Accounts Payable	MARTIN'S CUSTOM CABINETS, LLC	$1,740.00		
111093	01/16/2025	Open			Accounts Payable	MILLER, DAMIAN	$291.00		
111094	01/16/2025	Open			Accounts Payable	MOTION INDUSTRIES, INC.	$3,929.18		
111095	01/16/2025	Open			Accounts Payable	MR. B'S BICYCLES	$240.01		
111096	01/16/2025	Open			Accounts Payable	PAWS AND TAILS FEED AND GRAIN LLC	$1,455.18		

City of San Luis

Payment Register

From Payment Date: 1/13/2025 - To Payment Date: 1/17/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
111097	01/16/2025	Open			Accounts Payable	PUBLIC RECORDS AND INFO MGMT GRP	$279.00		
111098	01/16/2025	Open			Accounts Payable	QUINONEZ, FRANCISCO	$195.00		
111099	01/16/2025	Open			Accounts Payable	RAMIREZ, ALEJANDRO	$104.00		
111100	01/16/2025	Open			Accounts Payable	REMINGTON INDUSTRIAL SUPPLY LLC	$346.68		
111101	01/16/2025	Open			Accounts Payable	REYNOSO, NIGEL	$91.00		
111102	01/16/2025	Open			Accounts Payable	ROBERT HALF INC.	$5,250.00		
111103	01/16/2025	Open			Accounts Payable	RUSH TRUCK CENTER	$743.15		
111104	01/16/2025	Open			Accounts Payable	SANCHEZ, GILBERTO	$200.00		
111105	01/16/2025	Open			Accounts Payable	SANTIAGO, JOSE	$428.00		
111106	01/16/2025	Open			Accounts Payable	SECURITY TITLE AGENCY, INC	$106,218.36		
111107	01/16/2025	Open			Accounts Payable	SOUTHWEST TURF SUPPLY	$9,415.02		
111108	01/16/2025	Open			Accounts Payable	TAFOYA, DANIEL	$104.00		
111109	01/16/2025	Open			Accounts Payable	TORNADO FENCE LLC	$5,175.00		
111110	01/16/2025	Open			Accounts Payable	TORRES, CARLOS	$97.56		
111111	01/16/2025	Open			Accounts Payable	TORRES, GILBERTO	$162.61		
111112	01/16/2025	Open			Accounts Payable	TURNER, KIMBERLY	$498.00		
111113	01/16/2025	Open			Accounts Payable	YUMA COURT REPORTERS LLC	$1,214.92		
111114	01/16/2025	Open			Accounts Payable	GEO-LOGIC ASSOCIATES, INC	$13,618.37		
111115	01/17/2025	Open			Accounts Payable	STANDARD INSURANCE CO.	$12,767.43		
Type Check Totals:					113 Transactions		$223,084.09		
EFT									
6814	01/13/2025	Open			Accounts Payable	AMAZON.COM SALES, INC.	$3,609.14		
6815	01/13/2025	Open			Accounts Payable	AUTOZONE STORES, INC	$3,870.03		
6816	01/13/2025	Open			Accounts Payable	O'REILLY AUTO PARTS	$2,935.36		
6817	01/13/2025	Open			Accounts Payable	ODP BUSINESS SOLUTIONS LLC	$3,409.92		
6818	01/15/2025	Open			Accounts Payable	DANA KEPNER COMPANY LLC	$412,349.12		
6819	01/16/2025	Open			Accounts Payable	24/7 GET FIT LLC	$1,215.00		
6820	01/16/2025	Open			Accounts Payable	ALLKIOSK LLC	$1,090.59		
6821	01/16/2025	Open			Accounts Payable	AMERICANA POLYGRAPH & PRIVATE INVESTIGATION	$875.00		
6822	01/16/2025	Open			Accounts Payable	B&H PHOTO & ELECTRONICS CORP.	$697.19		
6823	01/16/2025	Open			Accounts Payable	BILL ALEXANDER FORD	$541.47		
6824	01/16/2025	Open			Accounts Payable	BORDER GYM	$250.00		
6825	01/16/2025	Open			Accounts Payable	CDWG	$22,694.39		
6826	01/16/2025	Open			Accounts Payable	CONSULTANT ENGINEERING INC	$40,531.85		
6827	01/16/2025	Open			Accounts Payable	CORE ENGINEERING GROUP, PLLC	$525.00		
6828	01/16/2025	Open			Accounts Payable	CROWN AWARDS	$4,312.30		
6829	01/16/2025	Open			Accounts Payable	CUEVAS, CHRISTIAN	$112.50		
6830	01/16/2025	Open			Accounts Payable	DANA KEPNER COMPANY LLC	$87,255.32		
6831	01/16/2025	Open			Accounts Payable	DESERT VALLEY POWER SYSTEMS	$661.65		
6832	01/16/2025	Open			Accounts Payable	DESERT VALLEY SERVICES, INC	$25.12		
6833	01/16/2025	Open			Accounts Payable	DESERT WATER STORE INC	$36.52		
6834	01/16/2025	Open			Accounts Payable	FRESH TERRA SERVICES LLC	$76.00		
6835	01/16/2025	Open			Accounts Payable	HILL BROTHERS CHEMICAL CO.	$3,933.00		
6836	01/16/2025	Open			Accounts Payable	HIREQUEST LLC	$7,280.80		

City of San Luis

Payment Register

From Payment Date: 1/13/2025 - To Payment Date: 1/17/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
6837	01/16/2025	Open			Accounts Payable	HUMANE SOCIETY OF YUMA	$5,416.66		
6838	01/16/2025	Open			Accounts Payable	LG ON SITE LLC	$808.52		
6839	01/16/2025	Open			Accounts Payable	LOGICAL CONCEPTS, INC	$3,770.00		
6840	01/16/2025	Open			Accounts Payable	MGC CONTRACTORS, INC	$187,155.90		
6841	01/16/2025	Open			Accounts Payable	MOTOROLA SOLUTIONS, INC	$226,118.72		
6842	01/16/2025	Open			Accounts Payable	MUNICIPAL EMERGENCY SERVICES, INC	$136.05		
6843	01/16/2025	Open			Accounts Payable	NAPA AUTO PARTS	$15.89		
6844	01/16/2025	Open			Accounts Payable	ON TRACK OVERHEAD DOORS LLC	$506.86		
6845	01/16/2025	Open			Accounts Payable	REAL PURIFIED WATER LLC	$112.15		
6846	01/16/2025	Open			Accounts Payable	REPUBLIC SERVICES, INC.	$32,144.38		
6847	01/16/2025	Open			Accounts Payable	ROACH PEST CONTROL	$105.00		
6848	01/16/2025	Open			Accounts Payable	RWC INTERNATIONAL LTD	$45.67		
6849	01/16/2025	Open			Accounts Payable	SIMS MACKIN, LTD.	$157.50		
6850	01/16/2025	Open			Accounts Payable	SOUTHERN TIRE MART LLC	$5,944.57		
6851	01/16/2025	Open			Accounts Payable	SPECTRUM BUSINESS	$6,187.80		
6852	01/16/2025	Open			Accounts Payable	SPRAGUES SPORTS INC.	$3,075.00		
6853	01/16/2025	Open			Accounts Payable	THOMSON WEST PUBLISHING CO.	$2,734.19		
6854	01/16/2025	Open			Accounts Payable	TUMEX CORP.	$6,300.00		
6855	01/16/2025	Open			Accounts Payable	VERIZON COMMUNICATIONS INC	$3,392.81		
6856	01/16/2025	Open			Accounts Payable	WAXIE SANITARY SUPPLY	$4,746.36		
6857	01/16/2025	Open			Accounts Payable	YUMA COUNTY SHERIFF'S OFFICE	$870.00		
6858	01/16/2025	Open			Accounts Payable	YUMA NURSERY LLC	$3,670.34		
6859	01/16/2025	Open			Accounts Payable	YUMA SUN INC	$1,372.04		
6860	01/16/2025	Open			Accounts Payable	YUMA WINNELSON CO.	$700.59		
6862	01/17/2025	Open			Accounts Payable	ALSCO, INC	$7,022.82		
6863	01/17/2025	Open			Accounts Payable	AMAZON.COM SALES, INC.	$5,272.69		
6864	01/17/2025	Open			Accounts Payable	AUTOZONE STORES, INC	$4,893.45		
6865	01/17/2025	Open			Accounts Payable	O'REILLY AUTO PARTS	$1,837.71		
6866	01/17/2025	Open			Accounts Payable	ODP BUSINESS SOLUTIONS LLC	$513.46		

City of San Luis

Payment Register

From Payment Date: 1/13/2025 - To Payment Date: 1/17/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
Type EFT Totals:					52 Transactions		$1,113,314.40		
1BYPAYABLE - 1st BY Accounts Payable Totals									

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	113	$223,084.09	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	113	$223,084.09	$0.00

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	52	$1,113,314.40	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Total	52	$1,113,314.40	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	165	$1,336,398.49	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	165	$1,336,398.49	$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	**113**	**$223,084.09**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**0**	**$0.00**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**113**	**$223,084.09**	**$0.00**

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	**52**	**$1,113,314.40**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**0**	**$0.00**	**$0.00**
	Total	**52**	**$1,113,314.40**	**$0.00**

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	**165**	**$1,336,398.49**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**0**	**$0.00**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**165**	**$1,336,398.49**	**$0.00**

Karla Plascencia

Digitally signed by: Karla Plascencia
DN: CN = Karla Plascencia email = kplascencia@sanluisaz.gov
C = US O = City of San Luis OU = Finance
Date: 2025.01.17 11:40:20 -07'00'

Pay Day Register

Pay Date Range 12/01/24 - 12/31/24
Pay Batch 202412M

Pay Batch 202412M Total
Employees in Pay Batch 9
Female Employees in Pay Batch 4

Hours Description	Hours	Gross
102 - SALARY	.0000	9,350.00
806 - TELEPHONE STIPEND	.0000	100.00
Total	0.0000	$9,450.00

Withholdings and Deductions		Gross Base
Gross	9,450.00	
Imputed Income		
FEDERAL TAX WITHHOLDING	193.16	7,341.64
SOCIAL SECURITY TAX	585.90	9,450.00
MEDICARE	137.03	9,450.00
STATE WITHHOLDING	175.00	7,341.64
ASRS Council	218.16	1,800.00
ASRS LTD Council	2.70	1,800.00
Council Retirement EORP	403.00	3,100.00
Dental Council	92.28	.00
EODCRS - COUNCIL	356.00	4,450.00
EODCRS - DISABILITY	6.23	4,450.00
GARNISHMENT	221.11	.00
Medical Council	1,004.81	.00
Vision Council	27.88	.00
Net	$6,026.74	

Benefits		Gross Base
ASRS Council	218.16	1,800.00
ASRS LTD Council	2.70	1,800.00
ASRS/EORP - LEGACY RATE	839.16	1,800.00
Dental Council	290.50	.00
EODCRS - COUNCIL	267.00	4,450.00
EODCRS - DISABILITY	6.23	4,450.00
EODCRS/EORP LEGACY RATE	2,074.59	4,450.00
Health Council	6,449.75	.00
Retirement Council EORP	2,183.64	3,100.00
Vision Council	89.22	.00
Total	$12,420.95	

Employer Taxes		Gross Base
MEDICARE	137.03	9,450.00
SOCIAL SECURITY TAX	585.90	9,450.00
SUTA/UNEMPLOYMENT	56.70	9,450.00
Total	$779.63	

Workers' Comp		Gross Base
MUNICIPAL/ TOWN/	165.39	9,450.00
Total	$165.39	

Roula Jouanne de Encinas

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Date: 2025.01.16 13:20:40 -07'00'

Direct Deposits	Amount
1st Bank Yuma	2,373.26
Chase Bank	823.99
Navy Federal	167.18
REALTORS FED CRED UNION	522.56
Wells Fargo	714.52
Total	$4,601.51

Check $1,425.23

SCHEDULE B

Pay Day Register

Pay Date Range 12/28/24 - 01/10/25
Pay Batch 202502

Pay Batch 202502 Total
Employees in Pay Batch 334
Female Employees in Pay Batch 95

Hours Description	Hours	Gross
100 - REGULAR	21,801.5000	520,696.41
1001 - LEAVE WITHOUT PAY	282.0000	.00
1006 - CIVIC LEAVE	8.0000	154.88
1007 - ON CALL WORKED HOURS	15.7500	420.74
1009 - PART TIME	192.3569	4,855.38
1010 - PART TIME FIREFIGHTERS	92.5000	1,891.53
201 - OVERTIME	1,011.2500	36,160.33
202 - OP STONE GARDEN- O.T.	583.5000	27,005.22
2023 - FMLA - SICK LEAVE	64.6900	1,673.48
2024 - FMLA - VACATION LEAVE	124.0000	2,518.52
203 - DUI ABATEMENT	10.0000	450.90
2038 - FMLA - LEAVE WITHOUT	58.6400	.00
210 - SRO	41.0000	1,284.06
300 - VACATION EARNED	1,343.2900	.00
301 - VACATION USED	2,123.9400	55,236.92
400 - SICK EARNED	951.7333	.00
405 - SCHEDULED SICK LEAVE	266.0600	5,921.59
406 - UNSCHEDULED SICK LEAVE	591.2500	12,279.62
501 - WC PUBLIC SAFETY USED	110.0000	2,432.10
502 - ON CALL PAY I.T.	.0000	125.00
503 - STAND-BY PAY	687.7500	1,375.50
701 - HOLIDAY	2,466.6700	61,997.26
703 - FIRE HOLIDAY USED	24.0000	398.88
704 - FIRE HOLIDAY EARNED	593.6000	.00
706 - HOLIDAY WORKED HOURS	207.2500	7,834.12
806 - TELEPHONE STIPEND	.0000	1,150.00
900 - COMPENSATION EARNED	2.5000	.00
901 - COMPENSATION USED	1.5000	22.52
911 - First Responders Emergency	24.0000	825.84
923 - BORDER FITNESS - GYM	.0000	300.00
932 - 24-7 GET FIT - GYM	.0000	1,323.00
965 - PD - STAND-BY PAY	.0000	2,323.00
967 - FD - SPECIAL ASSIGNEMNT	228.0000	456.00
Total	33,906.7302	$751,112.80

Withholdings and Deductions		Gross Base
Gross	751,112.80	
Imputed Income		
FEDERAL TAX WITHHOLDING	45,709.57	648,084.58
SOCIAL SECURITY TAX	46,568.92	751,112.80
MEDICARE	10,891.25	751,112.80
STATE WITHHOLDING	13,908.83	648,084.58
24-7 GET FIT- GYM	1,323.00	.00
AM. FIDELITY - HEALTH FSA	50.00	.00
AM. FIDELITY- ACCIDENT-POST	25.01	.00
AM. FIDELITY- ACCIDENT-PRE	540.70	.00
AM. FIDELITY- CANCER-POST	28.70	.00
AM. FIDELITY- CANCER-PRE TAX	136.15	.00
AM. FIDELITY- GCI -POST TAX	48.51	.00
AM. FIDELITY- GHI- PRE TAX	275.40	.00
AM. FIDELITY- LIFE -POST TAX	392.90	.00
AM. FIDELITY- TX LIFE -POST	173.31	.00
AZ COPS - SLPD	525.00	.00
AZ STATE RETIREMENT	51,531.66	425,178.78
BORDER GYM - GYM	300.00	.00
CHILD SUPPORT 2	234.46	.00
DEFERRED COMP - ROTH	965.00	.00
DEFERRED COMP - ROTH	286.31	7,733.26
DEFERRED COMPENSATION	3,050.00	.00
DEFERRED COMPENSATION	545.33	5,760.40
FOP/ALC	420.00	.00
GARNISHMENT - CHILD	2,968.33	.00
IAFF- FIRE DEPT	1,510.00	.00
LEGAL SHIELD	59.31	.00
LONG TERM DISABILITY	637.84	425,178.78
MANHATTANLIFE ASSURANCE	114.08	.00
MEX ONLY DENTAL - EE &	192.36	.00
MEX ONLY DENTAL - EE &	537.24	.00
MEX ONLY DENTAL - EE &	210.68	.00
MEX ONLY HEALTH - EE & CH	466.74	.00
MEXICO ONLY HEALTH - EE &	1,968.98	.00
MEXICO ONLY HEALTH - EE &	622.32	.00
MISCELLANEOUS	154.81	.00
PAC FUND- FIRE DEPT.	123.00	.00
PS DEFERRED COMP - ROTH	705.00	.00

Benefits		Gross Base
ASRS ALTERNATE	957.62	9,397.59
AZ STATE RETIREMENT	51,531.66	425,178.78
DENTAL = FAMILY	457.70	.00
LONG TERM DISABILITY	637.84	425,178.78
MEDICAL MEX ONLY - EE &	1,591.20	.00
MEDICAL MEX ONLY - EE &	6,712.42	.00
MEDICAL MEX ONLY - EE &	1,944.80	.00
MEDICAL MEX ONLY - EE ONLY	551.00	.00
MEX & US HEALTH = EE	57,762.22	.00
MEX ONLY DENTAL - EE &	149.52	.00
MEX ONLY DENTAL - EE &	417.56	.00
MEX ONLY DENTAL - EE &	156.64	.00
MEX ONLY DENTAL - EE ONLY	56.98	.00
PSPRS - ALTERNATE	230.58	2,882.30
PSPRS FIRE DB NORM - TIER 1	11,163.67	88,180.70
PSPRS FIRE DB NORM - TIER 2	1,072.12	8,468.56
PSPRS FIRE DB NORM - TIER 3	6,219.71	69,962.80
PSPRS FIRE DB UNFUND - TIER	529.08	88,180.70
PSPRS FIRE DB UNFUND - TIER	50.81	8,468.56
PSPRS FIRE DB UNFUND - TIER	514.02	72,394.90
PSPRS POLICE DB NORM - TIER	6,624.35	66,376.20
PSPRS POLICE DB NORM - TIER	1,249.16	12,516.60
PSPRS POLICE DB NORM - TIER	4,942.13	55,591.99
PSPRS POLICE DB UNFUND -	2,940.46	66,376.20
PSPRS POLICE DB UNFUND -	554.48	12,516.60
PSPRS POLICE DB UNFUND -	2,646.17	55,591.99
STANDARD LIFE	2,888.13	.00
STANDARD LTD	1,528.31	282,181.61
STANDARD STD	4,967.42	.00
U.S. MEX DENTAL - EE &	366.62	.00
U.S. MEX DENTAL - EE &	111.58	.00
US & MEX DENTAL - EE	3,173.76	.00
US & MEX HEALTH = C	17,469.00	.00
US & MEX HEALTH = FAMILY	25,980.15	.00
US & MEX HEALTH = SP	4,367.25	.00
VISION - SINGLE	1,155.07	.00
VSP- VISION	598.50	.00
WC PSPRS 17.78	432.43	2,432.10
Total	$224,702.12	

SCHEDULE C

Pay Day Register

Pay Date Range 12/28/24 - 01/10/25
Pay Batch 202502

PS DEFERRED COMP - ROTH	273.82	2,738.16
PS DEFERRED COMP TIAA -	584.84	14,637.47
PS DEFERRED COMPENSATION	1,590.00	.00
PSPRS FIRE DB RATE - TIER 1a	5,646.11	73,805.21
PSPRS FIRE DB RATE - TIER 1b	1,099.73	14,375.49
PSPRS FIRE DB RATE - TIER 2	647.84	8,468.56
PSPRS FIRE DB RATE - TIER 3	6,207.71	69,827.80
PSPRS POLICE DB RATE - TIER	3,653.86	47,762.92
PSPRS POLICE DB RATE - TIER	1,423.93	18,613.28
PSPRS POLICE DB RATE - TIER 2	957.52	12,516.60
PSPRS POLICE DB RATE - TIER 3	4,942.13	55,591.99
STANDARD LIFE ADDTNL	864.51	.00
TRANSWESTERN MEXICAN	139.50	.00
U.S. MEX DENTAL - EE &	472.19	.00
U.S. MEX DENTAL - EE &	143.71	.00
UNITED WAY	14.00	.00
US & MEX DENTAL= FAMILY	589.26	.00
US & MEX HEALTH = C	5,124.24	.00
US & MEX HEALTH = FAMILY	7,620.90	.00
US & MEX HEALTH = SP	1,281.06	.00
VSP - VISION CHILDREN	257.89	.00
VSP - VISION FAMILY	369.41	.00
VSP - VISION SPOUSE	174.25	.00
Net	$518,833.69	

Employer Taxes		Gross Base
MEDICARE	10,891.25	751,112.80
SOCIAL SECURITY TAX	46,568.92	751,112.80
SUTA/UNEMPLOYMENT	4,281.48	713,571.78
Total	$61,741.65	

Workers' Comp		Gross Base
Ambulance EMT Search &	3,973.11	83,644.25
ANIMAL CONTROL OFFICERS	67.66	3,007.33
ATTORNEY- ALL & CLERICAL-	71.49	32,495.97
AUTO SERVICE/ REPAIR	291.65	10,453.66
BUILDING- NOC OPER BY	505.63	13,967.91
BUS COMPANY AND DRIVERS	83.99	1,521.60
CLERICAL OFFICE/ LIBRARY/	415.62	173,200.41
Electrician	68.58	2,184.00
FIREFIGHTERS & DRIVERS	4,396.95	92,566.98
GARBAGE/ ASH/ REFUSE	624.36	9,989.92
Homemaker Service	40.99	1,790.24
Motion Picture Production	15.22	2,341.04
MUNICIPAL/ TOWN/	795.97	45,484.61
PARKS- NOC ALL EMPLOYEES	821.33	26,494.56
POLICE OFFICERS	6,910.10	145,475.32
RECREATION- ALL EMPLOYEES/	288.82	21,082.12
SEWAGE DISPOSAL/ PLANT	1,064.86	30,955.46
Street or Road Construction	2,470.38	27,977.22
WATERWORKS OPERATIONS	918.85	26,480.20
Total	$23,825.56	

Roula Jouanne de Encinas

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Date: 2025.01.16 13:20:04 -07'00'

Direct Deposits	Amount
1st Bank Yuma	45,712.10
ACADEMY BANK	3,537.24
AVENIR FINANCIAL	40,789.52
Bank of America	7,040.54
Bank of America CA	1,103.74
Bankcorp	200.00
CAPITAL ONE	2,503.65
Charles Sch	250.00
Chase Bank	245,149.50
CHASE BANK CA	1,404.28
CHASE BANK MORGAN	2,067.35
CHASE BANK TX	2,287.64
chase centro	1,815.68

Pay Day Register

Pay Date Range 12/28/24 - 01/10/25

Pay Batch 202502

discover	400.00
FF CREDIT UNION	2,854.40
FIDELITY	397.06
FIREFIGHTER FIRST CREDIT UNION	13,692.29
HUGHES FCU	1,538.98
MECHNICS BANK	237.39
National Bank	1,296.10
Navy Federal	27,238.43
NetSpend Corporation DD	120.00
NORTH ISLAND CREDIT UNION	841.71
PATHWARD	1,426.59
SOFI BANK	2,625.42
Sunbank	1,716.40
THE FOOTHILLS BANK	675.70
USAA FEDERAL SAVING	1,179.45
VANTAGE WEST	419.30
WASHINGTON FEDERAL	1,097.29
Wells Fargo	92,939.14
WELLS FARGO ARKANSAS	1,442.54
WELLS FARGO CA	3,740.58
WELLS FARGO YUMA	2,863.72
Total	$512,603.73
Check	$6,229.96

Pay Day Register

Pay Date Range 01/01/25 - 01/31/25
Pay Batch 202501M

Pay Batch 202501M Total
Employees in Pay Batch 7
Female Employees in Pay Batch 3

Hours Description	Hours	Gross
102 - SALARY	.0000	7,550.00
806 - TELEPHONE STIPEND	.0000	50.00
Total	0.0000	$7,600.00

Withholdings and Deductions		Gross Base
Gross	7,600.00	
Imputed Income		
FEDERAL TAX WITHHOLDING	196.17	5,729.16
SOCIAL SECURITY TAX	471.20	7,600.00
MEDICARE	110.21	7,600.00
STATE WITHHOLDING	142.75	5,729.16
ASRS Council	266.64	2,200.00
ASRS LTD Council	3.30	2,200.00
Council Retirement EORP	117.00	900.00
Dental Council	92.28	.00
EODCRS - COUNCIL	356.00	4,450.00
EODCRS - DISABILITY	6.23	4,450.00
Medical Council	1,004.81	.00
Vision Council	27.88	.00
Net	$4,805.53	

Roula Jouanne de Encinas

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Benefits		Gross Base
ASRS Council	266.64	2,200.00
ASRS LTD Council	3.30	2,200.00
ASRS/EORP - LEGACY RATE	1,025.64	2,200.00
Dental Council	254.03	.00
EODCRS - COUNCIL	267.00	4,450.00
EODCRS - DISABILITY	6.23	4,450.00
EODCRS/EORP LEGACY RATE	2,074.59	4,450.00
Health Council	5,844.91	.00
Retirement Council EORP	633.96	900.00
Vision Council	77.85	.00
Total	$10,454.15	

Employer Taxes		Gross Base
MEDICARE	110.21	7,600.00
SOCIAL SECURITY TAX	471.20	7,600.00
SUTA/UNEMPLOYMENT	45.60	7,600.00
Total	$627.01	

Workers' Comp		Gross Base
MUNICIPAL/ TOWN/	133.01	7,600.00
Total	$133.01	

Direct Deposits	Amount
1st Bank Yuma	1,391.60
CAPITAL ONE	728.95
Chase Bank	1,107.00
Navy Federal	167.18
Wells Fargo	714.52
Total	$4,109.25

Check $696.28

SCHEDULE D

City of San Luis

Payment Register

From Payment Date: 1/20/2025 - To Payment Date: 1/24/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
111116	01/22/2025	Open			Accounts Payable	CENTURYLINK	$300.00		
111117	01/23/2025	Open			Accounts Payable	ADVANCED EXERCISE EQUIPMENT	$37,378.58		
111118	01/23/2025	Open			Accounts Payable	AFFORDABLE TOWING AND ROAD SERVICE	$300.00		
111119	01/23/2025	Open			Accounts Payable	ANGUIANO, RAYMUNDO	$210.00		
111120	01/23/2025	Open			Accounts Payable	APS	$50.00		
111121	01/23/2025	Open			Accounts Payable	ARIZONA MEXICO COMMISSION	$3,000.00		
111122	01/23/2025	Open			Accounts Payable	ARIZONA SUPREME COURT (AOC)	$9.00		
111123	01/23/2025	Open			Accounts Payable	ARVIZU VILLAR, GLORIA	$25.00		
111124	01/23/2025	Open			Accounts Payable	CENTURYLINK	$6,461.83		
111125	01/23/2025	Open			Accounts Payable	CNJ AUTO GLASS & WINDOW TINTING, LLC	$285.00		
111126	01/23/2025	Open			Accounts Payable	COMITE DE BIENESTAR INC	$175.37		
111127	01/23/2025	Open			Accounts Payable	ENFORCEMENT TECHNOLOGY GROUP, INC.	$7,787.76		
111128	01/23/2025	Open			Accounts Payable	ESPINOSA ZEREGA, LOUIS, REY	$500.00		
111129	01/23/2025	Open			Accounts Payable	FITZGIBBONS LAW OFFICES, P.L.C.	$2,025.90		
111130	01/23/2025	Open			Accounts Payable	G&T ALARM CO LLC	$180.00		
111131	01/23/2025	Open			Accounts Payable	GREEN RUBBER- KENNEDY AG	$5,811.57		
111132	01/23/2025	Open			Accounts Payable	HAJOCA CORPORATION	$454.08		
111133	01/23/2025	Open			Accounts Payable	JAY'S ELECTRIK LLC	$5,881.57		
111134	01/23/2025	Open			Accounts Payable	JUAREZ, ELIZABETH	$345.00		
111135	01/23/2025	Open			Accounts Payable	LA CHOYA PLUMBING LLC	$510.00		
111136	01/23/2025	Open			Accounts Payable	PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	$477.58		
111137	01/23/2025	Open			Accounts Payable	QUINONEZ, FRANCISCO	$195.00		
111138	01/23/2025	Open			Accounts Payable	ROBERT HALF INC.	$3,850.00		
111139	01/23/2025	Open			Accounts Payable	RODRIGUEZ, DANIEL	$1,300.00		
111140	01/23/2025	Open			Accounts Payable	SHERWIN WILLIAM	$346.81		
111141	01/23/2025	Open			Accounts Payable	SOUTH YUMA COUNTY LANDFILL	$8,619.44		
111142	01/23/2025	Open			Accounts Payable	STATUS CREATIVO LLC	$192.98		
111143	01/23/2025	Open			Accounts Payable	WAL-MART	$2.28		
111144	01/23/2025	Open			Accounts Payable	YUMA VALLEY CONTRACTORS	$468,520.47		
111145	01/23/2025	Open			Accounts Payable	ZARAGOZA, LETICIA	$130.00		
111146	01/24/2025	Open			Accounts Payable	BOBBY'S TERRITORIAL H-D	$112.17		
111147	01/24/2025	Open			Accounts Payable	PACHECO, CARLOS	$136.00		
Type Check Totals:					32 Transactions		$555,573.39		
EFT									
6867	01/23/2025	Open			Accounts Payable	ASSA ABLOY ENTRANCE SYSTEM US INC.	$5,050.00		
6868	01/23/2025	Open			Accounts Payable	BILL ALEXANDER FORD	$450.03		
6869	01/23/2025	Open			Accounts Payable	CDWG	$4,099.35		
6870	01/23/2025	Open			Accounts Payable	COPPER STATE BOLT & NUT CO.	$138.99		
6871	01/23/2025	Open			Accounts Payable	CORRAL, RICARDO	$230.00		
6872	01/23/2025	Open			Accounts Payable	DELL MARKETING L.P.	$11,740.05		
6873	01/23/2025	Open			Accounts Payable	DESERT VALLEY POWER SYSTEMS	$11,289.46		

SCHEDULE E

City of San Luis

Payment Register

From Payment Date: 1/20/2025 - To Payment Date: 1/24/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
6874	01/23/2025	Open			Accounts Payable	DESERT WATER STORE INC	$162.71		
6875	01/23/2025	Open			Accounts Payable	FNP-C & ASSOCIATES PLLC	$90.00		
6876	01/23/2025	Open			Accounts Payable	FRESH TERRA SERVICES LLC	$1,082.00		
6877	01/23/2025	Open			Accounts Payable	FRUTH GROUP INC	$2,417.58		
6878	01/23/2025	Open			Accounts Payable	HANSBERGER REGRIGERATION & ELECTRIC CO	$980.00		
6879	01/23/2025	Open			Accounts Payable	HILL BROTHERS CHEMICAL CO.	$4,653.67		
6880	01/23/2025	Open			Accounts Payable	HIREQUEST LLC	$2,682.40		
6881	01/23/2025	Open			Accounts Payable	KIMLEY-HORN AND ASSOCIATES INC	$27,390.50		
6882	01/23/2025	Open			Accounts Payable	KP VENTURES WELL DRILLING & PUMP CO LLC	$74,430.00		
6883	01/23/2025	Open			Accounts Payable	LESLIE'S POOL SUPPLY INC.	$207.08		
6884	01/23/2025	Open			Accounts Payable	METRO FIRE EQUIPMENT INC	$529.75		
6885	01/23/2025	Open			Accounts Payable	MN8 ENERGY OPERATING COMPANY LLC	$20,022.97		
6886	01/23/2025	Open			Accounts Payable	NAPA AUTO PARTS	$26.01		
6887	01/23/2025	Open			Accounts Payable	ORDUNO-CROUSE, CANDICE	$4,200.00		
6888	01/23/2025	Open			Accounts Payable	POLAR ICE LLC	$504.29		
6889	01/23/2025	Open			Accounts Payable	PRECISION ELECTRIC CO. INC.	$210.26		
6890	01/23/2025	Open			Accounts Payable	R&M ELECTRIC SUPPLY LLC	$272.55		
6891	01/23/2025	Open			Accounts Payable	R.D. OFFUTT COMPANY	$799.08		
6892	01/23/2025	Open			Accounts Payable	SAN LUIS AIR CONDITIONING LLC	$600.00		
6893	01/23/2025	Open			Accounts Payable	SOUTHERN TIRE MART LLC	$2,726.60		
6894	01/23/2025	Open			Accounts Payable	SOUTHWEST MERCH LLC	$168.00		
6895	01/23/2025	Open			Accounts Payable	SPECTRUM BUSINESS	$2,311.78		
6896	01/23/2025	Open			Accounts Payable	YUMA WINNELSON CO.	$2,061.58		
6897	01/23/2025	Open			Accounts Payable	ZOLL MEDICAL CORP	$4,718.19		
6898	01/24/2025	Open			Accounts Payable	MGC CONTRACTORS, INC	$536,220.00		
Type EFT Totals:					32 Transactions		$722,464.88		

1BYPAYABLE - 1st BY Accounts Payable Totals

City of San Luis

Payment Register

From Payment Date: 1/20/2025 - To Payment Date: 1/24/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name		Transaction Amount	Reconciled Amount	Difference
				Checks	Status	Count	Transaction Amount		Reconciled Amount	
					Open	32	$555,573.39		$0.00	
					Reconciled	0	$0.00		$0.00	
					Voided	0	$0.00		$0.00	
					Stopped	0	$0.00		$0.00	
					Total	32	$555,573.39		$0.00	
				EFTs	Status	Count	Transaction Amount		Reconciled Amount	
					Open	32	$722,464.88		$0.00	
					Reconciled	0	$0.00		$0.00	
					Voided	0	$0.00		$0.00	
					Total	32	$722,464.88		$0.00	
				All	Status	Count	Transaction Amount		Reconciled Amount	
					Open	64	$1,278,038.27		$0.00	
					Reconciled	0	$0.00		$0.00	
					Voided	0	$0.00		$0.00	
					Stopped	0	$0.00		$0.00	
					Total	64	$1,278,038.27		$0.00	
Grand Totals:										
				Checks	**Status**	**Count**	**Transaction Amount**		**Reconciled Amount**	
					Open	**32**	**$555,573.39**		**$0.00**	
					Reconciled	**0**	**$0.00**		**$0.00**	
					Voided	**0**	**$0.00**		**$0.00**	
					Stopped	**0**	**$0.00**		**$0.00**	
					Total	**32**	**$555,573.39**		**$0.00**	
				EFTs	**Status**	**Count**	**Transaction Amount**		**Reconciled Amount**	
					Open	**32**	**$722,464.88**		**$0.00**	
					Reconciled	**0**	**$0.00**		**$0.00**	
					Voided	**0**	**$0.00**		**$0.00**	
					Total	**32**	**$722,464.88**		**$0.00**	
				All	**Status**	**Count**	**Transaction Amount**		**Reconciled Amount**	
					Open	**64**	**$1,278,038.27**		**$0.00**	
					Reconciled	**0**	**$0.00**		**$0.00**	
					Voided	**0**	**$0.00**		**$0.00**	
					Stopped	**0**	**$0.00**		**$0.00**	
					Total	**64**	**$1,278,038.27**		**$0.00**	

Karla Plascencia

Digitally signed by: Karla Plascencia
DN: CN = Karla Plascencia email = kplascencia@sanluisaz.gov C = US O = City of San Luis OU = Finance
Date: 2025.02.06 09:28:33 -07'00'

Pay Day Register

Pay Date Range 01/11/25 - 01/24/25
Pay Batch 202503

Pay Batch 202503 Total
Employees in Pay Batch 337
Female Employees in Pay Batch 96

Hours Description	Hours	Gross
100 - REGULAR	23,154.7500	556,764.86
1001 - LEAVE WITHOUT PAY	138.6900	.00
1007 - ON CALL WORKED HOURS	23.7500	561.52
1009 - PART TIME	204.1069	5,035.01
1010 - PART TIME FIREFIGHTERS	90.0000	1,769.64
201 - OVERTIME	652.2500	25,041.67
202 - OP STONE GARDEN- O.T.	680.5000	31,989.85
2023 - FMLA - SICK LEAVE	39.6600	838.16
2024 - FMLA - VACATION LEAVE	188.8000	3,818.16
2036 - MARSHALS OT	9.0000	366.66
2038 - FMLA - LEAVE WITHOUT	17.5400	.00
210 - SRO	80.0000	2,508.01
300 - VACATION EARNED	1,373.3700	.00
301 - VACATION USED	772.4200	18,964.71
400 - SICK EARNED	1,273.2550	.00
405 - SCHEDULED SICK LEAVE	252.7600	6,365.50
406 - UNSCHEDULED SICK LEAVE	426.5700	9,154.35
501 - WC PUBLIC SAFETY USED	106.0000	2,343.66
502 - ON CALL PAY I.T.	.0000	125.00
503 - STAND-BY PAY	661.7500	1,323.50
701 - HOLIDAY	2,490.6000	62,534.77
703 - FIRE HOLIDAY USED	48.0000	797.76
704 - FIRE HOLIDAY EARNED	593.6000	.00
706 - HOLIDAY WORKED HOURS	283.5000	10,306.44
809 - RETRO PAY	147.2599	3,238.18
901 - COMPENSATION USED	3.7500	67.57
965 - PD - STAND-BY PAY	.0000	2,274.00
967 - FD - SPECIAL ASSIGNEMNT	120.0000	240.00
Total	33,831.8818	$746,428.98

Withholdings and Deductions		Gross Base
Gross	746,428.98	
Imputed Income		
FEDERAL TAX WITHHOLDING	45,576.86	663,839.05
SOCIAL SECURITY TAX	46,278.61	746,428.98
MEDICARE	10,823.12	746,428.98
STATE WITHHOLDING	14,050.27	663,839.05
AZ STATE RETIREMENT	52,731.49	435,078.02
CHILD SUPPORT 2	234.46	.00
DEFERRED COMP - ROTH	915.00	.00
DEFERRED COMP - ROTH	331.65	8,949.13
DEFERRED COMPENSATION	3,275.00	.00
DEFERRED COMPENSATION	604.56	6,089.48
GARNISHMENT - CHILD	2,968.33	.00
LONG TERM DISABILITY	652.65	435,078.02
MEX ONLY HEALTH - EE & CH	62.23	.00
MISCELLANEOUS	130.00	.00
PS DEFERRED COMP - ROTH	705.00	.00
PS DEFERRED COMP - ROTH	259.49	2,594.88
PS DEFERRED COMP TIAA -	421.41	10,886.74
PS DEFERRED COMPENSATION	1,790.00	.00
PSPRS FIRE DB RATE - TIER 1a	4,431.63	57,929.74
PSPRS FIRE DB RATE - TIER 1b	905.39	11,835.20
PSPRS FIRE DB RATE - TIER 2	364.01	4,758.35
PSPRS FIRE DB RATE - TIER 3	5,327.61	59,927.90
PSPRS POLICE DB RATE - TIER	4,091.71	53,486.53
PSPRS POLICE DB RATE - TIER	1,598.17	20,891.18
PSPRS POLICE DB RATE - TIER 2	992.09	12,968.43
PSPRS POLICE DB RATE - TIER 3	5,511.69	61,998.99
US & MEX DENTAL= FAMILY	30.54	.00
US & MEX HEALTH = FAMILY	452.40	.00
Net	$540,913.61	

Benefits		Gross Base
ASRS ALTERNATE	992.99	9,744.80
AZ STATE RETIREMENT	52,731.49	435,078.02
LONG TERM DISABILITY	652.65	435,078.02
PSPRS - ALTERNATE	205.10	2,563.73
PSPRS FIRE DB NORM - TIER 1	8,832.24	69,764.94
PSPRS FIRE DB NORM - TIER 2	602.41	4,758.35
PSPRS FIRE DB NORM - TIER 3	5,327.61	59,927.90
PSPRS FIRE DB UNFUND - TIER	418.60	69,764.94
PSPRS FIRE DB UNFUND - TIER	28.55	4,758.35
PSPRS FIRE DB UNFUND - TIER	442.13	62,271.56
PSPRS POLICE DB NORM - TIER	7,422.89	74,377.71
PSPRS POLICE DB NORM - TIER	1,294.24	12,968.43
PSPRS POLICE DB NORM - TIER	5,511.69	61,998.99
PSPRS POLICE DB UNFUND -	3,294.92	74,377.71
PSPRS POLICE DB UNFUND -	574.50	12,968.43
PSPRS POLICE DB UNFUND -	2,951.15	61,998.99
WC PSPRS 17.78	416.70	2,343.66
Total	$91,699.86	

Employer Taxes		Gross Base
MEDICARE	10,823.12	746,428.98
SOCIAL SECURITY TAX	46,278.61	746,428.98
SUTA/UNEMPLOYMENT	4,281.82	713,630.52
Total	$61,383.55	

Workers' Comp		Gross Base
Ambulance EMT Search &	3,401.69	71,615.55
ANIMAL CONTROL OFFICERS	68.79	3,057.59
ATTORNEY- ALL & CLERICAL-	72.29	32,852.15
AUTO SERVICE/ REPAIR	293.03	10,502.83
BUILDING- NOC OPER BY	501.10	13,842.66
BUS COMPANY AND DRIVERS	83.99	1,521.60
CLERICAL OFFICE/ LIBRARY/	425.99	177,492.43
Electrician	68.58	2,184.00
FIREFIGHTERS & DRIVERS	3,411.79	71,827.06
GARBAGE/ ASH/ REFUSE	634.27	10,148.38
Homemaker Service	40.40	1,764.00
Motion Picture Production	14.18	2,181.15
MUNICIPAL/ TOWN/	853.03	48,745.90

SCHEDULE F

Pay Day Register

Pay Date Range 01/11/25 - 01/24/25
Pay Batch 202503

PARKS- NOC ALL EMPLOYEES	824.21	26,586.86
POLICE OFFICERS	7,599.53	159,989.37
RECREATION- ALL EMPLOYEES/	291.56	21,282.96
SEWAGE DISPOSAL/ PLANT	1,133.30	32,945.36
Street or Road Construction	2,568.58	29,088.96
WATERWORKS OPERATIONS	999.37	28,800.17
Total	$23,285.68	

Direct Deposits	Amount
1st Bank Yuma	48,366.62
ACADEMY BANK	3,665.91
Ally Bank	1,490.44
AVENIR FINANCIAL	42,134.89
Bank of America	6,641.08
Bank of America CA	285.85
Bankcorp	200.00
CAPITAL ONE	4,227.94
Charles Sch	250.00
Chase Bank	255,541.12
CHASE BANK CA	1,536.01
CHASE BANK MORGAN	1,948.33
CHASE BANK TX	2,300.59
chase centro	1,830.69
discover	400.00
FF CREDIT UNION	2,502.80
FIDELITY	321.04
FIREFIGHTER FIRST CREDIT UNION	12,503.88
HUGHES FCU	1,761.86
MECHNICS BANK	232.58
National Bank	1,305.61
Navy Federal	31,705.57
NetSpend Corporation DD	120.00
NORTH ISLAND CREDIT UNION	841.72
PATHWARD	1,462.30
SOFI BANK	2,992.61
Sunbank	1,774.21
THE FOOTHILLS BANK	675.70
USAA FEDERAL SAVING	1,198.58
VANTAGE WEST	2,173.13
WASHINGTON FEDERAL	1,465.88
Wells Fargo	95,457.27
WELLS FARGO ARKANSAS	1,442.53
WELLS FARGO CA	3,933.02

Pay Day Register

Pay Date Range 01/11/25 - 01/24/25
Pay Batch 202503

WELLS FARGO YUMA	2,971.89
Total	$537,661.65
Check	$3,251.96

City of San Luis

Payment Register

From Payment Date: 1/27/2025 - To Payment Date: 1/30/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
111148	01/30/2025	Open			Accounts Payable	STANDARD INSURANCE CO.	$12,734.20		
111149	01/30/2025	Open			Accounts Payable	SUPPORT PAYMENT CLEARINGHOUSE	$3,202.79		
111150	01/30/2025	Open			Accounts Payable	24K ENGRAVING AND AWARDS LLC	$371.85		
111151	01/30/2025	Open			Accounts Payable	ADOT MVD	$0.25		
111152	01/30/2025	Open			Accounts Payable	ARELLANO, MARYLIN	$122.04		
111153	01/30/2025	Open			Accounts Payable	AVILA, FABIAN	$90.00		
111154	01/30/2025	Open			Accounts Payable	BARAJAS GUTIERREZ, MARY	$1,130.00		
111155	01/30/2025	Open			Accounts Payable	BORDER TRADE ALLIANCE	$10,000.00		
111156	01/30/2025	Open			Accounts Payable	BRATTON, WALT	$6,435.00		
111157	01/30/2025	Open			Accounts Payable	CANON FINANCIAL SERVICES, INC	$1,276.70		
111158	01/30/2025	Open			Accounts Payable	CODE PUBLISHING COMPANY	$1,010.00		
111159	01/30/2025	Open			Accounts Payable	EMPIRE MACHINERY	$2,507.50		
111160	01/30/2025	Open			Accounts Payable	ESPARZA, JORGE	$173.45		
111161	01/30/2025	Open			Accounts Payable	FERGUSON WATERWORKS	$2,468.76		
111162	01/30/2025	Open			Accounts Payable	LAWSON PRODUCTS INC.	$86.02		
111163	01/30/2025	Open			Accounts Payable	MITRA, VICTOR	$60.00		
111164	01/30/2025	Open			Accounts Payable	NUNO, JAVIER	$260.00		
111165	01/30/2025	Open			Accounts Payable	NUNO, JAVIER	$196.00		
111166	01/30/2025	Open			Accounts Payable	PEREDA, JOSE	$295.00		
111167	01/30/2025	Open			Accounts Payable	RAMIREZ, FELIPE	$180.00		
111168	01/30/2025	Open			Accounts Payable	RIVERA MARK	$147.00		
111169	01/30/2025	Open			Accounts Payable	RODRIGUEZ, RAMIRO	$175.00		
111170	01/30/2025	Open			Accounts Payable	TRUCKMATES LLC	$1,496.54		
111171	01/30/2025	Open			Accounts Payable	VANEGAS, PAMELA, LOUISE	$103.72		
111172	01/30/2025	Open			Accounts Payable	XEROX CORPORATION	$166.89		
111173	01/30/2025	Open			Accounts Payable	YUMA COUNTY CHAMBER	$400.00		
111174	01/30/2025	Open			Accounts Payable	YUMA COUNTY DEVELOPMENT SERVICES	$1,200.00		
111175	01/30/2025	Open			Accounts Payable	YUMA COUNTY PUBLIC HEALTH	$195.00		
111176	01/30/2025	Open			Accounts Payable	ZARAGOZA, JOSE	$295.00		
111177	01/30/2025	Open			Accounts Payable	PICTOMETRY INTERNATIONAL, CORP	$3,874.92		
Type Check Totals:					30 Transactions		$50,653.63		
EFT									
6899	01/30/2025	Open			Accounts Payable	ALSCO, INC	$2,800.47		
6900	01/30/2025	Open			Accounts Payable	AMAZON WEB SERVICES INC	$2.12		
6901	01/30/2025	Open			Accounts Payable	AMAZON.COM SALES, INC.	$10,165.49		
6902	01/30/2025	Open			Accounts Payable	ARIZONA MEDICAL WASTE	$352.11		
6903	01/30/2025	Open			Accounts Payable	ARK WIRELESS & NETWORKING	$300.00		
6904	01/30/2025	Open			Accounts Payable	AUTOZONE STORES, INC	$2,638.92		
6905	01/30/2025	Open			Accounts Payable	CAT5 COMMERCE LLC	$1,162.47		
6906	01/30/2025	Open			Accounts Payable	CONSULTANT ENGINEERING INC	$24,883.36		
6907	01/30/2025	Open			Accounts Payable	COPPER STATE BOLT & NUT CO.	$361.92		
6908	01/30/2025	Open			Accounts Payable	CUEVAS, CHRISTIAN	$112.50		
6909	01/30/2025	Open			Accounts Payable	D & H ELECTRIC INC.	$1,395.00		
6910	01/30/2025	Open			Accounts Payable	DIGITAL ROOM LLC	$233.99		

SCHEDULE G

City of San Luis

Payment Register

From Payment Date: 1/27/2025 - To Payment Date: 1/30/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
6911	01/30/2025	Open			Accounts Payable	GARCIA, JESUS	$250.00		
6912	01/30/2025	Open			Accounts Payable	JCG TECHNOLOGIES INC.	$625.00		
6913	01/30/2025	Open			Accounts Payable	JSA COMPANY	$40,436.00		
6914	01/30/2025	Open			Accounts Payable	LOPEZ ARMENTA, JOSE, MARTIN	$250.00		
6915	01/30/2025	Open			Accounts Payable	MARTINEZ CANTU, VICTOR , REMIGIO	$5,315.67		
6916	01/30/2025	Open			Accounts Payable	O'REILLY AUTO PARTS	$1,309.03		
6917	01/30/2025	Open			Accounts Payable	ODP BUSINESS SOLUTIONS LLC	$5,362.47		
6918	01/30/2025	Open			Accounts Payable	PULIDO INIGUEZ, ALAN FRANCISCO	$180.00		
6919	01/30/2025	Open			Accounts Payable	REPUBLIC SERVICES, INC.	$14,969.53		
6920	01/30/2025	Open			Accounts Payable	SAM'S CLUB	$2,079.22		
6921	01/30/2025	Open			Accounts Payable	SAN LUIS AIR CONDITIONING LLC	$680.00		
6922	01/30/2025	Open			Accounts Payable	SUN RENTAL AND SALES INC.	$1,911.32		
6923	01/30/2025	Open			Accounts Payable	YUMA CO. AIRPORT AUTHORITY INC	$167.79		
6924	01/30/2025	Open			Accounts Payable	YUMA COUNTY ELECTIONS	$7,674.78		
6925	01/30/2025	Open			Accounts Payable	YUMA COUNTY RECORDER'S OFFICE	$10,873.79		
6926	01/30/2025	Open			Accounts Payable	YUMA COUNTY TREASURER'S OFFICE	$128.56		
6927	01/30/2025	Open			Accounts Payable	YUMA REGIONAL MEDICAL CENTER	$1,910.89		
6928	01/30/2025	Open			Accounts Payable	YUMA SUN INC	$3,523.43		
6929	01/30/2025	Open			Accounts Payable	YUMA WINNELSON CO.	$18,487.37		
Type EFT Totals:					31 Transactions		$160,543.20		

1BYPAYABLE - 1st BY Accounts Payable Totals

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	30	$50,653.63	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00

City of San Luis

Payment Register

From Payment Date: 1/27/2025 - To Payment Date: 1/30/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source		Payee Name	Transaction Amount	Reconciled Amount	Difference
					Stopped	0		$0.00	$0.00	
					Total	30		$50,653.63	$0.00	

	EFTs	Status	Count	Transaction Amount	Reconciled Amount
		Open	31	$160,543.20	$0.00
		Reconciled	0	$0.00	$0.00
		Voided	0	$0.00	$0.00
		Total	31	$160,543.20	$0.00

	All	Status	Count	Transaction Amount	Reconciled Amount
		Open	61	$211,196.83	$0.00
		Reconciled	0	$0.00	$0.00
		Voided	0	$0.00	$0.00
		Stopped	0	$0.00	$0.00
		Total	61	$211,196.83	$0.00

Grand Totals:

	Checks	**Status**	**Count**	**Transaction Amount**	**Reconciled Amount**
		Open	**30**	**$50,653.63**	**$0.00**
		Reconciled	**0**	**$0.00**	**$0.00**
		Voided	**0**	**$0.00**	**$0.00**
		Stopped	**0**	**$0.00**	**$0.00**
		Total	**30**	**$50,653.63**	**$0.00**

	EFTs	**Status**	**Count**	**Transaction Amount**	**Reconciled Amount**
		Open	**31**	**$160,543.20**	**$0.00**
		Reconciled	**0**	**$0.00**	**$0.00**
		Voided	**0**	**$0.00**	**$0.00**
		Total	**31**	**$160,543.20**	**$0.00**

	All	**Status**	**Count**	**Transaction Amount**	**Reconciled Amount**
		Open	**61**	**$211,196.83**	**$0.00**
		Reconciled	**0**	**$0.00**	**$0.00**
		Voided	**0**	**$0.00**	**$0.00**
		Stopped	**0**	**$0.00**	**$0.00**
		Total	**61**	**$211,196.83**	**$0.00**

Guadalupe Canez

Digitally signed by: Guadalupe Canez
DN: CN = Guadalupe Canez email = gcanez@sanluisaz.gov C = AD
Date: 2025.01.30 20:44:41 -07'00'

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. A.**

Meeting Date: 02/12/2025

Department Head: Roula Encinas, Director of Finance, Finance Department

Submitted By: Roula Encinas, 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 Annual Comprehensive Financial Report for the City of San Luis, Fiscal Year Ended June 30, 2024. **(Roula Encinas, Director of Finance and Heinfeld, Meech & Co., P.C.)**

SUMMARY:

The Annual Comprehensive Financial Report (ACFR) 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, 2024 (ACFR 2024). 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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE CITY OF SAN LUIS FOR THE FISCAL YEAR ENDED JUNE 30, 2024.

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):

No fiscal Impact associated with this item.

Attachments

PP Presentation

CSL SA FY24

CSL ACFR FY24

City of San Luis, Arizona

Audit Update

Year Ended June 30, 2024

Presented by Brittney Williams, CPA, CGFM
Engagement Partner
February 12, 2025

HeinfeldMeech

Key Personnel

Brittney Williams – Engagement Partner

- Current member of the AICPA Oversight Task Force as a Single Audit subject matter expert
- Former member of the AICPA Governmental Audit Quality Center Executive Committee
- Designated Audit Quality Partner for the Governmental Sector for the Firm
- 20 years experience dedicated to the audit profession, has managed over 280 audits
- Actively involved in standard setting for audit and reporting
- Regular presenter for the AICPA, ASCPA, GFOAz, AGA and other organizations
- AICPA Certified Peer Review Team Capitan

Jared Young – Audit Manager

- Supervisory team member on over 160 audits
- 9 years of experience, speaker at numerous firm and external trainings
- Holds the AICPA's Advanced Single Audit Certificate
- Performs reviews for the ASBO's ACFR Certificate of Excellence program

- Independent Auditor's Report

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Independent Auditor's Report

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

Report on Audit of Financial Statements

Opinions
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 of the City of San Luis, Arizona (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, the aggregate remaining fund information, of the City of San Luis, Arizona, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Highway Users Fund, and the Community Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of San Luis, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Audit related reports issued

- Audit communication to those charged with governance – Issued 12/12/24
- Annual Comprehensive Financial Report – Issued Auditor Opinion 12/12/24
- HURF Report– Issued 12/12/24
- Single Audit Reporting Package – Issued 12/12/24
- Annual Expenditure Limitation Report– Due 3/31/25
- Bi-Annual Impact Fees AUP Report – Due this year FY 2024- Issued very soon

Single Audit Report

- Includes many different elements
  - Report on internal control for audit under *Government Auditing Standards*
  - Report on internal control and compliance for federal awards as required by the Uniform Guidance
  - Schedule of Expenditures of Federal Awards (SEFA)
  - Major federal programs tested and any findings noted
  - Prior year finding follow up

Summary

City of San Luis, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Programs or Clusters
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

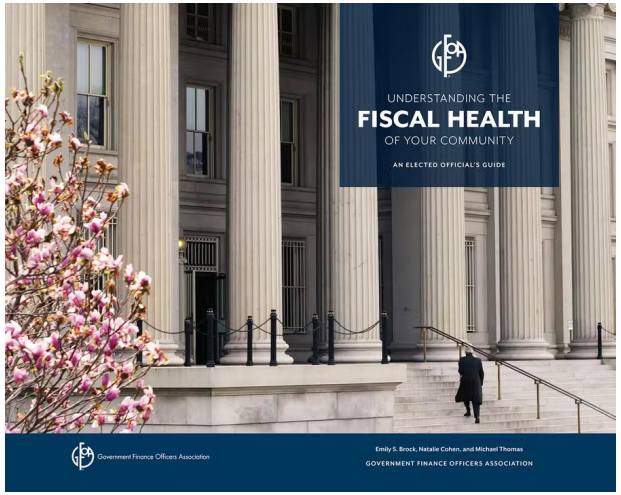
Findings and Questioned Costs Related to Federal Awards: No

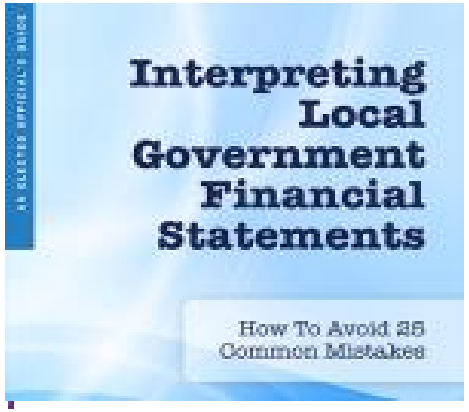
Summary Schedule of Prior Audit Findings required to be reported: No

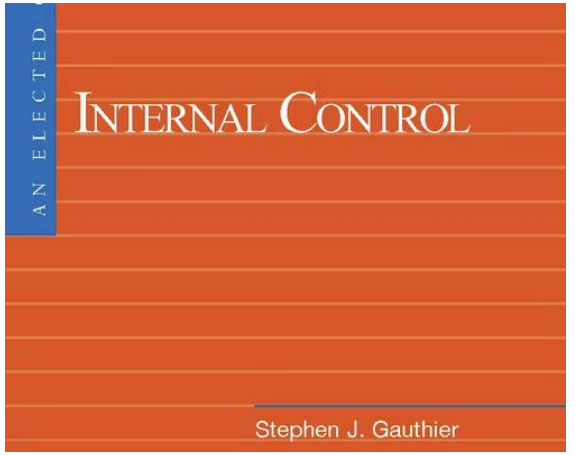
Resources - https://www.gfoa.org/eog

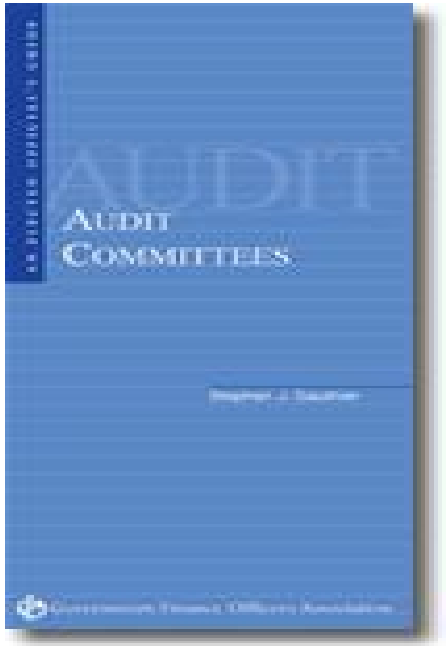
GFOA's Elected Officials Series











Resources for elected officials



https://www.gfoa.org/materials/topic/accounting-and-financial-reporting



AICPA Government Financial Literacy

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Articles

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https://hm.cpa/our-firm/

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AICPA Members

Heinfeld, Meech & Co., P.C. is a Certified Public Accounting firm that specializes in governmental and nonprofit accounting, auditing and consulting.

Founded in 1986, we have offices in Tucson, Scottsdale and Flagstaff, Arizona. Our success has been based on our focus on providing superior service and becoming a trusted advisor to our chosen niche. This is made possible with a team who is knowledgeable, enthusiastic and dedicated to client service. The national and local awards received for our excellent firm culture demonstrate our commitment to building the best team of professionals possible.

We strive to be an effective resource to our clients on a year-round basis. This dedication includes regularly publishing articles on topics related to governmental and nonprofit accounting. We also regularly offer trainings and conferences on current and upcoming issues faced by these industries.

Recognized as experts in the field, we are frequently asked by many national and local industry organizations to share our expertise at their sponsored conferences and workshops. These include recent events sponsored by the American Institute of Certified Public Accountants (AICPA), Association of School Business Officials (ASBO), Arizona Society of CPAs, Government Finance Officers Association (GFOA), Association of Government Accountants (AGA), Native American Grant School Association (NAGSA), and many state societies.



Questions?

Brittney Williams, CPA, CGFM
Engagement Partner
Brittney.Williams@hm.cpa
520-275-3135

Jared J. Young, CPA, CGFM
Engagement Manager
Jared.Young@hm.cpa
520-270-0344

City of San Luis, Arizona
Single Audit Report
Year Ended June 30, 2024

City of San Luis, Arizona
Single Audit Report
For the Year Ended June 30, 2024

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of City of San Luis, Arizona, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of San Luis, Arizona's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of San Luis, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of San Luis, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of San Luis, Arizona's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of San Luis, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 12, 2024

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of San Luis, Arizona's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of San Luis, Arizona's major federal programs for the year ended June 30, 2024. City of San Luis, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of San Luis, Arizona complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of San Luis, Arizona and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of San Luis, Arizona's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of San Luis, Arizona's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of San Luis, Arizona's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of San Luis, Arizona's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of San Luis, Arizona's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of San Luis, Arizona's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of San Luis, Arizona's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of City of San Luis, Arizona as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of San Luis, Arizona's basic financial statements. We issued our report thereon dated December 12, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 12, 2024

City of San Luis, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal/Pass-Through/Agency	AL Number	Federal Award Number	Expenditures and Transfers	Total Expenditures and Transfers
U.S. Department of Labor				
Passed through Yuma Private Industry Inc.				
WIOA Cluster				
WIOA Youth Activities	17.259	2022-5995	$ 6,418	$
WIOA Youth Activities	17.259	2023-6481	2,372	
WIOA Youth Activities	17.259	2023-6482	2,372	
WIOA Youth Activities	17.259	2023-6483	2,372	
WIOA Youth Activities	17.259	2023-6485	2,372	
WIOA Youth Activities	17.259	2023-6486	2,372	
WIOA Youth Activities	17.259	2023-6487	2,372	
Total WIOA Cluster				20,650
Total U.S. Department of Labor				
U.S. Department of Transportation				
Passed through Arizona Governor's Office of Highway and Safety:				
Highway Safety Cluster				
State and Community Highway Safety	20.600	2023-AL-028	4,742	
State and Community Highway Safety	20.600	2023-PTS-055	4,621	
State and Community Highway Safety	20.600	2024-AL-029	10,279	
State and Community Highway Safety	20.600	2024-PTS-057	18,973	
State and Community Highway Safety	20.600	2024-OP-018	2,660	
Total Highway Safety Cluster				41,275
Total U.S. Department of Transportation				41,275
U.S. Department of Treasury				
Direct Program				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		2,443,401
U.S. Department of Health and Human Services				
Passed through Western Arizona Council of Governments				
Aging Cluster				
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	E866000101-24	99,949	
Total Aging Cluster				99,949
Total U.S. Department of Health and Human Services				99,949
U.S. Department of Homeland Security				
Passed through Arizona Department of Homeland Security:				
Homeland Security Grant Program	97.067	220415-01	808,813	
Homeland Security Grant Program	97.067	220415-02	34,962	
Homeland Security Grant Program	97.067	230432-01	81,367	
Total Homeland Security Grant Program				925,142
Total U.S. Department of Homeland Security				925,142
Total Expenditures of Federal Awards				$ 3,530,417

See accompanying notes to schedule.

City of San Luis, Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of San Luis, Arizona under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Indirect Cost Rate

The auditee did not use the de minimis indirect cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

City of San Luis, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Programs or Clusters
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024







FOR FISCAL YEAR ENDED
ON JUNE 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



FOR FISCAL YEAR ENDED
ON JUNE 2024

PREPARED BY:
DEPARTMENT OF FINANCE

CITY OF SAN LUIS, ARIZONA
Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024

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CITY OF SAN LUIS, AZ
INC. 1979

INTRODUCTORY SECTION


CITY OF SAN LUIS, AZ
INC. 1979

Letter of Transmittal

For the Fiscal Year Ended June 30, 2024

December 12, 2024

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

I am pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. 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. According to that requirement, we hereby issue the annual comprehensive financial report of the City of San Luis for the fiscal year ended June 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for this purpose. The internal control framework is designed both to protect the government's assets from loss, theft, or misuse and to compile 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. As presented in this report, we believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City on both a 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, 2024, 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 the 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 must make records available for review or audit by appropriate federal agencies and the U.S. Government Accountability Office officials.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report 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 Mexico and California, and occupies 30 square miles. 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, and serve overlapping four-year terms. 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, Magistrate, Chief of Police, and Chief of Fire. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City has experienced significant increases in population over the years. The 2000 census recorded the City of San Luis population at 15,400, and the 2020 census recorded the City of San Luis population at 35,257, a 128% increase from 2010. Today we estimate the City has 39,700 residents. The City of San Luis is listed in the top 10 cities with the most percentage growth in Arizona. 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 five parks encompassing 90 acres.

This report includes financial statements on both a government-wide and a fund basis for the primary government and its component units. 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." Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. 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 the fiscal year 2024 was $55.0 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 the City's financial operations, including funding for one corporation outside the City's organizational structure. The City relies on the City's General Plan adopted in November 2020 to set the goals and priorities that will allow us to become the City we need to be in the future. There are four themes that are the focus of the plan (Growth, Economy, Environment, and Public Services).

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 and notices and hold public hearings as defined by state statute.

Economic Condition and Outlook

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. The City of San Luis's diverse local economy is built on retail trade, agriculture, real estate development, and manufacturing. San Luis is a significant gateway for imports and exports to and from Mexico.

The City of San Luis' most significant revenue source is sales tax revenue, totaling $21.5 million in the Fiscal Year 2024. Sales tax is generated from various business categories, including food stores, retail stores, restaurants, construction, and utilities. The City also receives a share of sales tax generated from the State of Arizona's (State) applied tax rate and from the City's own applied tax rate.

The City of San Luis is an agriculture community that is part of Yuma County's $2.3 billion agriculture industry and provides 90% of the U.S. vegetables consumed in the U.S.

As we rebounded from the COVID pandemic, we were faced with high inflation rates creating sharp increases in commodity prices combined with supply chain shortages. Housing permits are on pace to continue to stay steady even though the rest of the state expects a decline in housing development driven by high interest rates thereby significantly reducing housing affordability. The City continues to face a shortage of affordable housing and we continue to struggle to deal with a lack of workforce in basic positions. Cost of infrastructure continues to increase limiting our ability to meet the City growing demands. As we look ahead for FY2025, the Federal Reserve's projections suggest that the federal funds rate will decrease to around 3.4%, down from current levels, as part of the ongoing effort to stabilize inflation and promote economic growth. Inflation, measured by the personal consumption expenditures (PCE) price index, is expected to moderate but remain slightly above the Fed's long-term target, ranging between 2.5% and 2.8%. While inflation is projected to ease from recent peaks, it will still be higher than the desired 2%, reflecting the continued economic adjustments

Despite the negative impacts of the pandemic and the economy, new residential development continues thriving. The real estate sector faced high interest rates, but the demand for housing continues in our community. The City continues to receive applications for residential developments. There are five subdivisions under construction, which we expect to be completed by the end of June 2025. The City issued a total of 866 building permits of which 472 were for new residential units in the Fiscal Year 2024.

As the City of San Luis' needs grow and its population, our government works efficiently to meet those needs. Its citizens and municipal government are committed to creating a sustainable economy that will increase the quality of life for its residents and find solutions for the future. One of the major focuses will be to increase revenues to the City by promoting more commercial and industrial developments, encouraging a primary property tax and evaluating currents fees for each department to make sure the revenues cover the cost of operations of the departments.

High interest rates and construction costs negatively impacted the ability of two hotel chains to develop an Extended Stay and Hampton Inn. in San Luis and delayed the development of two commercial projects, including Burger King and Wendy's fast-food restaurants. As interest rates reduce and residential development continues to grow, commercial project demand increases. The medical mall constructed in FY 2021 is looking to expand to include a 15-bed community hospital, representing a 55 million investment. The regional hospital proposes building a 14-bed patient hospital with an investment of $60 million. The construction of these two hospitals will provide the residents with the healthcare they need without traveling outside the community. In addition, a 36-acre parcel is being rezoned for commercial development after letters of interest from fast-food restaurants and retailers interested in constructing this primary commercial corridor. A gym and grocery store are under construction, while private owners secure land for rehabilitation centers, medical clinics, office spaces, and additional middle and high schools.

In the industrial sector, an investor purchased 88 acres of land in the industrial park and made significant infrastructure improvements to attract manufacturing to the area. The City recruited a large metal manufacturer that will employ up to 200 people within the next five years. In addition, a large commercial truck company purchased and developed 40 acres of industrial land.

The City received $62 million in state and federal grants to widen Cesar Chavez Boulevard. This project addresses the traffic issues in that sector of the City, provides alternative modes of transportation, and enhances the safety of our residents. We expect the design to be completed by December 2024 and construction in 2026.

To better serve our residents, we completed the construction of a new Fire Station in the East area of the City and constructed a substation for the Police Department. The design for a new Police Station in the same area is complete, and we hope to start construction in 2026. We invested $7.4 million in road infrastructure to address the impact of traffic on the community. We also invested $3 million in water and $1.1 million in wastewater improvements to meet our current and future demands.

Another significant economic factor in the City is the state prison that employs more than 987 professionals and staff. In addition, since San Luis is a border/U.S. 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.

The $307.5 million modernization and expansion of the San Luis I Land Port of Entry, funded by the Bipartisan Infrastructure Law and the Inflation Reduction Act, marks a significant development in regional border infrastructure. The project will double the vehicle lanes from 8 to 16 and pedestrian lanes from 4 to 10. The port processes 8 million border crossers daily, and we expect the number of crossers will also double. The Mexican shopper contributes approximately 70% of the sales tax to San Luis. This project, part of President Biden's Investing in America Agenda, aims to replace outdated facilities with expanded buildings and increased inspection capacities, substantially boosting local economic activity and job creation. Key enhancements include doubling vehicle inspection lanes, a new pedestrian inspection building, and advanced sustainability features like all-electric, net-zero design and solar panels, aligning with the Federal Sustainability Plan. Notably, the port's upgrade will enhance security, alleviate congestion, and foster environmental justice while supporting the highly integrated binational economy of the San Luis region. The project is currently under construction and expected to be completed by Fall 2028; it exemplifies a collaborative effort across local, state, and federal levels, emphasizing the importance of modern infrastructure in promoting economic prosperity and national security.

Long-Term Financial Planning

The budget process guides the City's financial planning 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. As part of the annual budget process, departments also submit capital plans for review and approval based on available funding. The capital plans are updated annually and approved by the City Council and serve as the primary drivers of the long-term financial planning process.

The budget process includes input from City Council, Departments, City Manager, and citizens, including 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 a bi-annual review of existing rate study extending over a ten-year financial forecast to determine the long-term funding availability. The City had its last utility rate study completed back on December 28, 2022, and adopted by City Council on March 22, 2023. The adopted utility rate consists of a five-year utility rate increase plan that will support the enterprise funds and its capital projects.

Certificates of Achievements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Luis for its ACFR for the fiscal year that ended June 30, 2023.

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

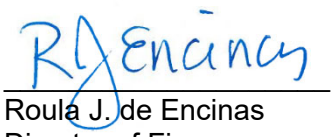
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, with contents conforming to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for nine consecutive years. We believe that our current ACFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgments

The preparation of this Annual Comprehensive 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 City's financial affairs.

Respectfully submitted,



Roula J. de Encinas
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Luis
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY COUNCIL



Elected officials

As of June 30, 2024

Nieves Riedel
Mayor

Matias Rosales
Councilmember
Tadeo DeLaHoya
Councilmember
Gloria Torres
Vice Mayor

Luis Cabrera
Councilmember
Maria C Cruz
Councilmember
Javier Vargas
Councilmember

Appointed officials

Jenny Torres
Acting City Manager
Olivia Jenkins
Operations Coordinator

Attorney	*Kay Marion Macuil*
City Clerk	*Sonia Cornelio*
Director of Economic Development	*Armando Esparza*
Director of Parks and Recreation	*Maria Angelica Roldan*
Acting Director of Finance	*Roula Jouanne de Encinas*
Fire Chief	*Angel Ramirez*
Police Chief	*Nigel Reynoso*
Director of Human Resources	*Adela Cortez*
Information Technology Manager	*Fernando Corona*
Magistrate	*Danae Tera Figueroa*
Director of Planning & Zoning	*Jose Guzman*
Director of Public Works	*Eulogio Vera*
Risk & Property Manager	*Maria Sabori*
Senior Services Manager	*Aracely DeLaHoya*
Billing and Collection Manager	*Edgar Esparza*


CITY OF SAN LUIS, AZ
INC. 1979

FINANCIAL SECTION


CITY OF SAN LUIS, AZ
INC. 1979

Independent Auditor's Report

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

Report on Audit of Financial Statements

Opinions

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 of the City of San Luis, Arizona (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, the aggregate remaining fund information, of the City of San Luis, Arizona, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Highway Users Fund, and the Community Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of San Luis, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of 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, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of San Luis, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 12, 2024


CITY OF SAN LUIS, AZ
INC. 1979

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

(Required Supplementary Information)


CITY OF SAN LUIS, AZ
INC. 1979

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, 2024. 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 $165.4 million.

- The City's net position of governmental activities increased $19.0 million to $116.5 million, and business-type activities increased $6.0 million to $48.9 million representing 70 percent and 30 percent, respectively, of the total net position of $165.1 million.

- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of $45.8 million, an increase of $9.9 million over the prior year. 18 percent of this amount, or $8.3 million, is restricted or non-spendable.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $37.5 million, or 142 percent of total general fund expenditures for the fiscal year.

- General revenues from governmental activities accounted for $36.7 million in revenues or 68 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for $17.4 million or 32 percent of total governmental activities. The City had $21.9 million of program revenues related to business-type activities.

- The City had $35.2 million in expenses related to governmental activities; of which $17.4 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of $36.7 million were adequate to provide for the costs of these programs. The City had $16.9 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 $36.5 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 $26.4 million. The general fund's fund balance increased from $30.6 million to $37.9 million. The highway users fund had revenues of $5.1 million, which consisted primarily of intergovernmental revenues, and expenditures of $5.2 million. The community development fund had revenue of $2.1 million, which consisted primarily of intergovernmental revenues, and expenditures of $1.7 million.

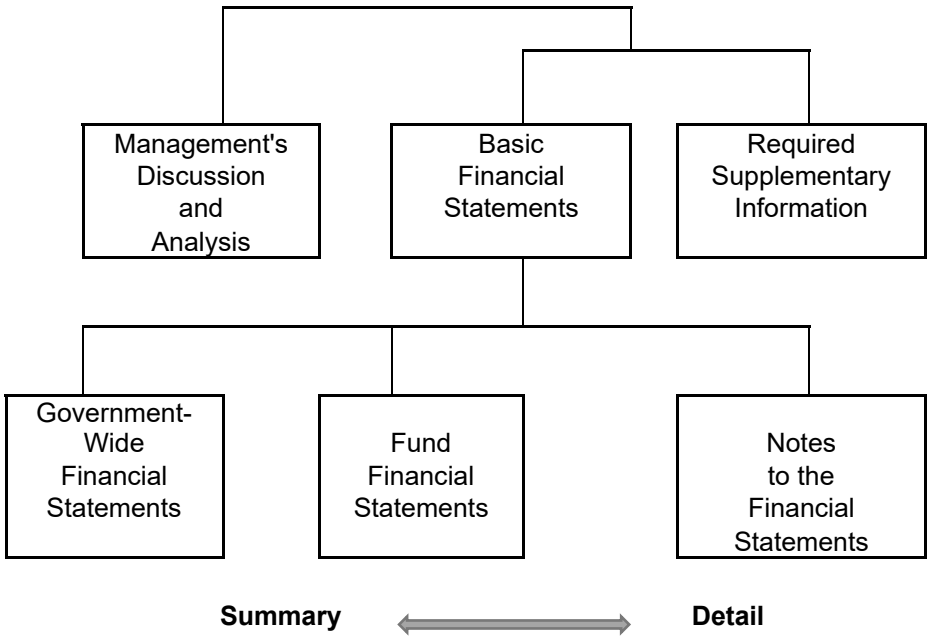
- The City's total long-term liabilities decreased from $63.4 million to $60.8 million during the current fiscal year. This decrease was due primarily to bond principal repayments during the year.

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 annual comprehensive financial report are arranged and relate to one another.

Figure 1: *Required Components of Annual Financial Report*



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.

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 is 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.

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 nine 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, Community Development, and Debt Service Funds, all of which are considered to be major funds. Data from the other five 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, sanitation, business incubator, ambulance services, and business center, all six 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 program. 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 pension benefits to its employees, public safety employees, and elected officials. Required supplementary information can be found immediately following the notes to the financial statements.

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 $165.4 million as of June 30, 2024. By far the largest portion of the City's net position (67 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 and deferred charges 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 eight percent of the City's net position, $12.8 million at June 30, 2024, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, 25 percent at June 30, 2024, 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, 2024 and 2023.

Figure 2	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 100,254,966	$ 60,117,364	$ 27,280,442	$ 26,983,859	$127,535,408	$ 87,101,223
Capital assets, net	88,954,227	81,520,773	61,417,208	56,506,426	150,371,435	138,027,199
Total Assets	189,209,193	141,638,137	88,697,650	83,490,285	277,906,843	225,128,422
Total Deferred Outflow of Resources	7,216,183	6,517,196	1,275,529	1,481,549	8,491,712	7,998,745
Long-term liabilities	31,912,711	32,011,541	28,896,913	31,359,804	60,809,624	63,371,345
Other liabilities	45,406,152	16,737,103	3,097,256	2,099,118	48,503,408	18,836,221
Total Liabilities	77,318,863	48,748,644	31,994,169	33,458,922	109,313,032	82,207,566
Total Deferred Inflow of Resources	2,605,150	1,868,276	9,091,242	8,608,700	11,696,392	10,476,976
Net Position						
Net investment in capital assets	76,185,493	69,074,159	34,388,688	29,161,274	110,574,181	98,235,433
Restricted	9,872,677	6,028,237	2,893,248	2,308,381	12,765,925	8,336,618
Unrestricted	30,443,193	22,436,017	11,605,832	11,434,557	42,049,025	33,870,574
Total net position	$116,501,363	$ 97,538,413	$ 48,887,768	$ 42,904,212	$165,389,131	$140,442,625

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Changes in net position

Governmental Activities: Net position in governmental activities saw an increase of $19.0 million. The reasons for this change can be summarized as follows:

- Program revenues covered 49 percent of total governmental expenses, decreasing from 51 percent in the prior year. This is a two percent decrease in total governmental expense coverage. Overall, revenues exceeded expenses resulting in the increase in net position.

- Program revenues totaled $17.4 million, which was an increase of $1.6 million from the previous year due primarily to increases in capital grants and contributions. The increase in capital grants and contributions reflects the City utilizing COVID-19 funding from the federal government for allowable capital projects and receipt of donated infrastructure from developers.

- General revenues are used to support program activities citywide. Total general revenues increased from the prior year by $5.9 million totaling $36.7 million. This amounts to an overall increase in general revenues of 19 percent, due mainly to increases in sales tax collections and state-shared revenues.

- Expenses totaled $35.2 million, a 13 percent increase compared to the previous year. This increase resulted from compensation increases for employees and pension expense.

- For governmental activities, state shared revenues represent 31 percent of the total revenues, being the largest single source of funds, followed by city sales taxes and capital grants and contributions representing 30 and 20 percent of total revenues, respectively. This was the second time in recent history that state-shared revenues exceeded city sales taxes; this was due to large income tax distributions from the State that are not expected to continue as the State has transitioned to a flat tax structure.

Business-type Activities: Net position of the enterprise funds at the end of the year amounted to $48.9 million. The Enterprise Funds had an increase in net position of $6.0 million. Overall, total revenues exceeded expenses for all the proprietary funds, with the exception of sanitation, business incubator, and ambulance services.

Expenses totaled $16.9 million, a 20 percent increase compared to prior year. This increase was the result of rising salaries and benefits costs (including pensions) for the enterprise funds.

Capital grants and contributions and charges for services increased in comparison with prior year by 55 percent and 24 percent, respectively. The increase in capital grants and contributions is due to the City receiving donated more water and wastewater infrastructure from developers compared to prior year. The increases in charges for services is due to increases in rates charged to proprietary system users.

The most recent rate increase from city rate study to compensate for future operation and investment took place on January 1, 2024. Net position for the enterprise funds has steadily increased over the past few years due to the growing customer base and customers paying more appropriate rates for the delivery of service.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

For business-type activities, the largest part of the revenue is attributable to Charges for Services - Program Revenues, which is made up of 33 percent Water, 31 percent Wastewater, 19 percent Ambulance, and 12 percent Sanitation funds.

Figure 3	Governmental Activities		Business-type Activities		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Revenues						
Program Revenues:						
Charges for services	$ 3,553,253	$ 2,017,959	$ 17,654,106	$ 14,199,564	$ 21,207,359	$ 16,217,523
Operating grants and contributions	3,024,293	4,124,126			3,024,293	4,124,126
Capital grants and contributions	10,826,271	9,654,758	4,239,082	2,740,181	15,065,353	12,394,939
General Revenues:						
City sales taxes	16,116,973	13,705,119			16,116,973	13,705,119
Franchise taxes	540,783	501,885			540,783	501,885
Property taxes	816,102	644,548			816,102	644,548
State shared revenues	16,908,872	14,703,246			16,908,872	14,703,246
Investment earnings	2,347,645	1,276,956	1,039,478	716,265	3,387,123	1,993,221
Total Revenues	54,134,192	46,628,597	22,932,666	17,656,010	77,066,858	64,284,607
Expenses						
General Government	7,903,721	7,222,026			7,903,721	7,222,026
Public Safety	14,521,368	11,971,071			14,521,368	11,971,071
Public Works & Streets	5,796,978	5,535,816			5,796,978	5,535,816
Health and Welfare	533,531	523,849			533,531	523,849
Culture and Recreation	3,582,525	3,413,747			3,582,525	3,413,747
Community Development	1,976,278	1,910,943			1,976,278	1,910,943
Interest on Long-Term Debt	856,841	634,356			856,841	634,356
Water			4,678,497	3,785,695	4,678,497	3,785,695
Wastewater			5,757,184	4,830,760	5,757,184	4,830,760
Business Center			601,313	624,742	601,313	624,742
Sanitation			2,302,491	1,858,155	2,302,491	1,858,155
Business Incubator			183,462	168,653	183,462	168,653
Ambulance Services			3,426,163	2,882,436	3,426,163	2,882,436
Total expenses	35,171,242	31,211,808	16,949,110	14,150,441	52,120,352	45,362,249
Increase/(decrease) in net position	18,962,950	15,416,789	5,983,556	3,505,569	24,946,506	18,922,358
Net position – beginning	97,538,413	82,121,624	42,904,212	39,398,643	140,442,625	121,520,267
Net position - ending	$ 116,501,363	$ 97,538,413	$ 48,887,768	$ 42,904,212	$ 165,389,131	$ 140,442,625

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

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 $35.2 million. The cost of all business-type activities this year was $17.0 million.
- Federal and State governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of $39.3 million.
- The net cost of governmental activities of $17.8 million was financed by general revenues of $36.7 million, which are primarily made up of sales taxes and state shared revenues.
- Business type activities showed an increase to net position of $6.0 million in the fiscal year ended June 30, 2024 as compared to the prior fiscal year. The user fee charges continue to play a significant role in consistent increases to net position. However, capital contributions received increased in comparison with prior year due to developer conveyance of water and wastewater infrastructure and federal COVID-19 funding.

Figure 4 - Activities	Total Expenses	Net (Expense)/ Revenue
Governmental Activities		
General Government	$ 7,903,721	$ (4,913,254)
Public Safety	14,521,368	(11,679,393)
Public Works and Streets	5,796,978	5,593,309
Health and Welfare	533,531	(428,964)
Culture and Recreation	3,582,525	(3,159,016)
Community Development	1,976,278	(2,323,266)
Interest on Long-Term Debt	856,841	(856,841)
Total Expenses	35,171,242	(17,767,425)
Business-Type Activities		
Water	4,678,497	3,003,472
Wastewater	5,757,184	1,860,449
Business Center	601,313	18,553
Sanitation	2,302,491	(99,115)
Business Incubator	183,462	(70,811)
Ambulance Services	3,426,163	231,493
Total Expenses	16,949,110	4,944,041
Total	$52,120,352	$(12,823,384)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Discretely Component Unit

The Detention Facility, which is a legally separate component unit within the financial statements of the City of San Luis, Arizona, presents at June 30, 2024 a positive net position of $3.2 million. This is a decrease of $2.2 million when compared to the $5.4 million net position balance from last year. There were also decreases in revenue and expenses due to decreases in the populations residing within the facility. Revenues and expenses decreased 22 percent and six percent, respectively, in comparison to prior year.

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, the Community Development Fund, and the Debt Service fund. The remaining governmental funds are considered non-major.

At June 30, 2024, the City's governmental funds reported combined fund balance of $45.8 million, an increase of $9.9 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 $37.9 million. As a measure of the general fund's liquidity, unassigned fund balance represents approximately 142 percent of total general fund expenditures and total fund balance represents approximately 143 percent of that same amount. A fund balance percentage of 15 to 20 percent of expenditures is typically considered a sign of financial health.

The Highway Users Fund accounts for the revenues and expenditures dedicated to support the maintenance, repair and construction of streets. During the current year, fund balance increased $1.2 million to $3.6 million, due to a budgeted transfer in for future streets projects.

The Community Development Fund accounts for resources received under federal, state and local grants for community development projects. During the current year, fund balance increased $486,067 to $146,752 due to grant revenues received to relieve prior year deficits.

The Debt Service Fund accounts for the resources accumulated for payment of interest and principal on governmental activities debt backed by the City's excise taxes. During the current year, resources of $1.5 million were transferred in from the General Fund for the annual principal and interest expenditures of $2.0 million with investment earnings making up the deficit between expenditures and transfers in. The City also refunded excise tax debt which caused fund balance to increase $3,447 during the fiscal year to $268,442.

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 2024 were $3.2 million more than projected. Key differences between final estimated revenues and actual revenues were due to stronger sales tax collections and investment earnings than anticipated.

General Fund expenditures were $4.7 million less than the revised fiscal year 2024 budget due to the following:

- This significant reduction can be primarily attributed to a series of vacant positions within various city departments that have remained unfilled throughout the year. The budget allocated for these positions, which covers salaries, benefits, and associated costs, has consequently not been utilized, contributing to overall decrease in expenditures.

- Additionally, the reduction in General Fund expenditures can also be tracked back to lower operational and capital projects expenses that anticipated. This includes savings in areas such utilities, supplies and special services, where budgeted amounts were not fully utilized.

CAPITAL ASSETS

As of June 30, 2024, the City had invested $248.5 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets prior to depreciation. Total depreciation expense for the year was $4.9 million for the governmental activities and $2.5 million for the business-type-activities.

CAPITAL ASSETS (CONTINUED)

The following schedule (Figure 5) presents capital asset balances for the fiscal year ended June 30, 2024 and 2023.

Figure 5	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 9,730,908	$ 6,651,140	$ 954,696	$ 954,696	$ 10,685,604	$ 7,605,836
Construction in progress	3,906,200	9,154,578	5,239,213	3,492,551	9,145,413	12,647,129
Buildings and Improvements	31,027,647	27,449,535	12,243,660	10,236,279	43,271,307	37,685,814
Machinery and equipment	20,618,706	17,796,956	13,187,233	12,430,759	33,805,939	30,227,715
Infrastructure	84,299,165	76,848,984	66,472,591	63,955,425	150,771,756	140,804,409
SBITAs	104,095	104,095			104,095	104,095
Right-to-use leases			702,519	702,519	702,519	702,519
Total	$149,686,721	$138,005,288	$98,799,912	$91,772,229	$248,486,633	$229,777,517

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

- Continue with the ROW acquisition for the Cesar Chavez Boulevard widening project with investment over $737,000.00
- Acquisition of land for City building expansion at cost of $1.1 million
- Various streets improvements across the City at cost of $2.2 million
- Contributed infrastructure (land, street, water lines, sewer lines) from developers in the amount of $7.4 million
- New water well and new water storage tank at combined cost of $1.4 million

Additional information on the City's capital assets can be found in Note 6 of this report.

DEBT ADMINISTRATION

At year end, the City's debts represent Revenue Bonds in the amount of $44.2 million for both governmental and business-type activities that are backed solely by specified revenue sources (i.e., excise taxes and user fees collected). The remainder which is composed of financed purchases, leases, SBITAs, and notes are paid from user fees and charges and others.

Long-term debt decreased by $4.6 million due primarily to planned bond principal payments. .

DEBT ADMINISTRATION (CONTINUED)

The following schedule presents a summary of the City's outstanding long-term debt for the fiscal year ended June 30, 2024 and 2023.

OUTSTANDING DEBT
(Revenue Bonds, Financed Purchases, Leases, SBITAs, and Notes Payable)

Figure 6	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds	$ 18,043,347	$ 19,697,222	$ 26,192,494	$ 28,872,067	$ 44,235,841	$ 48,569,289
Financed purchases	55,386	104,796	5,233	10,466	60,619	115,262
Leases payable			699,092	699,128	699,092	699,128
SBITAs payable	34,685	68,210			34,685	68,210
Note payable	162,751	296,020		36,100	162,751	332,120
Total	$ 18,296,169	$ 20,166,248	$ 26,896,819	$ 29,617,761	$ 45,192,988	$ 49,784,009

Additional information on the City's long-term obligations can be found in Notes 8 through 13 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 number of visitors crossing the border in the City decreased for private vehicles, commercial crossing, and increased for pedestrians crossings. With the ongoing construction project at the port and typical high volumes, the long wait times in either direction is likely causing travelers to choose alternative crossing modes or hold off on their travel altogether if it is for non-essential purposes. When comparing the current year to the previous year, daily averages of vehicles decreased by four percent, pedestrians increased by 50 percent. The decrease in commercial crossings by 6 percent could stem from a variety of challenges. These might include increases tariffs or trade barriers, logistical challenges, or shifts in trade patterns favoring other port of entry. Another contributing factor could be the implementation of stricter border controls of inspections for commercial vehicles, leading to delays and increased cost for business. The peak months for all crossing occur in December through May and hit the lowest pint during the summer months of July and August. (Source: United States Department of Transportation).

Figure 7	BORDER CROSSING					
	Fiscal Year 2024			Fiscal Year 2023		
Class	Per Month High	Per Month Low	Daily Average	Per Month High	Per Month Low	Daily Average
Vehicles				839,495	673,536	24,732
Pedestrians				220,066	115,428	5,925
Commercial				11,904	6,516	267

ECONOMICS FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

- General Fund revenues come from two main sources: local sales taxes and intergovernmental revenues. The City of San Luis, like all Arizona cities, places significant reliance on collected local sales tax. Overall, local sales tax revenues encompassed 46 percent of the $36.5 million general revenues in fiscal year 2024. Our composition of sales taxes is made up of retail trade, wholesale trade, construction activities, and communications. Our retail sales increased by 13% percent compared to last, primarily due to favorable economic conditions, including increased consumer confidence, higher disposable income levels, and successful marketing strategies that significantly boosted consumer spending. We expect a slight increase in sales tax revenue through the fiscal year 2024-25 in construction, retail, and food industries compared to the fiscal year 2023-24 levels due to substantial interest in developing new subdivisions and the rising cost of goods and services. However, increasing interest rates and inflation can also affect the acquisition power, resulting in a slight decrease or no change in the retail sales tax revenue in the next year.

- The City also receives significant revenue allocations from the State for income tax, sales 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. Shared revenues from the state income tax are expected to decrease significantly with the state's flat tax fully implemented.

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

Population and residential growth have increased the demand for commercial development. High interest rates and construction costs have delayed the completion of several commercial projects, including Burger King and Wendy's fast-food restaurants, as well as two new hotels from the Extended Stay America and Hilton Hampton Inn chains. However, the completion of a gas station and convenience store, along with an elementary and a charter school, marks progress in meeting community needs. Additionally, the expansion of the medical mall to include a 15-bed community hospital and the construction of a regional hospital with a 14-bed capacity further reduce the need for residents to seek healthcare services outside the community. A 36-acre parcel is being rezoned for commercial development, with letters of interest from fast-food restaurants and retailers. Other ongoing projects include the construction of a gym, a grocery store, and land secured for rehabilitation centers, medical clinics, office spaces, and additional middle and high schools.

The industrial sector has experienced notable growth, with a major investor acquiring 88 acres in the industrial park and undertaking substantial infrastructure enhancements to support manufacturing opportunities. The City successfully attracted a prominent metal manufacturing company, projected to create up to 200 jobs over the next five years. Additionally, a leading commercial trucking company invested in and developed 40 acres of industrial land, further strengthening the area's economic foundation.

Investments in public safety and services are evident with the completion of a new fire station in the East area of the city and the construction of a Police substation. The design for a new Police station in the same area is complete. Additionally, substantial investments in road, water, and wastewater infrastructure aim to address current impacts and meet future demands.

ECONOMICS FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

The $307.5 million overhaul of the San Luis I Land Port of Entry, funded by the Bipartisan Infrastructure Law and the Inflation Reduction Act, is set to double vehicle and pedestrian lanes. This project, integral to President Biden's Investing in America Agenda, focuses on sustainability, security, and economic stimulation, and job creation anticipating a completion by Fall 2028.

The receipt of $62.0 million in state and federal grants for the widening of Cesar Chavez Boulevard is a major step towards addressing traffic concerns, enhancing safety, and providing alternative transportation modes. The project timeline extends to construction commencement in June 2026, promising substantial improvements in local infrastructure.

Another key contributor to the City's economy is the state prison, which employs over 987 professionals and staff members. Moreover, as a border city and U.S. Port of Entry, San Luis hosts federal agencies such as Immigration and Naturalization Services (INS), Customs, and U.S. Marshals, whose local operations create hundreds of additional job opportunities.

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


CITY OF SAN LUIS, AZ
INC. 1979

City of San Luis, Arizona
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Detention Facility
Assets				
Current assets:				
Cash and investments	$ 76,725,364	$ 25,052,538	$ 101,777,902	$
Restricted cash and investments	5,648,317	746,691	6,395,008	8,247,055
Accounts receivable (net)	3,663,931	2,003,285	5,667,216	3,453,224
Property taxes receivable	32,893		32,893	
Internal balances	8,734,637	(8,734,637)		
Due from component unit	8,665		8,665	
Notes receivable		28,621	28,621	
Due from governmental entities	4,448,237		4,448,237	
Leases receivable	12,503	653,112	665,615	
Prepaid items	399,736	53,629	453,365	
Inventory	150,011	287,683	437,694	
Total current assets	99,824,294	20,090,922	119,915,216	11,700,279
Noncurrent assets:				
Leases receivable	430,672	7,189,520	7,620,192	
Net pension assets				
Capital assets not being depreciated	13,637,108	6,193,909	19,831,017	661,359
Capital assets, net accumulated depreciation	75,317,119	55,223,299	130,540,418	22,700,174
Total noncurrent assets	89,384,899	68,606,728	157,991,627	23,361,533
Total assets	189,209,193	88,697,650	277,906,843	35,061,812
Deferred outflows of resources				
Pension plan items	7,170,455	632,070	7,802,525	
Deferred loss on refunding	45,728	643,459	689,187	159,767
Total deferred outflows of resources	7,216,183	1,275,529	8,491,712	159,767
Liabilities				
Current liabilities:				
Accounts payable	2,816,287	1,592,226	4,408,513	7,383,606
Estimated claims and judgements	1,003,116		1,003,116	
Accrued payroll and taxes	1,862,235	181,180	2,043,415	
Due to primary government				8,665
Court bonds payable	79,949		79,949	
Customer deposits	928	634,113	635,041	
Accrued interest payable	431,283	689,737	1,121,020	292,935
Current potion of long-term obligations	2,157,517	2,064,647	4,222,164	-
Unearned revenues	39,212,354		39,212,354	
Total current liabilities	47,563,669	5,161,903	52,725,572	7,685,206
Noncurrent liabilities:				
Non-current portion of long-term obligations	29,755,194	26,832,266	56,587,460	24,292,534
Total noncurrent liabilities	29,755,194	26,832,266	56,587,460	24,292,534
Total liabilities	77,318,863	31,994,169	109,313,032	31,977,740
Deferred inflows of resources				
Pension plan items	1,376,104	163,371	1,539,475	
Deferred gain on refunding	802,957	1,198,729	2,001,686	
Leases	426,089	7,729,142	8,155,231	
Total deferred inflows of resources	2,605,150	9,091,242	11,696,392	
Net position				
Net investment in capital assets	76,185,493	34,388,688	110,574,181	(771,234)
Restricted for:				
Capital projects	3,568,659	2,413,130	5,981,789	
Debt service	268,442	480,118	748,560	5,783,986
Special purposes	718,869		718,869	
HURF	3,617,935		3,617,935	
Other purposes	1,698,772		1,698,772	
Unrestricted	30,443,193	11,605,832	42,049,025	(1,768,913)
Total net position	$ 116,501,363	$ 48,887,768	$ 165,389,131	$ 3,243,839

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

City of San Luis, Arizona
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
Primary Government					
Governmental activities					
General government	$ 7,903,721	$ 2,825,224	$	$ 165,243	$ (4,913,254)
Public safety	14,521,368	671,683	1,310,461	859,831	(11,679,393)
Public works and streets	5,796,978	10,251	1,609,265	9,423,783	5,246,321
Health and welfare	533,531		104,567		(428,964)
Culture and recreation	3,582,525	46,095		377,414	(3,159,016)
Community development	1,976,278				(1,976,278)
Interest on long-term debt	856,841				(856,841)
Total governmental activities	35,171,242	3,553,253	3,024,293	10,826,271	(17,767,425)
Business-type activities					
Water	4,678,497	5,806,499		1,875,470	
Wastewater	5,757,184	5,508,273		2,109,360	
Business center	601,313	619,866			
Sanitation	2,302,491	2,203,376			
Business incubator	183,462	112,688			
Ambulance services	3,426,163	3,403,404		254,252	
Total business-type activities	16,949,110	17,654,106		4,239,082	
Total primary government	$ 52,120,352	$ 21,207,359	$ 3,024,293	$ 15,065,353	
Component Unit					
Detention Facility	$ 23,327,459	$ 20,632,799	$	$	

General revenues	
Taxes:	
City sales taxes for general purposes	16,116,973
Franchise taxes	540,783
Property taxes	816,102
State shared revenue (not restricted)	16,908,872
Investment earnings	2,347,645
Total general revenues	36,730,375
Changes in net position	18,962,950
Net position, beginning of year	97,538,413
Net position, end of year	$ 116,501,363

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		Component Unit
Business-Type Activities	Total	Detention Facility
$	$ (4,913,254)	$
	(11,679,393)	
	5,246,321	
	(428,964)	
	(3,159,016)	
	(1,976,278)	
	(856,841)	
	(17,767,425)	
3,003,472	3,003,472	
1,860,449	1,860,449	
18,553	18,553	
(99,115)	(99,115)	
(70,774)	(70,774)	
231,493	231,493	
4,944,078	4,944,078	
		(2,694,660)
	16,116,973	
	540,783	
	816,102	
	16,908,872	
1,039,478	3,387,123	491,466
1,039,478	37,769,853	491,466
5,983,556	24,946,506	(2,203,194)
42,904,212	140,442,625	5,447,033
$ 48,887,768	$ 165,389,131	$ 3,243,839


CITY OF SAN LUIS, AZ
INC. 1979

FUND FINANCIAL STATEMENTS


CITY OF SAN LUIS, AZ
INC. 1979

GOVERNMENTAL FUNDS

City of San Luis, Arizona
Balance Sheet
Governmental Funds
June 30, 2024

	General	Highway Users	Community Development	Debt Service
Assets				
Cash and investments	$ 24,228,777	$ 3,841,068	$ 39,967,635	$ 503,246
Restricted cash and investments				5,648,317
Accounts receivable (net)	3,190,208	4,025	9,064	308,596
Property taxes receivable				
Due from governmental entities	3,101,469	368,340	170,089	
Due from other funds	13,392,779			
Due from component unit	8,665			
Leases receivable	443,175			
Prepaid items	321,178		78,400	158
Inventories	16,270	133,741		
Total assets	$ 44,702,521	$ 4,347,174	$ 40,225,188	$ 6,460,317
Liabilities				
Accounts payable	$ 1,505,308	$ 574,050	$ 716,159	$
Accrued payroll and taxes	1,825,368	34,738	2,129	
Court bonds payable	79,949			
Customer deposits	928			
Due to other funds	544,922	120,451		4,537,691
Bond interest payable				431,283
Bonds payable				1,222,901
Unearned revenues	1,504		39,210,850	
Total liabilities	3,957,979	729,239	39,929,138	6,191,875
Deferred inflows of resources				
Unavailable revenues - municipal court	912,691			
Unavailable revenues - intergovernmental			149,298	
Unavailable revenues - property taxes				
Unavailable revenues - other	1,554,645			
Leases	426,089			
Total deferred inflows of resources	2,893,425		149,298	
Fund balances				
Nonspendable	337,448	133,741	78,400	158
Restricted		3,484,194	68,352	268,284
Unassigned	37,513,669			
Total fund balances	37,851,117	3,617,935	146,752	268,442
Total liabilities, deferred inflows of resources and fund balances	$ 44,702,521	$ 4,347,174	$ 40,225,188	$ 6,460,317

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

Non-Major Governmental Funds	Total Governmental Funds
$ 3,629,374	$ 72,170,100
	5,648,317
3,157	3,515,050
32,893	32,893
808,339	4,448,237
	13,392,779
	8,665
	443,175
	399,736
	150,011
$ 4,473,763	$ 100,208,963
$ 20,770	$ 2,816,287
	1,862,235
	79,949
	928
	5,203,064
	431,283
	1,222,901
	39,212,354
20,770	50,829,001
	912,691
516,120	665,418
32,893	32,893
	1,554,645
	426,089
549,013	3,591,736
	549,747
3,903,980	7,724,810
	37,513,669
3,903,980	45,788,226
$ 4,473,763	$ 100,208,963


CITY OF SAN LUIS, AZ
INC. 1979

City of San Luis, Arizona
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds		**$ 45,788,226**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 149,686,721	
Less accumulated depreciation/amortization	(60,732,494)	
		88,954,227
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Municipal court	912,691	
Intergovernmental	665,418	
Property taxes	32,893	
Other	1,554,645	
		3,165,647
Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		(757,229)
Deferred outflows of resources, deferred inflows of resources, and net assets related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	7,170,455	
Deferred inflows of resources related to pensions	(1,376,104)	
		5,794,351
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		4,245,951
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(917,049)	
Note payable	(162,751)	
Financed purchases payable	(55,386)	
SBITAs	(34,685)	
Bonds payable	(16,820,446)	
Net pension liability	(12,699,493)	
		(30,689,810)
Net position of governmental activities		**$ 116,501,363**

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

City of San Luis, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Highway Users	Community Development	Debt Service
Revenues				
Taxes	$ 16,657,756	$	$	$
Licenses and permits	1,239,704			
Intergovernmental	16,908,872	3,667,609	2,015,925	
Fines and forfeitures	310,586			
Charges for services	67,601			
Rents	38,841			
Investment earnings	1,116,334	543,452	24,280	491,046
Development fees		909,502		
Other	120,986	10,251	46,095	
Total revenues	36,460,680	5,130,814	2,086,300	491,046
Expenditures				
Current:				
General government	7,136,576			
Public safety	11,291,783			
Public works and streets	235,387	2,753,758		
Health and welfare	337,848		139,041	
Culture and recreation	3,105,583		28,069	
Community development	1,385,837		4,242	
Capital outlay	2,770,642	2,409,025	1,532,242	
Debt service:				
Principal retirement	112,607			1,222,901
Interest and fiscal charges	3,403			770,706
Bond issuance costs				167,292
Total expenditures	26,379,666	5,162,783	1,703,594	2,160,899
Excess (deficiency) of revenues over expenditure	10,081,014	(31,969)	382,706	(1,669,853)
Other financing sources (uses)				
Transfers in		1,279,621	103,361	1,502,562
Transfers out	(2,792,312)	(93,232)		
Issuance of refunding bonds				7,690,191
Premium on sale of bonds				966,386
Payment to refunded bond escrow agent				(8,485,839)
Total other financing sources (uses)	(2,792,312)	1,186,389	103,361	1,673,300
Changes in fund balances	7,288,702	1,154,420	486,067	3,447
Fund balances, beginning of year	30,562,415	2,463,515	(339,315)	264,995
Fund balances, end of year	$ 37,851,117	$ 3,617,935	$ 146,752	$ 268,442

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

Non-Major Governmental Funds	Total Governmental Funds
$ 796,439	$ 17,454,195
	1,239,704
1,310,461	23,902,867
239,038	549,624
	67,601
2,500	41,341
161,848	2,336,960
1,091,926	2,001,428
20,615	197,947
3,622,827	47,791,667
7,244	7,143,820
1,256,447	12,548,230
239,031	3,228,176
	476,889
6,256	3,139,908
538,135	1,928,214
541,309	7,253,218
103,597	1,439,105
8,483	782,592
	167,292
2,700,502	38,107,444
922,325	9,684,223
	2,885,544
	(2,885,544)
	7,690,191
	966,386
	(8,485,839)
	170,738
922,325	9,854,961
2,981,655	35,933,265
$ 3,903,980	$ 45,788,226

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, 2024

Changes in fund balances - total governmental funds		**$ 9,854,961**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Expenditures for capitalized assets	$ 7,209,070	
Capital contributions from donated assets	5,202,129	
Less current year depreciation/amortization	(4,902,998)	
		7,508,201
The refunding bond transaction used current financial resources from governmental funds, but the transaction decreased long-term liabilities in the Statement of Net Position.		(170,738)
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal court	129,719	
Intergovernmental	150,977	
Property taxes	19,663	
Other	829,352	
		1,129,711
Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Financed purchase principal retirement	49,410	
SBITA principal retirement	33,525	
Note principal retirement	133,269	
Bond principal retirement	1,222,901	
		1,439,105
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 items, is reported as pension expense in the Statement of Activities.		
Current year pension contributions	1,641,270	
Pension expense	(2,905,222)	
		(1,263,952)
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.		
Compensated absences	(90,784)	
Deferred bond items on issuance of refunding debt	(4,828)	
Loss on disposal of assets	(74,747)	
Amortization of deferred bond items	97,871	
		(72,488)
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.		538,150
Changes in net position in governmental activities		**$ 18,962,950**

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

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 13,914,180	$ 13,914,180	$ 16,657,756	$ 2,743,576
Licenses and permits	726,830	726,830	1,239,704	512,874
Intergovernmental	17,789,274	17,789,274	16,908,872	(880,402)
Fines and forfeitures	244,600	244,600	310,586	65,986
Charges for services	55,740	55,740	67,601	11,861
Rents	188,500	188,500	38,841	(149,659)
Investment earnings	250,000	250,000	1,116,334	866,334
Other	62,000	62,000	120,986	58,986
Total revenues	33,231,124	33,231,124	36,460,680	3,229,556
Expenditures				
Current:				
General government				
City council	1,550,500	1,474,170	1,002,994	471,176
City administration	1,770,641	752,951	428,227	324,724
City clerk	338,405	374,655	336,668	37,987
City attorney	499,191	499,191	321,658	177,533
City prosecutor	383,605	416,225	333,058	83,167
Finance	580,323	616,573	543,893	72,680
Human resources	523,169	523,169	461,060	62,109
Municipal court	952,735	952,735	766,877	185,858
Information technology	773,548	774,908	711,976	62,932
Facilities	691,906	741,376	702,330	39,046
Fleet services	249,084	283,894	256,644	27,250
Risk and property	662,745	662,745	460,204	202,541
Billing and collections	44,666	63,276	33,684	29,592
Non departmental	1,079,967	1,336,282	777,303	558,979
Public safety				
Police department	7,170,530	7,672,220	7,101,929	570,291
Fire department	3,341,750	3,537,470	3,242,765	294,705
Fire department east	797,540	961,130	947,089	14,041
Public works and streets				
Public works	304,866	304,866	235,387	69,479
Health and welfare				
Senior services	355,545	389,605	337,848	51,757
Culture and recreation				
Cultural center	279,032	279,032	250,418	28,614
Parks ground	1,783,900	1,771,900	1,666,605	105,295
Parks - recreation	929,525	931,975	751,378	180,597
Youth center	330,810	330,810	260,827	69,983
Aquatic center	259,035	259,035	176,355	82,680
Commuity development				
Development services	572,540	578,385	439,963	138,422
Building safety	635,915	560,005	523,775	36,230
Economic development	514,169	514,169	422,099	92,070
Capital outlay	1,372,392	3,415,482	2,770,642	644,840
Debt service:				
Principal retirement	81,410	81,410	112,607	(31,197)
Interest and fiscal charges	1,050	1,050	3,403	(2,353)
Bond issuance costs				
Total expenditures	28,830,494	31,060,694	26,379,666	4,681,028
Excess (deficiency) of revenues over expenditur	4,400,630	2,170,430	10,081,014	7,910,584
Other financing sources (uses)				
Transfers out	(5,866,382)	(5,866,382)	(2,792,312)	3,074,070
SBITA agreements				
Total other financing sources (uses)	(5,866,382)	(5,866,382)	(2,792,312)	3,074,070
Changes in fund balances	(1,465,752)	(3,695,952)	7,288,702	10,984,654
Fund balances, beginning of year	30,562,415	30,562,415	30,562,415	
Fund balances, end of year	$ 29,096,663	$ 26,866,463	$ 37,851,117	$ 10,984,654

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 and Actual
Highway Users
For the Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 3,804,400	$ 3,804,400	$ 3,667,609	$ (136,791)
Investment earnings	75,000	75,000	543,452	468,452
Development fees	406,800	406,800	909,502	502,702
Other			10,251	10,251
Total revenues	4,286,200	4,286,200	5,130,814	844,614
Expenditures				
Current:				
Public works and streets	2,994,027	3,210,317	2,753,758	456,559
Capital outlay	3,196,008	2,287,138	2,409,025	(121,887)
Total expenditures	6,190,035	5,497,455	5,162,783	334,672
Excess (deficiency) of revenues over expenditure	(1,903,835)	(1,211,255)	(31,969)	1,179,286
Other financing sources (uses)				
Transfers in	3,477,320	3,477,320	1,279,621	(2,197,699)
Transfers out	(1,239,220)	(1,239,220)	(93,232)	1,145,988
Total other financing sources (uses)	2,238,100	2,238,100	1,186,389	(1,051,711)
Changes in fund balances	334,265	1,026,845	1,154,420	127,575
Fund balances, beginning of year	2,463,515	2,463,515	2,463,515	
Fund balances, end of year	$ 2,797,780	$ 3,490,360	$ 3,617,935	$ 127,575

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

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development
For the Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 39,451,973	$ 39,451,973	$ 2,015,925	(37,436,048)
Investment earnings			24,280	24,280
Other	22,044	22,044	46,095	24,051
Total revenues	39,474,017	39,474,017	2,086,300	(37,387,717)
Expenditures				
Current:				
Health and welfare	129,140	129,140	139,041	(9,901)
Culture and recreation			28,069	(28,069)
Commuity development			4,242	(4,242)
Capital outlay	40,713,383	40,371,083	1,532,242	38,838,841
Total expenditures	40,842,523	40,500,223	1,703,594	38,796,629
Excess (deficiency) of revenues over expenditure	(1,368,506)	(1,026,206)	382,706	1,408,912
Other financing sources (uses)				
Transfers in	1,368,506	1,368,506	103,361	(1,265,145)
Changes in fund balances		342,300	486,067	143,767
Fund balances, beginning of year	(339,315)	(339,315)	(339,315)	
Fund balances, end of year	$ (339,315)	$ 2,985	$ 146,752	$ 143,767

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


CITY OF SAN LUIS, AZ
INC. 1979

PROPRIETARY FUNDS

City of San Luis, Arizona
Statement of Fund Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities				
	Water	Wastewater	Sanitation	Business Incubator	Ambulance Services
Assets					
Current assets:					
Cash and investments	$ 14,735,879	$ 7,506,683	$	$	$ 244,553
Restricted cash and investments	746,691				
Accounts receivable (net)	524,878	138,395	44,759	2,705	1,292,548
Notes receivable	28,621				
Due from other funds					
Leases receivable				106,276	
Prepaid items and other assets	193,897	57,925	20,732		68,758
Total current assets	16,229,966	7,703,003	65,491	108,981	1,605,859
Noncurrent assets:					
Leases receivable				397,495	
Capital assets not being depreciated	4,222,628	1,619,598			
Capital assets, net of accumulated depreciation	21,266,390	25,837,633	1,603,731	2,364,461	1,334,200
Total noncurrent assets	25,489,018	27,457,231	1,603,731	2,761,956	1,334,200
Total assets	41,718,984	35,160,234	1,669,222	2,870,937	2,940,059
Deferred outflows of resources					
Pension plan items	102,372	143,565	54,207		331,926
Deferred loss on refunding					
Total deferred outflows of resources	102,372	143,565	54,207		331,926
Liabilities					
Current liabilities:					
Accounts payable	1,188,356	280,589	68,407	1,527	47,656
Estimated claims and judgements					
Accrued payroll and taxes	27,769	38,664	13,171	402	101,174
Customer deposits	613,020	12,025		9,068	
Due to other funds	1,178,609		1,265,014	803,699	
Accrued interest	266,573	301,547			10,486
Current portion of long-term obligations	495,410	610,033	12,698	897	115,609
Total current liabilities	3,769,737	1,242,858	1,359,290	815,593	274,925
Noncurrent liabilities:					
Non-current portion of long-term obligations	8,584,557	10,201,704	362,236	699,265	919,540
Total noncurrent liabilities	8,584,557	10,201,704	362,236	699,265	919,540
Total liabilities	12,354,294	11,444,562	1,721,526	1,514,858	1,194,465
Deferred inflows of resources					
Pension plan items	21,177	29,648	12,706		99,840
Deferred gain on refunding	579,062	619,667			
Leases				462,011	
Total deferred inflows of resources	600,239	649,315	12,706	462,011	99,840
Net position					
Net investment in capital assets	15,444,973	17,428,586	1,603,731	1,665,369	1,328,967
Restricted for:					
Capital projects	933,809	1,479,321			
Debt service	480,118				
Unrestricted	12,007,923	4,302,015	(1,614,534)	(771,301)	648,713
Total net position	$ 28,866,823	$ 23,209,922	$ (10,803)	$ 894,068	$ 1,977,680

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

Business-Type Activities		Governmental Activities
Business Center	Total Enterprise Funds	Internal Service Funds
$ 2,565,423	$ 25,052,538	4,555,264
	746,691	
	2,003,285	148,881
	28,621	
		544,922
546,836	653,112	
	341,312	
3,112,259	28,825,559	5,249,067
6,792,025	7,189,520	
351,683	6,193,909	
2,816,884	55,223,299	
9,960,592	68,606,728	
13,072,851	97,432,287	5,249,067
	632,070	
643,459	643,459	
643,459	1,275,529	
5,691	1,592,226	
		1,003,116
	181,180	
	634,113	
5,487,315	8,734,637	
111,131	689,737	
830,000	2,064,647	
6,434,137	13,896,540	1,003,116
6,064,964	26,832,266	
6,064,964	26,832,266	
12,499,101	40,728,806	1,003,116
	163,371	
	1,198,729	
7,267,131	7,729,142	
7,267,131	9,091,242	
(3,082,938)	34,388,688	
	2,413,130	
	480,118	
(2,966,984)	11,605,832	4,245,951
$ (6,049,922)	$ 48,887,768	$ 4,245,951

City of San Luis, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			
	Water	Wastewater	Sanitation	Business Incubator
Operating revenues				
Charges for services	$ 5,617,614	$ 5,496,643	$ 2,144,247	$
Rents				109,536
Other	188,885	11,630	59,129	3,152
Total operating revenues	5,806,499	5,508,273	2,203,376	112,688
Operating expenses				
Cost of sales and services	3,393,759	4,038,457	2,100,928	110,729
Insurance premiums/claims				
Depreciation and amortization	701,430	1,103,384	200,851	59,450
Total operating expenses	4,095,189	5,141,841	2,301,779	170,179
Operating income (loss)	1,711,310	366,432	(98,403)	(57,491)
Nonoperating revenues (expenses)				
Investment earnings	658,819	379,511		
Interest and fiscal charges	(544,913)	(615,343)	(712)	(13,283)
Gain (loss) on disposal of assets	(38,395)			
Total nonoperating revenue (expenses)	75,511	(235,832)	(712)	(13,283)
Income (loss) before capital contributions	1,786,821	130,600	(99,115)	(70,774)
Capital contributions	1,875,470	2,109,360		
Changes in net position	3,662,291	2,239,960	(99,115)	(70,774)
Total net position, beginning of year	25,204,532	20,969,962	88,312	964,842
Total net position, end of year	$ 28,866,823	$ 23,209,922	$ (10,803)	$ 894,068

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

Business-Type Activities			Governmental Activities
Ambulance Services	Business Center	Total Enterprise Funds	Internal Service Funds
$ 3,400,907	$	$ 16,659,411	$ 3,170,355
	562,617	672,153	
2,497	57,249	322,542	
3,403,404	619,866	17,654,106	3,170,355
3,196,052	89,467	12,929,392	
			2,642,890
209,247	190,270	2,464,632	
3,405,299	279,737	15,394,024	2,642,890
(1,895)	340,129	2,260,082	527,465
252	896	1,039,478	10,685
(20,864)	(321,576)	(1,516,691)	
		(38,395)	
(20,612)	(320,680)	(515,608)	10,685
(22,507)	19,449	1,744,474	538,150
254,252		4,239,082	
231,745	19,449	5,983,556	538,150
1,745,935	(6,069,371)	42,904,212	3,707,801
$ 1,977,680	$ (6,049,922)	$ 48,887,768	$ 4,245,951

City of San Luis, Arizona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities				
	Water	Wastewater	Sanitation	Business Incubator	Ambulance Services
Increase/Decrease in Cash and Cash Equivalents					
Cash flows from operating activities					
Cash received from customers	$ 5,821,333	$ 5,474,743	$ 2,190,055	$ 118,774	$ 2,922,093
Cash payments to suppliers for goods and services	(1,572,695)	(3,011,749)	(1,573,437)	(96,947)	(1,065,710)
Cash payments to employees for services	(795,369)	(1,102,852)	(382,116)	(12,475)	(2,002,150)
Net cash provided by/used for operating activities	3,453,269	1,360,142	234,502	9,352	(145,767)
Cash flows from noncapital financing activities					
Interfund borrowing	1,131,123		258,474	3,967	
Cash flows from capital and related financing activities					
Capital contributions from development fees and grants	277,670	1,195,446			254,252
Issuance of refunding bonds	6,570,061	6,988,357			
Payment to refunded bond escrow agent	(6,440,477)	(6,850,523)			
Payments for capital acquisitions	(2,981,903)	(1,192,664)	(456,164)		(271,365)
Principal paid on long-term obligations	(424,728)	(528,651)	(36,100)	(36)	(50,649)
Interest paid on long-term obligations	(529,909)	(601,112)	(712)	(13,283)	(20,975)
Net cash provided by/used for capital and related financing activities	(3,529,286)	(989,147)	(492,976)	(13,319)	(88,737)
Cash flows from investing activities					
Investment income	658,819	379,511			252
Net increase/decrease in cash and cash equivalents	1,713,925	750,506			(234,252)
Cash and cash equivalents, beginning of year	13,768,645	6,756,177			478,805
Cash and cash equivalents, end of year	$ 15,482,570	$ 7,506,683	$	$	$ 244,553
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and investments	$ 14,735,879	$ 7,506,683	$	$	$ 244,553
Resricted cash and investments	746,691				
Total cash and cash equivalents	$ 15,482,570	$ 7,506,683	$	$	$ 244,553
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities					
Operating income/loss	$ 1,711,310	$ 366,432	$ (98,403)	$ (57,491)	$ (1,895)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:					
Depreciation/amortization	701,430	1,103,384	200,851	59,450	209,247
Difference between pension expense and contributions	26,795	38,157	123,420		168,695
Difference between lease revenue and cash payments				5,180	
Changes in assets and liabilities:					
Increase/decrease in accounts receivable	(52,989)	(33,205)	(13,321)	856	(481,311)
Increase/decrease in prepaid items and other assets	17,831	(10,953)	14,666	558	4,511
Increase/decrease in notes receivable	(2,847)				
Increase/decrease in accounts payable	973,667	(112,096)	(174)	594	(81,263)
Increase/decrease in customer deposits	70,670	(325)		50	
Increase/decrease in estimated claims and judgements					
Increase/decrease in accrued payroll and taxes	5,972	5,960	2,106	23	34,668
Increase/decrease in compensated absences payable	1,430	2,788	5,357	132	1,581
Total adjustments	1,741,959	993,710	332,905	66,843	(143,872)
Net cash provided by/used for operating activities	$ 3,453,269	$ 1,360,142	$ 234,502	$ 9,352	$ (145,767)
Noncash Capital, Financing, and Investing Activities					
Amortization of premium/discount and deferred charges on refunding	$ 46,480	$ 49,706	$	$	$
Capital contributions	1,597,800	913,914			

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

Business-Type Activities		Governmental Activities
Business Center	Total Enterprise Funds	Internal Service Funds
$ 600,001	$ 17,126,999	$ 3,223,619
(106,303)	(7,426,841)	(2,440,072)
	(4,294,962)	
493,698	5,405,196	783,547
1,153,753	2,547,317	(321,537)
	1,727,368	
	13,558,418	
	(13,291,000)	
	(4,902,096)	
(815,000)	(1,855,164)	
(232,451)	(1,398,442)	
(1,047,451)	(6,160,916)	
896	1,039,478	10,685
600,896	2,831,075	472,695
1,964,527	22,968,154	4,082,569
$ 2,565,423	$ 25,799,229	$ 4,555,264
$ 2,565,423	$ 25,052,538	$ 4,555,264
	746,691	
$ 2,565,423	$ 25,799,229	$ 4,555,264
$ 340,129	$ 2,260,082	$ 527,465
190,270	2,464,632	
	357,067	
(19,865)	(14,685)	
	(579,970)	53,264
	26,613	
	(2,847)	
(16,836)	763,892	
	70,395	
		202,818
	48,729	
	11,288	
153,569	3,145,114	256,082
$ 493,698	$ 5,405,196	$ 783,547
$ (99,314)	$ (3,128)	$
	2,511,714	


CITY OF SAN LUIS, AZ
INC. 1979

NOTES TO THE BASIC FINANCIAL STATEMENTS

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.

Below are the City's more significant accounting policies.

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 San Luis Community Facilities District (SLCFD) 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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 100 percent by the plan and pay on the average $275 a month 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 Unit

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 Yuma 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 the 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 unit.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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. Complete financial statements of the GYPA may be obtained from the GYPA's office at P.O. Box 4601, San Luis, AZ 85349.

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 is a related organization that is excluded from the reporting entity:

- 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Community Development – This fund accounts for grants received from the Federal and State governments for community development purposes.

Debt Service – This fund accounts for the repayment of several of the City's bonds.

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
- San Luis Community Facilities District
- Assessment Districts

Capital Projects Funds

- Impact Fees

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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/amortization 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.

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.

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

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, cash with trustee 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash, Cash Equivalents and Investments (Continued)

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.

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 and other agreements. Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuances, the repayment of bond principal/interest, or the operation of the San Luis Detention Facility.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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. The City reserved all receivable in excess of 180 days as an allowance.

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 funds 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 average cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery, equipment, construction in progress, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible right-to-use assets 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and depreciation/amortization periods are as follows:

Assets	Years
Infrastructure	30-50
Buildings and improvements	45
Improvements other than buildings	10-30
Machinery, and equipment	5-15
Intangible right-to-use assets	58

K. Property Tax Calendar

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.

L. Deferred Outflows/Inflows of Resources

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 its blended component unit have items that qualify for reporting in these categories.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) 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 one type of item, which arises 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, intergovernmental revenue, property taxes, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

Under the full accrual basis, the City has three 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 17.
- A deferred inflow from leases is recorded at the inception of a lease in which the City is the lessor. The inflow of resources is recognized ratably over the term of the lease.

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

- A deferred loss 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.

M. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of $100,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is based on the interest rate from recent debt issuances.

As lessor, the City recognizes lease receivables with an initial, individual value of $100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses an interest rate based on the applicable rate on federal securities as the discount rate to measure lease receivables.

O. 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.

P. 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, 2024.

Q. 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.

R. Subscription-Based Information Technology Arrangements (SBITAs)

As an end user of subscription-based technology, the City recognizes SBITA obligations with an initial, individual value of $50,000 or more. The City uses its estimated incremental borrowing rate to measure SBITA obligations unless it can readily determine the interest rate implicit in the SBITA contract. The City's estimated incremental borrowing rate is based on describe how the City determined its estimated incremental borrowing rate.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Pensions

For purposes of measuring the net pension liability/asset, 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.

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.

T. 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. 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.

V. 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, Special Revenue, Debt Service, Capital Projects, and 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 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 – FUND BALANCE CLASSIFICATIONS

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.

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Continued)

Restricted – This classification includes revenue sources that are restricted to specific purposes externally imposed by 1) external parties (grantors or creditors) 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.

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.

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.

	General Fund	Highway Users Fund	Community Development Fund	Debt Service Fund	Non-Major Governmental Funds
Fund Balances:					
Non spendable:					
Prepaid items	$ 321,178	$	$ 78,400	$ 158	$
Inventory	16,270	133,741			
Restricted:					
HURF		3,484,194			
Special purposes					607,576
Capital projects			68,352		2,331,402
Debt service				268,284	
Other purposes					965,002
Unassigned	37,513,669				
Total fund balances	$ 37,851,117	$ 3,617,935	$ 146,752	$ 268,442	$ 3,903,980

NOTE 3 – CASH AND INVESTMENTS

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

	Primary Government		Component Unit	
	Governmental Activities	Business-type Activities	Detention Facility	Total
Equity in pooled cash	$ 2,309,207	$ 260,510	$	$ 2,569,717
Cash and cash equivalents	4,558,264	4,018,576		8,576,840
Investments	69,857,893	20,773,452		90,631,345
Restricted assets:				
Cash and investments	5,648,317	746,691	8,247,055	14,642,063
Total	$ 82,373,681	$ 25,799,229	$ 8,247,055	$116,419,965

Cash and investments consisted of the following:

Cash on hand	$ 5,500
Demand deposits	11,141,057
Investments	105,273,408
Total	$ 116,419,965

Custodial Credit Risk - Demand Deposits. 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. The carrying amounts of the City's demand deposits were $11,141,057 at June 30, 2024. Bank balances were $12,631,468 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions not in the City's name.

Risk Disclosures – 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.

	Fair Value	Investment Maturities (in years) Less than 1
Money Market	$ 14,642,063	$ 14,642,063
State Treasurer	90,631,345	90,631,345
Total	$ 105,273,408	$ 105,273,408

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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.

At June 30, 2024, City's investment in mutual funds were considered to be level one investments.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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, 2024, the City's investment in the State Treasurer's Government Investment Pool (LGIP) were rated AAAf by Standard and Poor's Corporation.

The City's investment in mutual funds were rated Aaa by Moody's Corporation.

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 or by writing to Arizona State Treasurer's Office, 1700 West Washington Street, 1st Floor, Phoenix, AZ 85007.

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 investment companies, 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.

NOTE 3 – CASH AND INVESTMENTS (CONCLUDED)

Custodial Credit Risk – Investments. 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. 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.

Concentration Credit Risk. The City places no limit on the amount the City may invest in any one issuer. As of June 30, 2024, the City's investments included 14 percent invested in money market funds, and 86 percent invested in the State Treasurer's investment pool.

NOTE 4 – RECEIVABLES

Receivables are reported net of allowance for uncollectible of $4,232,073 for proprietary fund receivables and $418,206 for governmental funds receivable of which the majority relates to court fines.

Governmental funds report unavailable 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 of $3,165,647 consisted mostly of court fines and detention center issuer fees receivable reported in the General Fund and opioid settlement receivables in the nonmajor governmental funds ; unearned revenue of $39,212,354 consisted mostly of state grant revenue not yet spent from the Community Development Fund.

NOTE 5 – LEASES RECEIVABLE

The City leases land for a cell tower, office space, and industrial building space under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of $17,511, $562,617, and $109,536 is recorded as rents revenue in the General, Business Center, and Business Incubator Funds, respectively, while related interest revenue of $3,373, $57,249, $2,047 is recorded as other revenue in those same funds, respectively.

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

		Governmental Activities	Business-type Activities
Year ending June 30:			
	2025	$ 15,784	$ 707,830
	2026	16,097	708,316
	2027	16,416	711,640
	2028	16,747	633,987
	2029	17,085	600,000
	2030-34	90,689	3,000,000
	2035-39	100,127	1,699,999
	2040-44	110,561	
	2045-49	105,035	
Total		$ 488,541	$ 8,061,772

NOTE 6 – INTERFUND TRANSACTIONS

A. Due From and To Other Funds

Fund	Due from other Funds	Due to other Funds
General	$ 13,392,779	$ 544,922
Highway Users		120,451
Debt Service		4,537,691
Water		1,178,609
Sanitation		1,265,014
Business Incubator		803,699
Business Center		5,487,315
Internal Service	544,922	
Total	$ 13,937,701	$ 13,937,701

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.

NOTE 6 – INTERFUND TRANSACTIONS (CONCLUDED)

B. Transfers

Transfers between funds of the primary government:

	Transfers out:		
Transfers in:	General Fund	Highway Users Fund	Total
Highway Users Fund	$ 1,279,621	$	$ 1,279,621
Community Development Fund	10,129	93,232	103,361
Debt Service Fund	1,502,562		1,502,562
Total	$ 2,792,312	$ 93,232	$ 2,885,544

Transfers are used (1) to move receipts restricted for debt service from the collecting funds to the funds obligated to pay debt service payments (2) to meet local match requirements for federal and state grants.

NOTE 7 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2024 follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 6,651,140	$ 3,079,768	$	$ 9,730,908
Construction in progress	9,154,578	3,201,646	8,450,024	3,906,200
Total capital assets, not being depreciated	15,805,718	6,281,414	8,450,024	13,637,108
Capital assets, being depreciated/amortized:				
Buildings and improvements	27,449,535	3,621,799	43,687	31,027,647
Machinery and equipment	17,796,956	3,507,829	686,079	20,618,706
Infrastructure	76,848,984	7,450,181		84,299,165
SBITAs	104,095			104,095
Total capital assets being depreciated/amortized	122,199,570	14,579,809	729,766	136,049,613
Less accumulated depreciation for:				
Buildings and improvements	(12,257,023)	(805,537)	(35,829)	(13,026,731)
Machinery and equipment	(11,604,814)	(1,669,803)	(619,190)	(12,655,427)
Infrastructure	(32,586,793)	(2,394,133)		(34,980,926)
Less accumulated amortization for:				
SBITAs	(35,885)	(33,525)		(69,410)
Total accumulated depreciation/amortization	(56,484,515)	(4,902,998)	(655,019)	(60,732,494)
Total capital assets, being depreciated/amortized, net	65,715,055	9,676,811	74,747	75,317,119
Governmental activities capital assets, net	$ 81,520,773	$ 15,958,225	$ 8,524,771	$ 88,954,227

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Business-type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 954,696	$	$	$ 954,696
Construction in progress	3,492,551	3,827,040	2,080,378	5,239,213
Total capital assets, not being depreciated	4,447,247	3,827,040	2,080,378	6,193,909
Capital assets, being depreciated/amortized:				
Buildings and improvements	10,236,279	2,007,381		12,243,660
Machinery and equipment	12,430,759	1,142,600	386,126	13,187,233
Infrastructure	63,955,425	2,517,166		66,472,591
Leased land	702,519			702,519
Total capital assets being depreciated/amortized	87,324,982	5,667,147	386,126	92,606,003
Less accumulated depreciation for:				
Buildings and improvements	(3,856,568)	(353,195)		(4,209,763)
Machinery and equipment	(9,397,666)	(681,195)	(347,731)	(9,731,130)
Infrastructure	(21,987,133)	(1,418,024)		(23,405,157)
Less accumulated amortization				
Leased land	(24,436)	(12,218)		(36,654)
Total accumulated depreciation/amortization	(35,265,803)	(2,464,632)	(347,731)	(37,382,704)
Total capital assets, being depreciated/amortized, net	52,059,179	3,202,515	38,395	55,223,299
Business-type activities capital assets, net	$ 56,506,426	$ 7,029,555	$2,118,773	$ 61,417,208

Component Unit Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 661,359	$	$	$ 661,359
Total capital assets, not being depreciated	661,359			661,359
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	34,459,080			34,459,080
Less accumulated depreciation for:				
Buildings and improvements	(10,666,903)	(762,809)		(11,429,712)
Machinery and equipment	(329,194)			(329,194)
Total accumulated depreciation	(10,996,097)	(762,809)		(11,758,906)
Total capital assets, being depreciated, net	23,462,983	(762,809)		22,700,174
Component unit capital assets, net	$ 24,124,342	$ (762,809)	$	$ 23,361,533

NOTE 7 – CAPITAL ASSETS (CONCLUDED)

Depreciation and amortization expense were charged to governmental functions as follows:

Governmental activities:	Amount
General government	$ 753,388
Public safety	1,045,601
Health and welfare	59,149
Culture and recreation	432,355
Community development	34,705
Public works and streets	2,577,800
Total depreciation/amortization expense	$ 4,902,998
Business-type activities:	
Water	$ 701,430
Wastewater	1,103,384
Sanitation	200,851
Business Incubator	59,450
Ambulance Services	209,247
Business Center	190,270
Total depreciation/amortization expense	$ 2,464,632
Discretely presented Component Unit:	
Detention Facility	$ 762,809
Total depreciation expense	$ 762,809

NOTE 8 – CONSTRUCTION COMMITMENTS

The City entered into several construction contracts for streets, parks, water system, and wastewater treatment projects totaling $9.1 million. These commitments have only been recorded in the accompanying financial statements for work completed as of June 30, 2024. The remaining balance for work not yet complete at the end of the year is estimated at $479,400 for governmental activities projects and $7.8 million for business-type activities projects.

NOTE 9 – LEASES PAYABLE

The City has acquired the use of land for the Business Incubator under the provisions of a contract classified as a lease. The related obligation under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Business Incubator Fund, a major proprietary fund, are used to pay the lease obligation. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

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

	Governmental Activities	
Year ending June 30:	Principal	Interest
2025	$ 37	$ 13,282
2026	37	13,282
2027	38	13,281
2028	39	13,280
2029	707	13,278
2030-34	7,978	66,010
2035-39	16,509	64,876
2040-44	26,661	62,860
2045-49	38,678	59,797
2050-54	52,824	55,499
2055-59	69,403	49,752
2060-64	88,770	42,303
2065-69	111,302	32,875
2070-74	137,449	21,147
2075-79	148,660	6,797
Total	$ 699,092	$ 528,319

The right-to-use assets recorded under leases that meet the City's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Land	$ 702,519
Less: Accumulated amortization	36,654
Total	$ 665,865

NOTE 10 – FINANCED PURCHASES PAYABLE

The City has acquired portable radios, two vehicles, and a copier, under the provisions of contracts classified as financed purchases payables. Revenues from the General Fund and the Ambulance Services Fund are used to repay the obligations.

At June 30, 2024, the governmental activities net present value principal was $55,386, due in fiscal year 2025, and the interest due for this future minimum payment was $1,262. In addition, the business-type activities principal due was $5,233.

NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The City has entered into subscription-based information technology arrangements (SBITAs) for network intrusion monitoring. The related obligation under the SBITAs has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the obligation. Amortization of right-to-use assets recorded under SBITAs is included with depreciation expense.

At June 30, 2024, the net present value and future minimum SBITA payment, due in fiscal year 2025, was $34,865, and the interest due for this future minimum payment was $1,200.

The total value of assets recorded under SBITAs that meet the City's capitalization threshold is $104,095, less accumulated amortization of $69,410.

NOTE 12 – REVENUE BONDS PAYABLE

PRIMARY GOVERNMENT

Revenue bonds payable at June 30, 2024 consisted of the outstanding revenue bonds presented below. The bonds are 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	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024
Governmental activities	$ 12,085,700	5.00%	7/1/24	$ 411,105
Business-type activities	18,929,300	5.00%	7/1/24	643,895
Total				$ 1,055,000

As of June 30, 2024, the annual governmental activities debt service requirements SLCIC revenue bonds payable for principal was $411,105, due in fiscal year 2025, and the interest due for this annual debt service requirement was $217,905. The annual business-type activities debt service requirement for principal was $643,895 and the interest due was $341,295.

NOTE 12 – REVENUE BONDS PAYABLE (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

In October 2017, the City issued $14,540,000 in Excise Tax Revenue Refunding Obligations. This consisted of Tax Exempt Series 2017A $2,825,000, and $11,715,000 Series 2017B 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.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024
Governmental activities	$ 2,825,000	5.00%	7/1/24-27	$ 1,270,000
Business-type activities	11,715,000	2.75-3.50%	7/1/24-31	6,975,000
Total				$ 8,245,000

Year ending June 30:	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2025	$ 295,000	$ 56,125	$ 830,000	$ 210,850
2026	310,000	41,000	860,000	186,538
2027	325,000	25,125	880,000	160,438
2028	340,000	8,500	905,000	133,097
2029			935,000	103,762
2030-32			2,565,000	121,284
Total	$ 1,270,000	$ 130,750	$ 6,975,000	$ 915,969

In May 2021, the City issued $9,215,000 in Excise Tax Revenue Obligations Taxable Series 2021 to pay down the net pension liabilities for the City's police and fire pension plans with the Public Safety Personnel Retirement System.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024
Governmental activities	$ 8,230,172	0.49-2.92%	7/1/24-37	$ 7,564,784
Business-type activities	984,828	0.49-2.92%	7/1/24-37	905,217
Total				$ 8,470,001

Year ending June 30:	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2025	$ 477,829	$ 172,609	$ 57,171	$ 20,652
2026	482,295	167,928	57,705	20,092
2027	486,761	161,597	58,239	19,335
2028	495,692	153,662	59,308	18,385
2029	504,624	144,050	60,376	17,235
2030-34	2,688,348	533,402	321,652	63,820
2035-38	2,429,235	144,194	290,766	17,252
Total	$ 7,564,784	$ 1,477,442	$ 905,217	$ 176,771

NOTE 12 – REVENUE BONDS PAYABLE (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

In April 2024, the City issued $19,735,000 in refunding bonds, with an effective interest rate of 5.00 percent, to refund $21,535,000 of outstanding 2014 A pledged excise tax revenue obligation bonds, with an average interest rate of 4.99 percent. The net proceeds of $21,776,839, which includes $2,479,995 of bond premium, (after payment of $434,710 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for the payment of the refunded pledged revenue excise tax bonds on July 1, 2024. As a result, the refunded pledged revenue excise tax bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The net carrying amount of the old debt exceeded the reacquisition price by $2,001,663. This amount is reported as deferred charges and amortized over the new debt's life. This refunding was undertaken to reduce total debt service payments over the next 15 years by $2,867,019 and resulted in an economic gain of $2,316,994.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024
Governmental activities	$ 7,690,191	5.00%	7/1/24-38	$ 7,690,191
Business-type activities	12,044,809	5.00%	7/1/24-38	12,044,809
Total				$ 19,735,000

Year ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	$ 38,967	$ 285,272	$ 61,034	$ 446,809
2026	391,621	372,771	613,379	583,854
2027	411,105	352,703	643,895	552,422
2028	430,588	331,660	674,412	519,465
2029	452,020	309,595	707,980	484,905
2030-34	2,622,497	1,176,325	4,107,503	1,842,426
2035-39	3,343,393	433,803	5,236,606	679,447
Total	$ 7,690,191	$ 3,262,129	$12,044,809	$5,109,328

The City has pledged to repay $81,084,997 in Excise Tax Revenue Bonds and Refunding Bonds issued in 2014, 2018, and 2021 and payable through 2038-39. Pledged revenues on the bonds include excise taxes, state shared revenues, permit fees, and franchise taxes. Excise taxes are defined to include the transaction privilege tax and business taxes, which the City imposes. A portion of the debt service is funded by the revenues directly or indirectly derived from the operation and use of the water system. However, that does not relieve the aforementioned revenues to be pledged. In 2024, the revenue pledged amounted to $34.7 million. Principal and interest for the current year were $2,815,000 and $1,840,614 respectively. The coverage ratio (pledged revenues to debt service) for 2024 is 7.44. More in depth disclosures can be referenced from the statistical section, Table XII.

NOTE 12 – REVENUE BONDS PAYABLE (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

In November 2013, the City issued direct placement 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 Rates	Remaining Maturities	Outstanding Principal June 30, 2024
Business-type activities	$ 6,580,000	3.80%	7/1/24-33	$ 4,190,000

Year Ending June 30:	Business-Type Activities		
	Principal	Interest	Total
2025	$ 350,000	$ 152,570	$ 502,570
2026	365,000	138,985	503,985
2027	380,000	124,830	504,830
2028	395,000	110,105	505,105
2029	410,000	94,810	504,810
2030-34	2,290,000	224,200	2,514,200
Total	$ 4,190,000	$ 845,500	$ 5,035,500

The City has pledged to repay $6,580,000 in Utility Revenue Bonds issued in 2013, and payable through 2033-34. The bonds are collateralized by net operating revenues and investment income of the Water and Wastewater Enterprise Funds. In 2024, the net revenue pledged amounted to $4,920,886. Principal and interest for the current year were $350,000 and $159,220, respectively. The coverage ratio (pledged revenues to debt service) for 2024 is 9.66. More in depth disclosures can be referenced from the statistical section, Table XIII.

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 from there 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 Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024
Detention facility	$ 26,090,000	7.00-7.25%	5/1/26-30	$ 16,870,000
Detention facility	20,835,000	6.95%	5/1/27	7,785,000
Total				$ 24,655,000

NOTE 12 – REVENUE BONDS PAYABLE (CONCLUDED)

DISCRETELY PRESENTED COMPONENT UNIT (Concluded)

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

	Principal		Interest	
Year ending June 30:	2014 Series Principal	2014 Series A Principal	2014 Series Interest	2014 Series A Interest
2025			$ 1,216,550	$ 541,058
2026	$ 2,610,000	$	1,216,550	541,058
2027		7,785,000	1,033,850	541,058
2028			1,033,850	
2029			1,033,850	
2030	14,260,000		1,033,850	
Total	$16,870,000	$ 7,785,000	$ 6,568,500	1,623,174

The SLFDC has pledged to repay $46,925,000 in Refunding Revenue Bonds issued in 2014, and payable through 2030. The bonds are collaterized by Detention Center operating revenue. In 2024, the revenue pledged amounted to $21.1 million. Principal and interest for the current year were $2,835,000 and $1,922,291 respectively. The coverage ratio (pledged revenues to debt service) for 2024 is 4.44.

NOTE 13 – NOTE OBLIGATIONS

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

Governmental activities	**CURRENT PORTION**	**LONG TERM PORTION**	**TOTAL**
Note payable to 1st Bank Yuma issued on December 2, 2020 for the purchase of park land for the amount of $508,980 with an interest rate 3.8% payable in 5 years.	$ 107,681	$ 55,070	$ 162,751

Debt service requirements on all debt to maturity are shown below.

	Governmental Activities		
	Principal	Interest	Total
Year Ending June 30:			
2025	$ 107,681	$ 4,399	$ 112,080
2026	55,070	627	55,697
Total	$ 162,751	$ 5,026	$ 167,777

NOTE 14- CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for all categories for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 826,265	$ 712,283	$ 621,499	$ 917,049	$ 736,864
Revenue bonds payable	18,688,695	7,690,191	9,442,806	16,936,080	1,222,901
Revenue bonds premium	1,008,527	966,386	867,646	1,107,267	
Note payable	296,020		133,269	162,751	107,681
Financed purchases payable	104,796		49,410	55,386	55,386
SBITAs	68,210		33,525	34,685	34,685
Pension	11,019,028	1,680,465		12,699,493	
Governmental activities long-term liabilities	$ 32,011,541	$ 11,049,325	$ 11,148,155	$ 31,912,711	$ 2,157,517
Business-type activities:					
Compensated absences	$ 134,696	$ 126,564	$ 115,280	$ 145,980	$ 117,298
Revenue bonds payable	23,141,306	12,044,809	14,617,194	20,568,921	1,592,099
Revenue bonds premium	1,291,784	1,513,609	1,291,784	1,513,609	
Revenue bonds discount	(91,023)		(10,987)	(80,036)	
Direct placement revenue bonds	4,530,000		340,000	4,190,000	350,000
Note payable	36,100		36,100		
Leases payable	699,128		36	699,092	37
Financed purchases payable	10,466		5,233	5,233	5,213
Pension	1,607,347	246,767		1,854,114	
Business-type activities long-term liabilities	$ 31,359,804	$ 13,931,749	$ 16,394,640	$ 28,896,913	$ 2,064,647
Discretely presented component units:					
Revenue bonds payable	$ 27,490,000	$	$ 2,835,000	$ 24,655,000	$
Revenue bonds discount	(437,418)		(74,952)	(362,466)	
Discretely presented component unit long-term liabilities	$ 27,052,582	$	$ 2,760,048	$ 24,292,534	$

Compensated absences for governmental activities have been liquidated primarily by the General Fund. Pension liabilities have typically been liquidated with General Fund and Proprietary Fund revenues.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Federal and State Grants – The City has received a number of grants from both Federal and State governments. Although the programs have been audited by the respective agencies, not all audits have been approved as of June 30, 2024; however, the City expects no material disallowance of expenditures.

Lawsuits – The City is a defendant in various lawsuits. 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.

Incentive Fees – The City's contract with the operator of the Detention Center includes a provision for variable incentive fees that are calculated based on average daily inmate counts at the facility. The fees are accumulated but only distributed if excess project revenues exist. At year end, $5.7 million of variable incentive fees had been accumulated but not recognized as expenses due to disbursement being improbable.

NOTE 16- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the Sanitation and Business Center Funds, Enterprise funds, reported deficits of $10,803 and $6,049,922 in fund balance, respectively. The fund balance deficit of the Sanitation Fund is expected to be eliminated by operating revenues during fiscal year 2024-25. The net position deficit of the Business Center Fund is expected to be subsidized through future rent revenues of unoccupied building space.

NOTE 17 – 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 for property liability, crime, cybersecurity, excess liability and workers' compensations 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.

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 reimbursement maximum of $1.0 million. The City purchases commercial insurance for claims in excess of these specified amounts.

NOTE 17 – RISK MANAGEMENT (CONCLUDED)

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:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Unpaid claims, beginning of fiscal year	$ 800,298	$ 658,196
Incurred claims (including IBNRs)	1,459,022	3,098,520
Claim payments	1,256,204	2,956,418
Unpaid claims, end of fiscal year	$ 1,003,116	$ 800,298

NOTE 18 – 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, 2024, 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 liabilities	$ 12,699,493	$ 1,854,114	$ 14,553,607
Deferred outflows of resources	7,170,455	632,070	7,802,525
Deferred inflows of resources	1,376,104	163,371	1,539,475
Expense	2,961,237	532,619	3,493,856
Contributions	1,641,270	231,566	1,872,836

The City reported $1,872,836 of pension contributions as expenditures in the governmental funds or as deferred outflows of resources in the proprietary funds related to all plans to which it contributes.

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) 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 the ASRS website at www.azasrs.gov.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the City's financial statements.

Benefits Provided – The ASRS provides retirement benefits, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS

	ASRS Retirement Initial membership date:	
	Before July 1, 2011	**On or after July 1, 2011**
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	

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.

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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 12.29 percent (12.14 percent for retirement and 0.15 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 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 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, 2024 were $1,292,149.

Employers are also required to pay an Alternative Contribution rate (ACR) for retire members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 for retirement and 0.05 percent for long-term disability). 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, 2024, the City reported a liability of $11,971,033 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. The City's proportion of the net 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, 2023.

The City's reported liability at June 30, 2024 increased by $489,983 from the City's prior year liability of $11,971,033 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.

	Net Liability	City % Proportion	Increase (Decrease)
$	11,971,033	0.070	(0.004)

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, 2023, was .0703 percent, which was a decrease of 0.0036 from its proportion measured as of June 30, 2022.

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2024, the City recognized pension expense for ASRS of $1,890,785. At June 30, 2024, 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	$ 270,498	$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension investments		423,546
Changes in proportion and differences between contributions and proportionate share of contributions	453,582	
Contributions subsequent to the measurement date	1,292,149	
Total	$ 2,016,229	$ 423,546

The $1,292,149 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, 2025. 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:	
2025	$ 228,353
2026	(331,644)
2027	456,457
2028	(52,632)

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

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP
Healthcare cost trend rate	Not applicable

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020. 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, 2020, actuarial valuation.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage excluding any expected inflation.

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
Public equity	44%	3.50%
Credit	23%	5.90
Interest rate sensitive	6%	1.50
Private equity	10%	6.70
Real estate	17%	5.90
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 7.0 percent. 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 7.0 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 or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	$ 17,930,849	$ 11,971,033	$ 7,001,601

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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.

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) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). 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.

Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and employees who became PSPRS members on or after July 1, 2017, participate in either agent plans or cost-sharing plans (PSPRS Tier 3 Risk Pool). 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.

The PSPRS Tier 3 Risk Pool plan and the PSPRS OPEB plans are not further disclosed because of their relative insignificance to the City's financial statements.

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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 as follows. See the publicly available PSPRS financial report for additional benefits information.

	Retirement Initial Membership Date:	
Retirement and disability:	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
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% to 100% 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, 2024, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	10	4
Inactive, non-retired members	1	3
Active members	22	27
Total	33	34

NOTE 18 – 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, 2024, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension	7.65% to11.65%	7.65% to 11.65%
City:		
Pension	8.69-9.43%	8.69-12.59%
Health insurance	0.12%	0.12-0.54%

For the agent plans, the City's contributions to the pension plan for the year ended June 30, 2024, were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	$ 226,656	$ 284,629

During fiscal year 2024, the City paid for PSPRS pension contributions as follows: 92 percent from the General Fund, and eight percent from the Ambulance Services Fund.

Pension Liability – At June 30, 2024, the City reported the following net pension liabilities/asset:

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets) Liabilities	$ 1,789,241	$ 415,607

The net pension assets/liabilities were measured as of June 30, 2023. The total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date.

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	2.75-15.0%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022, actuarial valuation.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.20 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:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	3.98%
International public equity	16	4.49
Global private equity	20	7.28
Other assets (capital appreciation)	7	4.49
Core bonds	6	1.90
Private credit	20	6.19
Diversifying strategies	5	3.68
Cash – Mellon	2	0.69
Total	100%	

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Pension Discount Rates – At June 30, 2023, the discount rate used to measure the total pension liability was 7.2 percent.

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.

Changes in the Net Pension Liability

	Increase (Decrease)		
PSPRS - Police	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at June 30, 2023	$ 15,362,094	$ 15,017,476	$ 344,618
Changes for the year:			
Service cost	395,370		395,370
Interest on the total pension liability	1,117,895		1,117,895
Differences between expected and actual experience in the measurement of the pension liability	1,426,379		1,426,379
Contributions – employer		194,368	(194,368)
Contributions – employee		182,231	(182,231)
Net investment income		1,144,894	(1,144,894)
Benefit payments, including refunds of employee contributions	(462,278)	(462,278)	
Administrative expense		(8,604)	8,604
Other changes		(17,868)	17,868
Net changes	2,477,366	1,032,743	1,444,623
Balances at June 30, 2024	$ 17,839,460	$ 16,050,219	$ 1,789,241

NOTE 18 – RETIREMENT PLANS (CONTINUED)

	Increase (Decrease)		
PSPRS - Fire	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at June 30, 2023	$ 11,411,937	$ 11,674,817	$ (262,880)
Changes for the year:			
Service cost	425,121		425,121
Interest on the total pension liability	847,205		847,205
Differences between expected and actual experience in the measurement of the pension liability	627,338		627,338
Changes of assumptions or other inputs			
Contributions – employer		262,196	(262,196)
Contributions – employee		165,088	(165,088)
Net investment income		895,624	(895,624)
Benefit payments, including refunds of employee contributions	(140,644)	(140,644)	
Administrative expense		(7,921)	7,921
Other changes		(93,810)	93,810
Net changes	1,759,020	1,080,533	678,487
Balances at June 30, 2024	$ 13,170,957	$ 12,755,350	$ 415,607

Sensitivity of the City's Net Pension (Assets) Liabilities to Changes in the Discount Rate - The following table presents the City's net pension (assets) liabilities calculated using the discount rates noted above, as well as what the City's net pension (assets) liabilities 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.

	1% Decrease	Current Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	$ 4,791,130	$ 1,789,241	$ (599,652)
PSPRS - Fire			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	$ 2,759,198	$ 415,607	$ (1,456,829)

NOTE 18 – 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.

Pension Expense- For the year ended June 30, 2024, the City recognized the following pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	$ 1,071,149	$ 703,677

Pension Deferred Outflows/Inflows of Resources - At June 30, 2024, 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
PSPRS - Police:		
Differences between expected and actual experience	$ 2,495,039	$ 210,990
Changes of assumptions or other inputs	219,758	
Net difference between projected and actual earnings on pension plan investments	414,052	
Contributions subsequent to the measurement date	226,656	
Total	$ 3,355,505	$ 210,990
PSPRS - Fire		
Differences between expected and actual experience	$ 1,549,400	$ 709,808
Changes of assumptions or other inputs	270,504	
Net difference between projected and actual earnings on pension plan investments	255,272	
Contributions subsequent to the measurement date	284,629	
Total	$ 2,359,805	$ 709,808

NOTE 18 – 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 an increase in the net pension assets or a reduction of the net pension liabilities in the year ended June 30, 2025. 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
2025	$ 638,294	$ 241,693
2026	548,219	173,769
2027	891,863	467,175
2028	418,485	180,038
2029	420,998	213,073
Thereafter		89,620

PSPDCRP Plan. Public safety employees who are not members of PSPRS participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute. For the year ended June 30, 2024, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the City was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the City's contributions each year as set forth in statute. The pension plan retains nonvested City contributions when forfeited because of employment terminations. For the year ended June 30, 2024, the City recognized pension expense of $3,780.

Elected Officials Retirement Plan

Plan Description - Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). 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.

The EORP OPEB plans are not further disclosed because of their relative insignificance of the City's financial statements.

NOTE 18 – 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:

EORP	Initial membership date:	
Retirement and disability	**Before January 1, 2012**	**On or after January 1, 2012**
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
Survivor benefit		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and other inactive members	75% of disability retirement 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.

Health insurance premium benefits are available to retired or disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with eight or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with five to seven years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

NOTE 18 – 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, 2024, statute required active EORP members to contribute seven or 13 percent of the members' annual covered payroll, and the City to contribute 76.51 percent of all active EORP members' annual covered payroll. Also, statute required the City to contribute 64.37 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 70.51 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the City's required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the City to contribute 58.57 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, 2024 were $69,402.

During fiscal year 2024, the City paid for EORP pension contributions from the General Fund.

Pension Liability - At June 30, 2024, 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	$	377,726
State's proportionate share of the EORP net pension liability associated with the City		422,319
Total	$	800,045

The net asset and net liability were measured as of June 30, 2023, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date.

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, 2023. The City's proportion measured as of June 30, 2023, was 0.06 percent, which was a decrease of .06 from the proportion measured as of June 30, 2022.

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Pension Expense - For the year ended June 30, 2024, the City recognized pension expense for EORP of $(171,755).

Pension Deferred Outflows/Inflows of Resources - At June 30, 2024, 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
Changes in proportion and differences between employer contributions and proportionate share of contributions	$	$ 195,132
Net difference between projected and actual earnings on pension investments	1,584	
Contributions subsequent to the measurement date	69,402	
Total	$ 70,986	$ 195,132

The $69,402 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, 2025. 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
2025	$ (195,434)
2026	(2,069)
2027	4,294
2028	338

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

EORP

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.20%
Wage inflation	3.25%
Price inflation	2.50%
Cost of living adjustment	1.85%
Mortality rates	PUBG-2010 Mortality Tables with MP2021 improvement scale with adjustments to match
Healthcare cost trend rate	Not applicable

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.20 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 Real Rate of Return
Cash-Mellon	2%	0.69%
Core bonds	6	1.90
Diversifying Strategies	5	3.68
Private credit	20	6.19
Other Assets (capital appreciation)	7	4.49
Global private equity	20	7.28
International public equity	16	4.49
U.S. public equity	24	3.98
Total	100%	

Discount Rate - At June 30, 2023, the discount rate used to measure the EORP total pension liability was 7.2 percent, which was the same discount rate used as of June 30, 2022. 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 statutorily set rates, and State contributions will be made as currently required by 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the EORP net pension liability to changes in the discount rate -The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension (assets) liability	$ 436,374	$ 377,726	$ 327,442

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

NOTE 19 – SUBSEQUENT EVENT

In November 2024, voters of the City authorized the adoption of an alternative expenditure limitation equal to the total amount of budgeted expenditures/expenses as it appears on the annual budget as adopted by the City Council. An alternative expenditure of the this nature is also commonly called the home rule option and must be renewed by voters every four years. Home rule allows governmental entities to budget and expend local resources at the discretion of the City Council and local community without the limits imposed by Article 9 Section 20 of the Arizona Constitution.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2024	2023	2022	2021	2020
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's proportion of the net pension (assets) liability	0.07%	0.07%	0.07%	0.07%	0.06%
City's proportionate share of the net pension (assets) liability	$ 11,971,033	$ 11,481,050	$ 9,009,794	$ 11,650,354	$ 9,288,007
City's covered payroll	$ 9,185,604	$ 7,837,311	$ 7,835,768	$ 7,409,817	$ 6,728,524
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	130.32%	146.49%	114.98%	157.23%	138.04%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%

	2019	2018	2017	2016	2015
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	$ 5,998,839	$ 5,914,065	$ 5,299,698
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	139.04%	160.41%	174.63%	167.95%	174.47%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

See accompanying notes to this schedule.

CITY OF SAN LUIS, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ELECTED OFFICIALS RETIREMENT PLAN
LAST EIGHT FISCAL YEARS

	2024	2023	2022	2021	2020
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's proportion of the net pension (assets) liability	0.15%	0.12%	0.12%	0.12%	0.13%
City's proportionate share of the net pension (assets) liability	$ 377,726	$ 800,708	$ 746,991	$ 813,649	$ 836,624
State's proportionate share of the net pension (assets) liability	422,319	77,963	75,085	77,331	78,634
Total	$ 800,045	$ 878,671	$ 822,076	$ 890,980	$ 915,258
City's covered payroll	$ 103,983	$ 92,800	$ 91,963	$ 93,350	$ 110,239
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	363.26%	862.83%	812.27%	871.61%	758.92%
Plan fiduciary net position as a percentage of the total pension liability	38.63%	32.01%	36.28%	29.80%	30.14%

	2019	2018	2017
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016
City's proportion of the net pension (assets) liability	0.08%	0.09%	0.06%
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 (assets) liability	92,946	374,681	208,166
Total	$ 635,400	$ 1,532,020	$ 1,216,456
City's covered payroll	$ 87,213	$ 68,562	$ 132,685
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	621.99%	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.

See accompanying notes to this schedule.

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

	2024	2023	2022	2021
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability				
Service cost	$ 395,370	$ 355,528	$ 374,421	$ 403,478
Interest	1,117,895	971,605	926,693	846,911
Changes of benefit terms				
Differences between expected and actual experience	1,426,379	1,136,881	(236,221)	357,114
Changes of assumptions or other inputs		145,989		
Benefit payments, including refunds of employee contributions	(462,278)	(404,078)	(457,446)	(513,645)
Net change in total pension liability	2,477,366	2,205,925	607,447	1,093,858
Total pension liability—beginning	15,362,094	13,156,169	12,548,722	11,454,864
Total pension liability—ending	$ 17,839,460	$ 15,362,094	$ 13,156,169	$ 12,548,722
Plan fiduciary net position				
Contributions—employer	$ 194,368	$ 228,436	$ 6,309,302	$ 576,635
Contributions—employee	182,231	199,267	179,082	194,076
Net investment income	1,144,894	(619,024)	2,424,785	88,327
Benefit payments, including refunds of employee contributions	(462,278)	(404,078)	(457,446)	(513,645)
Administrative expense	(8,604)	(11,174)	(11,103)	(7,202)
Other	(17,868)			(32,133)
Net change in plan fiduciary net position	1,032,743	(606,573)	8,444,620	306,058
Plan fiduciary net position—beginning	15,017,476	15,624,049	7,179,429	6,873,371
Plan fiduciary net position—ending	$ 16,050,219	$ 15,017,476	$ 15,624,049	$ 7,179,429
Net pension (assets) liability—ending	$ 1,789,241	$ 344,618	$ (2,467,880)	$ 5,369,293
Plan fiduciary net position as a percentage of the total pension liability	89.97%	97.76%	118.76%	57.21%
Covered payroll	$ 3,922,750	$ 2,169,380	$ 2,773,330	$ 2,683,494
Net pension (assets) liability as a percentage of covered payroll	45.61%	15.89%	(88.99)%	200.09%

See accompanying notes to this schedule.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
$ 420,691	$ 365,220	$ 449,219	$ 350,332	$ 306,944	$ 282,241
736,413	721,974	647,619	562,087	555,140	466,641
		162,160	512,893		91,936
705,904	(461,278)	385,365	(58,955)	(423,441)	(9,596)
265,067		121,338	362,672		606,442
(408,087)	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)
1,719,988	(303,753)	1,490,931	1,396,023	27,963	1,203,056
9,734,876	10,038,629	8,547,698	7,151,675	7,123,712	5,920,656
$ 11,454,864	$ 9,734,876	$ 10,038,629	$ 8,547,698	$ 7,151,675	$ 7,123,712
$ 573,259	$ 258,678	$ 393,486	$ 351,711	$ 248,515	$ 264,741
198,310	178,569	231,348	207,745	182,813	165,787
342,633	414,905	640,556	30,048	179,881	580,609
(408,087)	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)
(6,945)	(7,015)	(6,068)	(4,724)	(4,770)	(4,714)
(1,881)	72	68	(99,246)	(3,823)	2,155
697,289	(84,460)	984,620	152,528	191,936	773,970
6,176,082	6,260,542	5,275,922	5,123,394	4,931,458	4,157,488
$ 6,873,371	$ 6,176,082	$ 6,260,542	$ 5,275,922	$ 5,123,394	$ 4,931,458
$ 4,581,493	$ 3,558,794	$ 3,778,087	$ 3,271,776	$ 2,028,281	$ 2,192,254
60.00%	63.44%	62.36%	61.72%	71.64%	69.23%
$ 2,353,202	$ 1,728,405	$ 2,081,175	$ 1,794,507	$ 1,799,219	$ 1,663,348
194.69%	205.90%	181.54%	182.32%	112.73%	131.80%

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

	2024	2023	2022	2021
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability				
Service cost	$ 425,121	$ 411,690	$ 431,341	$ 366,149
Interest	847,205	734,077	696,458	564,876
Changes of benefit terms				
Differences between expected and actual experience	627,338	614,137	(470,260)	916,711
Changes of assumptions or other inputs		62,520		
Benefit payments, including refunds of employee contributions	(140,644)	(109,301)	(135,819)	(85,039)
Net change in total pension liability	1,759,020	1,713,123	521,720	1,762,697
Total pension liability—beginning	11,411,937	9,698,814	9,177,094	7,414,397
Total pension liability—ending	$ 13,170,957	$ 11,411,937	$ 9,698,814	$ 9,177,094
Plan fiduciary net position				
Contributions—employer	$ 262,196	$ 285,446	$ 3,004,520	$ 343,486
Contributions—employee	165,088	168,152	161,015	163,261
Net investment income	895,624	(474,496)	2,088,614	80,955
Benefit payments, including refunds of employee contributions	(140,644)	(109,301)	(135,819)	(85,039)
Administrative expense	(7,921)	(8,558)	(9,590)	(6,600)
Other	(93,810)			3,325
Net change in plan fiduciary net position	1,080,533	(138,757)	5,108,740	499,388
Plan fiduciary net position—beginning	11,674,817	11,813,574	6,704,834	6,205,446
Plan fiduciary net position—ending	$ 12,755,350	$ 11,674,817	$ 11,813,574	$ 6,704,834
Net pension (assets) liability—ending	$ 415,607	$ (262,880)	$ (2,114,760)	$ 2,472,260
Plan fiduciary net position as a percentage of the total pension liability	96.84%	102.30%	121.80%	73.06%
Covered payroll	$ 2,920,482	$ 1,971,629	$ 2,593,218	$ 2,401,633
Net pension (assets) liability as a percentage of covered payroll	14.23%	(13.33)%	(81.55)%	102.94%

See accompanying notes to this schedule.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
$ 370,521	$ 344,233	$ 429,788	$ 335,758	$ 296,352	$ 294,507
494,466	463,118	433,198	347,995	308,046	275,282
		88,014	588,157		(8,383)
122,327	(487,056)	(519,052)	(33,940)	51,216	(184,049)
168,975		200,618	264,127		77,627
(106,693)	(83,463)	(131,347)	(281,063)	(51,738)	(25,329)
1,049,596	236,832	501,219	1,221,034	603,876	429,655
6,364,801	6,127,969	5,626,750	4,405,716	3,801,840	3,372,185
$ 7,414,397	$ 6,364,801	$ 6,127,969	$ 5,626,750	$ 4,405,716	$ 3,801,840
$ 315,972	$ 143,184	$ 241,876	$ 253,312	$ 208,243	$ 199,532
146,801	149,282	195,123	207,731	173,223	157,403
308,103	352,682	517,876	23,851	138,174	416,103
(106,693)	(83,463)	(131,347)	(281,063)	(51,738)	(25,329)
(6,342)	(6,068)	(4,982)	(3,832)	(3,755)	(3,378)
(1,809)	58	(92,419)	(26,171)	(2,750)	8,528
656,032	555,675	726,127	173,828	461,397	752,859
5,549,414	4,993,739	4,267,612	4,093,784	3,632,387	2,879,528
$ 6,205,446	$ 5,549,414	$ 4,993,739	$ 4,267,612	$ 4,093,784	$ 3,632,387
$ 1,208,951	$ 815,387	$ 1,134,230	$ 1,359,138	$ 311,932	$ 169,453
83.69%	87.19%	81.49%	75.85%	92.92%	95.54%
$ 1,998,964	$ 1,769,302	$ 1,778,902	$ 1,594,143	$ 1,544,922	$ 1,471,355
60.48%	46.09%	63.76%	85.26%	20.19%	11.52%

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

	2024	2023	2022	2021
Arizona State Retirement System:				
Actuarially determined contribution	$ 1,292,149	$ 1,094,924	$ 941,261	$ 912,866
Contributions in relation to the actuarially determined contribution	1,292,149	1,094,924	941,261	912,866
Contribution deficiency (excess)	$	$	$	$
City's covered payroll	$ 10,741,064	$ 9,185,604	$ 7,837,311	$ 7,710,352
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.84%
Elected Officials Retirement Plan:				
Actuarially determined contribution	$ 69,402	$ 63,877	$ 55,704	$ 56,493
Contributions in relation to the actuarially determined contribution	69,402	63,877	55,704	56,493
Contribution deficiency (excess)	$	$	$	$
City's covered payroll	$ 98,526	$ 103,983	$ 92,800	$ 91,963
Contributions as a percentage of covered payroll	70.44%	61.43%	60.03%	61.43%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	$ 226,656	$ 294,364	$ 316,638	$ 637,131
Contributions in relation to the actuarially determined contribution	226,656	294,364	316,638	6,368,494
Contribution deficiency (excess)	$	$	$	$ (5,731,363)
City's covered payroll	$ 2,403,563	$ 3,922,750	$ 2,169,380	$ 2,773,330
Contributions as a percentage of covered payroll	9.43%	7.50%	14.60%	22.97%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	$ 284,629	$ 342,733	$ 381,729	$ 469,747
Contributions in relation to the actuarially determined contribution	284,629	342,733	381,729	3,082,714
Contribution deficiency (excess)	$	$	$	$ (2,612,967)
City's covered payroll	$ 2,260,755	$ 2,920,482	$ 1,971,629	$ 2,593,218
Contributions as a percentage of covered payroll	12.59%	11.74%	19.36%	18.11%

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. Information for fiscal years 2015 and 2016 is not available for the EORP plan.

NOTE: During the fiscal year ended June 30, 2021, the City made excess contributions to the Public Safety Retirement System for both the Police and Fire pension plans. The excess contributions were funded by the issuance of Excise Tax Revenue Obligations.

See accompanying notes to this schedule.

2020	2019	2018	2017	2016	2015
$ 848,424	$ 752,249	$ 692,826	$ 663,522	$ 650,874	$ 644,042
848,424	752,249	692,826	663,522	650,874	644,042
$ 7,409,817	$ 6,728,524	$ 6,356,202	$ 6,155,121	$ 5,998,839	$ 5,914,065
11.45%	11.18%	10.90%	10.78%	10.85%	10.89%
$ 55,682	$ 54,965	$ 20,495	$ 16,112		
55,682	54,965	20,495	16,112		
$ 93,350	$ 110,239	$ 87,213	$ 68,562		
59.65%	49.86%	23.50%	23.50%		
$ 625,122	$ 525,830	$ 435,558	$ 400,210	$ 352,801	$ 281,218
625,122	525,830	435,558	400,210	352,801	281,218
$ 2,683,494	$ 2,353,202	$ 1,728,405	$ 2,081,175	$ 1,794,507	$ 1,799,219
23.30%	22.35%	25.20%	19.23%	19.66%	15.63%
$ 398,198	$ 382,197	$ 347,491	$ 233,214	$ 203,572	$ 188,635
398,198	382,197	347,491	233,214	203,572	188,635
$ 2,401,633	$ 1,998,964	$ 1,769,302	$ 1,778,902	$ 1,594,143	$ 1,544,922
16.58%	19.12%	19.64%	13.11%	12.77%	12.21%

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, 2022 valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020 actuarial valuation.

The actuarial assumptions used in the June 30, 2023 valuation for PSPRS and EORP were based on the results of an actuarial experience study for the five-year period ending June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022 actuarial valuation.

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 or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS and EORP 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. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plan's OR plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. 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, AZ
INC. 1979

SPECIAL REVENUE FUNDS

Police Grants and Special Revenues - accounts for proceeds restricted to the use of Public Safety programs including the Operation Stone Garden program (OPSG), Smart and Safe Arizona Act funds, School Resource Officers (SROs) agreements, and other miscellaneous grants specific to Public Safety. It also accounts for monies and assets confiscated through criminal prosecution.

Judicial Collection Enhancement - reports the proceeds of specific revenue sources legally restricted to municipal court revenues and expenditures. The fund includes the JCEF Collections, San Luis Court Enhancement, Fill The Gap, Default Fees, Warrant Fees, and the San Luis Municipal Court Fare as departments.

SL Community Facilities District - The San Luis Community Facilities District was created in 1999 to provide land for the development of the Regional Center for Border Health, which will revert along with the development of 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.

Assessment Districts - accounts for the property taxes from a specific group of property owners within the City to improve, enhance, maintain landscaping, and light streets. Its primary purpose is to maintain specified areas of the subdivisions where the assessment district was created. Arizona Revised Statutes allow the establishment of Assessment Districts, which was adopted by City Council resolution.

CAPITAL PROJECTS FUNDS

Impact Fees – accounts for the public safety, parks and recreation, and administrative impact development fee activities of the City. Revenues are collected and expended in in accordance with the City's adopted infrastructure improvement plan and Arizona Revised Statutes.

City of San Luis, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts
Assets				
Cash and investments	$ 326,607	$ 302,748	$ 42,500	$ 620,397
Accounts receivable (net)	9	648	2,500	
Property taxes receivable				32,893
Due from governmental entities	808,339			
Total assets	$ 1,134,955	$ 303,396	$ 45,000	$ 653,290
Liabilities				
Accounts payable	$ 1,075	$ 1,154	$	$ 12,821
Total liabilities	1,075	1,154		12,821
Deferred inflows of resources				
Unavailable revenues - intergovernmental	516,120			
Unavailable revenues - property taxes				32,893
Total deferred inflows of resources	516,120			32,893
Fund balances				
Restricted	617,760	302,242	45,000	607,576
Total fund balances	617,760	302,242	45,000	607,576
Total liabilities, deferred inflows of resources and fund balances	$ 1,134,955	$ 303,396	$ 45,000	$ 653,290

Capital Projects Fund		Total Non-Major Governmental Funds
Impact Fees		
$ 2,337,122		$ 3,629,374
		3,157
		32,893
		808,339
$ 2,337,122		$ 4,473,763
$ 5,720		$ 20,770
5,720		20,770
		516,120
		32,893
		549,013
2,331,402		3,903,980
2,331,402		3,903,980
$ 2,337,122		$ 4,473,763

San Luis, City of
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts
Revenues				
Taxes	$	$	$	$ 796,439
Intergovernmental	1,310,461			
Fines and forfeitures	153,103	85,935		
Rents			2,500	
Investment earnings				
Development fees				
Other	20,615			
Total revenues	1,484,179	85,935	2,500	796,439
Expenditures				
Current:				
General government		7,244		
Public safety	1,243,935			
Public works and streets				239,031
Culture and recreation				
Commuity development				538,135
Capital outlay	34,962			
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	1,278,897	7,244		777,166
Changes in fund balances	205,282	78,691	2,500	19,273
Fund balances, beginning of year	412,478	223,551	42,500	588,303
Fund balances, end of year	$ 617,760	$ 302,242	$ 45,000	$ 607,576

Capital Projects Fund	
Impact Fees	Total Non-Major Governmental Funds
$	$ 796,439
	1,310,461
	239,038
	2,500
161,848	161,848
1,091,926	1,091,926
	20,615
1,253,774	3,622,827
	7,244
12,512	1,256,447
	239,031
6,256	6,256
	538,135
506,347	541,309
103,597	103,597
8,483	8,483
637,195	2,700,502
616,579	922,325
1,714,823	2,981,655
$ 2,331,402	$ 3,903,980

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Police Grants and Special Revenues
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 2,050,000	$ 1,310,461	$ (739,539)
Fines and forfeitures	60,000	153,103	93,103
Other		20,615	20,615
Total revenues	2,110,000	1,484,179	(625,821)
Expenditures			
Current:			
Public safety	2,070,900	1,243,935	826,965
Capital outlay	39,100	34,962	4,138
Total expenditures	2,110,000	1,278,897	831,103
Changes in fund balances		205,282	205,282
Fund balances, beginning of year	412,478	412,478	
Fund balances, end of year	$ 412,478	$ 617,760	$ 205,282

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Judicial Collection Enhancement
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Fines and forfeitures	$ 73,200	$ 85,935	$ 12,735
Total revenues	73,200	85,935	12,735
Expenditures			
Current:			
General government	80,000	7,244	72,756
Total expenditures	80,000	7,244	72,756
Changes in fund balances	(6,800)	78,691	85,491
Fund balances, beginning of year	223,551	223,551	
Fund balances, end of year	$ 216,751	$ 302,242	$ 85,491

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
SL Community Facilities District
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Rents	$ 2,500	$ 2,500	$
Total revenues	2,500	2,500	
Changes in fund balances	2,500	2,500	
Fund balances, beginning of year	42,500	42,500	
Fund balances, end of year	$ 45,000	$ 45,000	$

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Assessment Districts
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Taxes	$ 826,270	$ 796,439	$ (29,831)
Total revenues	826,270	796,439	(29,831)
Expenditures			
Current:			
Public works and streets	274,800	239,031	35,769
Commuity development	551,470	538,135	13,335
Total expenditures	826,270	777,166	49,104
Changes in fund balances		19,273	19,273
Fund balances, beginning of year	588,303	588,303	
Fund balances, end of year	$ 588,303	$ 607,576	$ 19,273

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2024

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Investment earnings	$ 100,000	$ 491,046	$ 391,046
Total revenues	100,000	491,046	391,046
Expenditures			
Debt service:			
Principal retirement	1,051,200	1,222,901	(171,701)
Interest and fiscal charges	695,900	770,706	(74,806)
Bond issuance costs		167,292	(167,292)
Total expenditures	1,747,100	2,160,899	(413,799)
Excess (deficiency) of revenues over expenditure	(1,647,100)	(1,669,853)	(22,753)
Other financing sources (uses)			
Transfers in	1,647,100	1,502,562	(144,538)
Issuance of bonds		7,690,191	7,690,191
Premium on sale of bonds		966,386	966,386
Payment to refunded bond escrow agent		(8,485,839)	8,485,839
Total other financing sources (uses)	1,647,100	1,673,300	16,997,878
Changes in fund balances		3,447	16,975,125
Fund balances, beginning of year	264,995	264,995	
Fund balances, end of year	$ 264,995	$ 268,442	$ 16,975,125

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Impact Fees
For the Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment earnings	$	$	$ 161,848	$ 161,848
Development fees	603,000	603,000	1,091,926	488,926
Total revenues	603,000	603,000	1,253,774	650,774
Expenditures				
Current:				
Public safety		18,680	12,512	6,168
Culture and recreation		9,340	6,256	3,084
Capital outlay	584,370	750,470	506,347	244,123
Debt service:				
Principal retirement	103,600	103,600	103,597	3
Interest and fiscal charges	8,500	8,500	8,483	17
Total expenditures	696,470	890,590	637,195	253,395
Excess (deficiency) of revenues over expenditure	(93,470)	(287,590)	616,579	904,169
Other financing sources (uses)				
Transfers out				
Total other financing sources (uses)				
Changes in fund balances	(93,470)	(287,590)	616,579	904,169
Fund balances, beginning of year	1,714,823	1,714,823	1,714,823	
Fund balances, end of year	$ 1,621,353	$ 1,427,233	$ 2,331,402	$ 904,169

City of San Luis, Arizona
Statement of Fund Net Position
Component Unit
June 30, 2024

	Detention Facility
Assets	
Current assets	
Restricted cash and investments	$ 8,247,055
Accounts receivable (net)	3,453,224
Total current assets	11,700,279
Noncurrent assets	
Land	661,359
Buildings and improvements	34,129,886
Machinery and equipment	329,194
Accumulated depreciation	(11,758,906)
Total noncurrent assets	23,361,533
Total assets	35,061,812
Deferred outflows of resources	
Deferred outflow on refundings	159,767
Liabilities	
Current liabilities	
Accounts payable	7,383,606
Due to primary government	8,665
Accrued interest	292,935
Total current liabilities	7,685,206
Noncurrent liabilities	
Noncurrent portion of long-term liabilities	24,292,534
Total noncurrent liabilities	24,292,534
Total liabilities	31,977,740
Net position	
Net investment in capital assets	(771,234)
Restricted for:	
Debt service	5,783,986
Unrestricted	(1,768,913)
Total net position	$ 3,243,839

City of San Luis, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Component Unit
For the Year Ended June 30, 2024

	Detention Facility
Operating revenues	
Charges for services	$ 20,632,799
Operating expenses	
General operations	20,510,971
Depreciation	762,809
Total operating expenses	21,273,780
Operating income (loss)	(640,981)
Nonoperating revenues (expenses)	
Investments earnings	491,466
Interest expense	(2,053,679)
Total nonoperating revenues (expenses)	(1,562,213)
Change in net position	(2,203,194)
Net position, beginning of year	5,447,033
Net position, end of year	$ 3,243,839

City of San Luis, Arizona
Statement of Cash Flows
Component Unit
For the Year Ended June 30, 2024

	Detention Facility
Increase/Decrease in Cash and Cash Equivalents	
Cash flows from operating activities	
Cash received from customers	$ 20,076,609
Cash payments to suppliers for goods and services	(18,298,235)
Net cash provided by/used for operating activities	1,778,374
Cash flows from noncapital financing activities	
Borrowing with the primary government	2,227
Cash flows from capital and related financing activities	
Principal paid on long-term debt	(2,835,000)
Interest paid on long-term debt	(1,955,228)
Net cash provided by/used by capital and related fincaning activities	(4,790,228)
Cash flows from investing activities	
Investment earnings	491,466
Net increase/decrease in cash and cash equivalents	(2,518,161)
Cash and cash equivalents, beginning of year	10,765,216
Cash and cash equivalents, end of year	$ 8,247,055
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Restricted cash and investments	$ 8,247,055
Total cash and cash equivalents	$ 8,247,055
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities	
Operating income/loss	$ (640,981)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation	762,809
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(556,190)
Increase/decrease in accounts payable	2,212,736
Total adjustments	2,419,355
Net cash provided by/used for operating activities	$ 1,778,374
Noncash Capital, Financing, and Investing Activities	
Amortization of premium/discount and deferred charges on refunding	$ (131,388)

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 school 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.

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									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Governmental Activities										
Net investment in capital assets	$ 76,185,493	$ 69,074,159	$ 54,131,102	$ 51,811,286	$ 44,991,467	$ 52,027,709	$47,586,157	$45,187,300	$43,224,321	$35,443,285
Restricted	9,872,677	6,028,237	9,972,478	9,947,936	8,680,843	3,168,082	2,981,920	3,063,550	1,785,917	2,383,498
Unrestricted	30,443,193	22,436,017	18,018,044	16,443,189	9,602,386	8,143,370	2,083,278	531,781	2,061,627	3,056,046
Total governmental activities net position	$ 116,501,363	$ 97,538,413	$ 82,121,624	$78,202,411	$63,274,696	$63,339,161	$52,651,355	$48,782,631	$47,071,865	$40,882,829
Business-type Activities										
Net investment in capital assets	$ 34,388,688	$ 29,161,274	$ 23,411,492	$ 21,682,880	$ 20,134,312	$ 19,186,148	$16,864,092	$14,221,545	$15,188,424	$13,550,172
Restricted	2,893,248	2,308,381	1,985,219	1,662,459	1,585,473	978,691	284,192		7,214,146	8,444,571
Unrestricted	11,605,832	11,434,557	14,001,932	14,715,083	11,450,312	9,244,818	7,892,361	7,368,823	(3,637,294)	(6,706,347)
Total business-type activities net position	$ 48,887,768	$ 42,904,212	$ 39,398,643	$ 38,060,422	$33,170,097	$29,409,657	$25,040,645	$21,590,368	$18,765,276	$15,288,396
Primary Government										
Net investment in capital assets	$110,574,181	$98,235,433	$77,542,594	$73,494,166	$65,125,779	$71,213,857	$64,450,249	$59,408,845	$58,412,745	$48,993,457
Restricted	12,765,925	8,336,618	11,957,697	11,610,395	10,266,316	4,146,773	3,266,112	3,063,550	9,000,063	10,828,069
Unrestricted	42,049,025	33,870,574	32,019,976	31,158,272	21,052,698	17,388,188	9,975,639	7,900,604	(1,575,667)	(3,650,301)
Total primary government net position	$165,389,131	$140,442,625	$121,520,267	$116,262,833	$96,444,793	$92,748,818	$77,692,000	$70,372,999	$65,837,141	$56,171,225

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)

	Fiscal Year									
Expenses:	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Governmental Activities:										
General Government	$ 7,903,721	$ 7,222,026	$ 6,471,663	$ 6,607,195	$ 5,907,870	$ 5,691,433	$6,163,171	$5,994,778	$8,228,000	$7,694,562
Public Safety	14,521,368	11,971,071	10,777,088	10,024,938	9,259,939	8,248,004	8,144,859	9,126,508	7,905,663	7,483,604
Health and Welfare	5,796,978	523,849	455,673	394,653	334,338	183,081	213,634	222,820	235,413	226,788
Culture and Recreation	533,531	3,413,747	3,376,103	2,818,162	2,859,046	2,726,204	2,579,256	2,839,136	2,467,238	2,509,450
Community Development	3,582,525	1,910,943	1,782,982	1,490,104	1,313,645	1,035,590	987,340	945,698	906,408	703,901
Public Works & Streets	1,976,278	5,535,816	4,935,627	5,078,056	4,265,822	3,436,305	3,810,361	3,560,360	3,270,282	2,591,698
Interest on Long-Term Debt	856,841	634,356	667,842	558,408	532,115	550,817	541,343	649,618	658,670	1,367,055
Total Governmental activities	$35,171,242	$31,211,808	$28,466,978	$26,971,516	$24,472,775	$21,871,433	$22,439,964	$23,338,918	$23,671,674	$22,577,058
Business-type activities										
Water	$ 4,678,497	$ 3,785,695	$ 3,478,927	$ 3,445,313	$ 3,341,438	$ 2,955,792	$2,696,643	$2,826,192	$2,741,022	$3,218,848
Wastewater	5,757,184	4,830,760	4,536,975	4,012,743	3,626,910	3,624,956	3,648,877	3,141,132	2,944,122	3,395,825
Business Center	601,313	624,742	652,574	651,827	659,950	669,248	1,016,409	1,226,764	1,215,501	1,197,456
Sanitation	2,302,491	1,858,155	1,482,881	1,525,841	1,392,014	1,305,797	1,141,085	1,120,902	1,105,078	1,117,567
Business Incubator	183,462	168,653	206,348	189,976	185,536	182,586	173,272	163,062	144,578	56,534
Ambulance Services	3,426,163	2,882,436	2,448,287	2,464,088	1,991,579	1,721,285	1,946,014	1,049,335	-	-
Total business-type activities	$16,949,110	$14,150,441	$12,805,992	$12,289,788	$11,197,427	$10,459,664	$10,622,300	$9,527,387	$8,150,301	$8,986,230
Total expenses	$52,120,352	$45,362,249	$41,272,970	$39,261,304	$35,670,202	$32,331,097	$33,062,264	$32,866,305	$31,821,975	$31,563,288
Program revenues										
Governmental activities										
Charges for services										
General Government	$ 2,825,224	$ 1,855,707	$ 1,793,937	$ 1,870,445	$ 2,938,045	$ 3,544,657	$ 1,350,023	$ 1,765,937	$ 3,021,700	$ 2,780,190
Public Safety	671,683	97,649	82,127	41,866	46,924	423,258	305,749	426,767	315,098	1,007,465
Health and Welfare	-	-	-	-	-	371,427	-	-	-	-
Culture and Recreation	46,095	57,855	42,555	19,047	39,786	272,468	142,037	211,126	74,395	373,194
Community Development	-	-	-	-	-	-	0	0	594,182	385,797
Public Works & Streets	10,251	6,748	37,442	-	-	-	187,408	342,089	62,642	62,640
Operating Grants and Contributions	3,024,293	4,124,126	3,837,548	5,517,652	4,519,471	2,372,433	2,002,228	2,308,056	2,709,123	2,989,656
Capital Grants and Contributions	10,826,271	9,654,758	2,069,581	10,801,651	5,044,964	6,874,510	4,511,855	3,749,914	7,816,499	612,897
Total Governmental activities	$ 17,403,817	$ 15,796,843	$ 7,863,190	$ 18,250,661	$ 12,589,190	$ 13,858,753	$ 8,499,300	$ 8,803,889	$ 14,593,639	$ 8,211,839
Business-type activities										
Charges for services										
Water	$ 5,806,499	$ 4,806,977	$ 4,746,978	$ 4,840,917	$ 4,722,633	$ 4,382,952	$ 4,182,192	$ 4,025,661	$ 3,796,031	$ 3,592,820
Wastewater	5,508,273	4,416,848	4,259,727	4,186,548	4,040,776	3,930,950	4,054,103	4,006,279	3,686,360	3,397,094
Business Center	619,866	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265	629,265
Sanitation	2,203,376	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196
Business incubator	112,688	107,253	90,080	43,843	41,706	38,869	29,999.00	3,471.00	-	-
Ambulance Services	3,403,404	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,603.79	1,953,337.00	-	-
Capital Grants and Contributions	4,239,082	2,740,181	337,189	3,158,839	1,365,769	1,214,350.00	1,046,430	0	1,941,586	1,177,792
Total business activities	$ 21,893,188	$ 16,939,745	$ 14,137,958	$ 16,774,167	$ 14,367,251	$ 13,626,056	$ 13,803,138	$ 11,902,557	$ 11,258,521	$ 9,956,167
Total program revenues	$ 39,297,005	$ 32,736,588	$ 22,001,148	$ 35,024,828	$ 26,956,441	$ 27,484,809	$ 22,302,438	$ 20,706,446	$ 25,852,160	$ 18,168,006

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									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Net (Expense)/Revenue										
Governmental Activities:	$ (17,767,425)	$ (15,414,965)	$ (20,603,788)	$ (8,270,835)	$(11,883,585)	$ (8,012,678)	$(13,940,665)	$(14,535,029)	$ (9,078,035)	$(14,365,219)
Business-type activities	4,944,078	2,789,304	1,331,966	4,484,379	3,169,824	3,166,394	3,180,839	2,375,170	3,108,220	969,937
Total primary government net (expense) revenue	$ (12,823,347)	$ (12,625,661)	$ (19,271,822)	$ (3,786,456)	$ (8,713,761)	$ (4,846,284)	$(10,759,826)	$(12,159,859)	$ (5,969,815)	$(13,395,282)
General Revenues and Other Changes in net Position										
Governmental Activities										
Taxes										
Sales and use taxes	$ 16,116,973	$ 13,705,119	$ 11,954,405	$ 12,128,587	$ 10,660,531	$ 9,720,729	$ 8,978,743	$ 7,694,566	$ 7,448,887	$ 7,324,294
Franchise taxes	540,783	501,885	459,210	445,924	415,758	437,765	435,767	401,364	435,822	439,034
Other taxes	816,102	644,548	591,017	491,053	-	-	-	-	0	122,163
State shared Revenues	16,908,872	14,703,246	11,449,813	10,942,821	9,267,561	8,609,052	8,407,534	8,073,305	7,123,544	6,936,337
Investment Earnings	2,347,645	1,276,956	68,556	23,119	249,585	296,968	182,505	56,947	26,179	19,300
Miscellaneous	-	-	-	-	-	-	-	-	624,606	246,626
Transfer in (out)	-	-	-	(345,344)	(365,151)	(364,030)	(407,435)	(394,435)	(391,967)	(100,841)
Total general revenues and transfers	$ 36,730,375	$ 30,831,754	$ 24,523,001	$ 23,686,160	$ 20,228,284	$ 18,700,484	$ 17,597,114	$ 15,831,747	$ 15,267,071	$ 14,986,913
Business-type activities										
Investment Earnings	$1,039,478	$716,265	$6,255	$22,992	$225,465	$285,755	$74,278	$55,487	$24,708	$21,667
Miscellaneous	-	-	-	-	-	552,832	-	-	($48,015)	$0
Transfer in (out)	-	-	-	345,344	365,151	364,030	407,435	394,435	391,967	100,841
Total Business-type activities	$ 1,039,478	$ 716,265	$ 6,255	$ 368,336	$ 590,616	$ 1,202,617	$ 481,713	$ 449,922	$ 368,660	$ 122,508
Total primary government	$ 37,769,853	$ 31,548,019	$ 24,529,256	$ 24,054,496	$ 20,818,900	$ 19,903,101	$ 18,078,827	$ 16,281,669	$ 15,635,731	$ 15,109,421
Change in net Position										
Governmental Activities	$ 18,962,950	$ 15,416,789	$ 3,919,213	$ 14,965,325	$ 8,344,699	$ 10,687,806	$ 3,656,449	$ 1,296,718	$ 6,189,036	$ 621,694
Business-type activities	5,983,556	3,505,569	1,338,221	4,852,715	3,760,440	4,369,012	3,662,552	2,825,092	3,476,880	1,092,445
Total Changes in Net Position	$ 24,946,506	$ 18,922,358	$ 5,257,434	$ 19,818,040	$ 12,105,139	$ 15,056,818	$ 7,319,001	$ 4,121,810	$ 9,665,916	$ 1,714,139

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									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
General Fund										
Nonspendable	$337,448	$272,215	$187,361	$179,249	$64,958	$77,075	$80,392	$118,243	$128,035	$42,831
Committed	-	-	-	-	-	-	-	-	106,785	106,624
Unassigned	37,513,669	30,290,200	29,341,003	28,275,177	20,076,139	15,245,609	11,859,205	9,858,234	9,207,428	10,005,982
Total General Fund	$37,851,117	$30,562,415	$29,528,364	$28,454,426	$20,141,097	$15,322,684	$11,939,597	$9,976,477	$9,442,248	$10,155,437
All other governmental funds										
Nonspendable	$ 212,299	$ 235,863	$ 196,934	$ 186,821	$ 197,764	$ 217,730	$ 118,543	$ 93,575	$ 168,175	$ 167,914
Restricted	7,724,810	5,591,292	5,954,435	5,469,260	4,551,958	3,129,596	2,822,456	2,885,421	754,165	1,181,060
Assigned	-	-	-	-	-	-	-	-	2,591,330	2,648,759
Unassigned	-	(456,305)	(173,588)	(656,007)	(131,223)	(179,241)	(9,234)	-	(715,933)	(951,255)
Total all other governmental funds	$ 7,937,109	$ 5,370,850	$ 5,977,781	$ 5,000,074	$ 4,618,499	$ 3,168,085	$ 2,931,765	$ 2,978,996	$ 2,797,737	$ 3,046,478
TOTAL GOVERNMENTAL FUNDS	$45,788,226	$35,933,265	$35,506,145	$ 33,454,500	$ 24,759,596	$ 18,490,769	$ 14,871,362	$ 12,955,473	$ 12,239,985	$ 13,201,915

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)

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Revenues:										
Taxes	$ 17,454,195	$ 14,847,228	$ 13,198,047	$ 13,078,793	$ 11,558,323	$ 10,493,501	$ 9,760,020	$ 8,398,476	$ 8,187,574	$ 8,259,961
Intergovernmental	1,239,704	23,887,414	16,535,815	18,051,816	14,810,304	12,636,697	8,828,680	11,705,819	10,159,135	10,098,225
Licenses and permits	23,902,867	778,429	739,854	1,026,519	$1,053,843	$843,768	3,236,021	734,502	528,034	483,218
Fines and forfeits	549,624	425,084	406,465	355,770	$426,442	$494,828	519,153	577,989	541,336	611,178
Charges for user services	67,601	74,622	70,020	1,576,343	1,057,353	865,730	526,714	778,835	432,193	376,938
Rents	41,341	669,045	190,244	25,732	$1,476,480	$1,358,079	424,340	268,690	339,119	761,335
Investment earnings	2,336,960	1,271,924	64,351	18,923	$241,533	$291,947	179,601	54,631	24,445	17,057
Development fees	2,001,428	962,685	1,075,381	-	-	-	-	-	-	-
Others	197,947	197,244	212,347	275,004	790,441	678,463	187,987	408,006	624,606	529,759
Total revenues	$ 47,791,667	$ 43,113,675	$ 32,492,524	$ 34,408,900	$ 31,414,719	$ 27,663,013	$ 23,662,516	$ 22,926,948	$ 20,836,442	$ 21,137,671
Expenditures:										
General government	$ 7,143,820	$ 6,487,758	$ 5,793,566	$ 5,002,607	$ 5,518,192	$ 5,419,958	$ 5,463,647	$ 5,236,772	$ 5,037,910	$ 4,652,111
Public safety	12,548,230	11,076,972	10,045,461	16,602,424	$8,977,394	$8,221,406	7,073,034	7,587,098	7,328,654	6,688,960
Public works & streets	3,228,176	3,182,713	2,702,287	2,069,914	$1,921,422	$1,695,053	1,831,640	1,832,799	1,673,193	1,636,602
Health and welfare	476,889	449,454	396,472	223,710	$230,695	$258,917	209,748	213,543	210,378	205,049
Culture and recreation	3,139,908	2,912,918	2,916,439	2,619,377	$2,610,929	$2,529,842	2,328,232	2,507,249	2,099,843	2,099,208
Community development	1,928,214	1,814,522	1,709,901	1,454,703	$1,308,828	$1,108,506	1,016,830	938,132	901,382	668,940
Capital outlay	7,253,218	14,859,342	5,032,911	4,350,197	$2,954,479	$2,518,160	2,691,771	2,402,247	2,771,769	3,843,180
Debt service/authorities:										
Interest	1,439,105	727,399	760,885	651,451	$625,182	$643,859	626,133	713,695	722,772	1,168,906
Principal	782,592	1,279,572	1,082,957	759,232	$675,923	$708,590	398,030	385,490	660,504	391,834
Bond issue costs	167,292	-	-	336,579	-	-	87,664	-	-	238,101
Total expenditures	$ 38,107,444	$ 42,790,650	$ 30,440,879	$ 34,070,194	$ 24,823,044	$ 23,104,292	$ 21,726,729	$ 21,817,025	$ 21,406,405	$ 21,592,891
Excess (Deficiency) of Revenues Over Expenditures	$ 9,684,223	$ 323,025	$ 2,051,645	$ 338,706	$ 6,591,675	$ 4,558,721	$ 1,935,787	$ 1,109,923	$ (569,963)	$ (455,220)
OTHER FINANCING SOURCES (USES)										
Premium on debt issued	$ 966,386	$ -	$ -	$ -	$ -	$ -	$ 428,870	$ -	$ -	$ 1,296,704
Debt issued	7,690,191	-	-	8,230,172	-	-	2,825,000	-	-	12,085,699
Payment to Refunded Bond Escrow Agent	(8,485,839)	-	-	-	-	-	(3,164,208)	-	-	(13,850,916)
Notes Issued	-	-	-	508,980	-	-	-	-	-	300,939
Financed Purchases	-	-	-	-	42,303	12,302	297,873	-	-	-
SBITAs	0	104,095	-	-	-	-	-	-	-	-
Transfer from Other Funds	2,885,544	6,589,663	1,933,065	1,314,715	1,979,037	1,436,164	1,014,000	1,060,544	1,462,992	1,426,905
Transfer to Other Funds	(2,885,544)	(6,589,663)	(1,933,065)	(1,660,059)	(2,344,188)	(1,800,194)	(1,421,435)	(1,454,979)	(1,854,959)	(1,527,746)
Total other financing sources (Uses)	$ 170,738	$ 104,095	$ -	$ 8,393,808	$ (322,848)	$ (351,728)	$ (19,900)	$ (394,435)	$ (391,967)	$ (268,415)
NET CHANGE IN FUND BALANCES	$ 9,854,961	$ 427,120	$ 2,051,645	$ 8,732,514	$ 6,268,827	$ 4,206,993	$ 1,915,887	$ 715,488	$ (961,930)	$ (723,635)
Debt Services as a percentage of noncapital expenditures	7.19%	7.21%	6.06%	5.62%	5.75%	9.37%	9.01%	5.66%	7.16%	8.55%

Source: City financial records and reports

CITY OF SAN LUIS, ARIZONA
PROGRAM REVENUES
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Governmental Activities:										
Charges for service										
General Government	$ 2,825,224	$ 1,855,707	$ 1,793,937	$ 1,870,445	$ 2,938,045	$ 3,544,657	$ 1,350,023	$ 1,765,937	$ 3,021,700	$ 2,780,190
Public Safety	671,683	97,649	82,127	41,886	46,924	423,258	305,749	426,767	315,098	1,007,465
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	46,095	57,855	42,555	19,047	39,786	272,468	142,037	211,126	74,395	373,194
Community Development	-	-	-	-	-	-	-	-	594,182	385,797
Public Works & Streets	10,251	6,748	37,442	-	-	371,427	187,408	342,089	62,642	62,640
Operating grants and contributions	3,024,293	4,124,126	3,837,548	5,517,652	4,519,471	2,372,433	2,002,228	2,308,056	2,709,123	2,989,656
Capital grants and contributions	10,826,271	9,654,758	2,069,581	10,801,651	5,044,964	6,874,510	4,511,855	3,749,914	7,816,499	612,897
Total governmental activities	$17,403,817	$15,796,843	$7,863,190	$18,250,681	$12,589,190	$13,858,753	$8,499,300	$8,803,889	$14,593,639	$8,211,839
Business-type activities										
Charges for service										
Water	$ 5,806,499	$ 4,806,977	$ 4,746,978	$ 4,840,917	$ 4,722,633	$ 4,382,952	$ 4,182,192	$ 4,025,661	$ 3,796,031	$ 3,592,820
Wastewater	5,508,273	4,416,848	4,259,727	4,186,548	4,040,776	3,930,950	4,054,103	4,006,279	3,686,360	3,397,094
Business Center	619,866	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265	629,265
Sanitation	2,203,376	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196
Business Incubator	112,688	107,253	90,080	43,843	41,706	38,869	29,999	3,471	-	-
Ambulance Services	3,403,404	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,604	1,953,337	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	4,239,082	2,740,181	337,189	3,158,839	1,365,769	1,214,350	1,046,430	-	1,941,586	1,177,792
Total business-type activities	$ 21,893,188	$ 16,939,745	$ 14,137,958	$ 16,774,167	$ 14,367,251	$ 13,626,056	$ 13,803,138	$ 11,902,557	$ 11,258,521	$ 9,956,167
Total primary government	$ 39,297,005	$ 32,736,588	$ 22,001,148	$ 35,024,848	$ 26,956,441	$ 27,484,809	$ 22,302,438	$ 20,706,446	$ 25,852,160	$ 18,168,006

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									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Governmental Activities										
General Government	$ 2,990,467	$ 1,936,618	$ 2,087,635	$ 2,011,652	$ 3,263,002	4,438,576	1,355,037	1,807,078	3,107,233	2,856,516
Public Safety	2,841,975	1,496,888	1,311,374	3,926,785	2,618,495	936,173	631,996	964,958	932,208	1,990,965
Health and Welfare	104,567	84,567	95,252	-	-		-	-	-	-
Culture and Recreation	423,509	253,150	386,716	1,413,170	876,495	272,468	150,537	211,126	197,593	489,099
Community Development	-	496,286	66,199	1,219,380	355,948	268,570	275,175	202,706	594,182	385,797
Public Works & Streets	11,043,299	11,529,334	3,916,014	9,679,694	5,475,250	7,942,966	6,086,555	5,618,021	9,762,423	2,489,462
Unallocated General Revenues	36,730,645	30,831,754	24,523,001	23,686,160	20,228,284	18,700,485	17,597,115	15,831,747	15,267,071	14,986,913
Total Governmental Activities	$ 54,134,462	$ 46,628,597	$ 32,386,191	$ 41,936,841	$ 32,817,474	$ 32,559,238	$ 26,096,415	$ 24,635,636	$ 29,860,710	$ 23,198,752
Business-type activities										
Water	$5,806,499	$5,845,123	$4,876,859	$6,649,314	$5,247,041	$4,990,743	$4,672,760	$4,025,661	$3,796,031	$3,592,820
Wastewater	5,508,273	6,118,883	4,467,035	5,536,990	4,882,137	4,537,510	4,609,965	4,006,279	5,627,946	3,418,093
Business Center	619,866	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265	629,265
Sanitation	2,203,376	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196
Business Incubator	112,688	107,253	90,080	43,843	41,706	38,869	29,999	3,471	-	1,156,793
Ambulance Services	3,403,404	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,604	1,953,337	-	-
Unallocated General Revenues	1,039,478	716,265	6,255	368,336	590,016	1,202,616	481,713	449,922	-	122,508
Total Business Activities	$ 18,693,584	$ 17,656,010	$ 14,144,213	$ 17,142,503	$ 14,957,267	$ 14,828,673	$ 14,284,851	$ 12,352,479	$ 11,258,521	$ 10,078,675

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									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
City Sales Tax	$16,116,973	$13,705,119	$11,954,405	$12,128,587	$10,660,531	$9,720,729	$8,989,483	$7,694,566	$7,508,359	$7,324,294
State Sales taxes	5,404,857	5,518,598	4,992,164	4,125,823	3,470,421	3,272,469	3,090,501	2,889,943	2,659,098	2,550,568
Franchise Tax	540,783	501,885	459,210	445,925	415,758	437,765	435,767	401,364	435,822	439,034
Special Districts	796,439	640,224	584,632	488,533	482,034	335,006	345,509	302,546	302,865	374,470
Others	85,935	83,330	76,930	84,579	117,824	131,423	129,514	-	-	122,163
Total tax revenues	$22,944,987	$20,449,156	$18,067,341	$17,273,447	$15,146,568	$13,897,392	$12,990,774	$11,288,419	$10,906,144	$10,810,529

Source: Statement of Activities
Statement of Reveneues, 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									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
State Shared Sales Tax	$5,404,857	$5,518,598	$4,992,164	$4,125,822	$3,470,721	$3,272,469	$3,090,501	$2,889,943	$2,659,098	$2,550,568
Urban Revenue Sharing	9,478,747	7,082,128	4,631,128	4,970,262	4,330,742	3,929,206	3,981,836	3,856,245	3,360,240	3,378,557
Highway Users	3,667,609	3,619,573	3,376,414	3,144,848	3,006,613	2,804,155	2,651,344	2,526,082	2,239,260	2,126,238
Auto-in-lieu	2,025,268	2,079,728	1,808,742	1,838,257	1,466,398	1,407,377	1,335,198	1,259,413	1,104,206	1,007,212
Federal	2,871,569	5,484,034	1,880,353	3,970,104	2,536,130	1,140,890	40,939	1,139,781	673,284	615,896
Others	454,817	74,328	46,752	32,639	64,175	82,600	14,010	64,356	123,047	419,754
Total tax revenues	$23,902,867	$23,858,389	$16,735,553	$18,081,932	$14,874,779	$12,636,697	$11,113,828	$11,735,820	$10,159,135	$10,098,225
									-	-

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									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Retail Sales	$9,322,899	$8,259,698	$7,420,108	$7,211,203	$6,023,773	$5,100,707	$5,307,579	$4,693,648	$3,731,819	$3,719,366
Contracting	3,312,929	2,266,111	1,714,833	2,140,305	2,056,745	2,039,455	1,188,901	888,499	1,573,668	1,654,681
Rentals	523,967	514,318	416,507	395,765	398,642	456,557	360,153	333,635	407,570	356,150
Communications/Utilities	1,346,253	1,217,783	1,111,684	1,045,592	992,652	1,021,204	1,140,903	947,825	1,174,550	1,044,285
Restaurant/Bar	1,217,874	1,067,278	838,501	734,546	652,531	604,790	611,999	456,027	422,284	417,278
Use	362,226	346,317	429,550	574,531	491,719	395,085	221,860	356,078	129,156	121,091
Other	30,824	33,614	23,222	26,645	44,469	102,956	107,963	18,855	69,312	45,339
	$16,116,972	$13,705,119	$11,954,405	$12,128,587	$10,660,531	$9,720,754	$8,989,483	$7,694,566	$7,508,359	$7,358,190
% Growth by year										
Retail Sales	12.9%	11.3%	2.9%	19.7%	18.1%	-3.9%	13.1%	25.8%	0.3%	6.3%
Contracting	46.2%	32.1%	-19.9%	4.1%	0.8%	71.5%	33.8%	-43.5%	-4.9%	23.8%
Rentals	1.9%	23.5%	5.2%	-0.7%	-12.7%	26.8%	7.9%	-18.1%	14.4%	9.7%
Utilities	10.5%	9.5%	6.3%	5.3%	-2.8%	-10.5%	20.4%	-19.3%	12.5%	-0.9%
Restaurant/Bar	14.1%	27.3%	14.2%	12.6%	7.9%	-1.2%	34.2%	8.0%	1.2%	14.9%
Use	4.6%	-19.4%	-25.2%	16.8%	24.5%	78.1%	-37.7%	175.7%	6.7%	10.9%
Other	-8.3%	44.8%	-12.8%	-40.1%	-56.8%	-4.6%	472.6%	-72.8%	52.9%	-29.6%
	81.9%	129.1%	-29.3%	17.7%	-21.0%	156.2%	544.3%	55.7%	83.1%	96.6%

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

	2024				2015			
	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	4,483	68.57%	$8,259,698	60.27%	608	28.49%	$3,498,869	53.57%
Construction, MFG & Wholesale	113	1.73%	2,266,111	16.53%	835	39.11%	1,336,456	20.46%
Rentals	347	5.31%	514,318	3.75%	150	7.03%	324,795	4.97%
Communications/Utilities	77	1.18%	1,217,783	8.89%	81	3.79%	1,053,760	16.13%
Restaurant/Bar	49	0.75%	1,067,278	7.79%	42	1.97%	363,027	5.56%
Use/Services	829	12.68%	346,317	2.53%	274	12.83%	109,195	1.67%
Other	640	9.79%	33,614	0.25%	145	6.79%	64,415	0.99%
	6,538	100%	$13,705,119	100%	2,135	100%	$6,750,517	103.35%

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

	Governmental Activities			Business-Type Activities						
Fiscal Year	Municipal Bonds	Notes Payable	Financed Purchases and SBITAs	Municipal Bonds/Loans	Direct Placement Revenue	Notes Payable	Leases and Financed Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2024	$ 18,043,347	$ 162,751	$ 90,071	$ 22,002,494	$ 4,190,000	$ -	$ 704,325	$ 45,192,988	2.33%	1,166
2023	19,697,222	296,020	173,006	24,342,067	4,530,000	36,100	709,594	49,784,009	2.98%	1,407
2022	20,697,655	436,325	156,973	25,931,647	4,855,000	88,479	714,861	52,880,940	3.15%	1,494
2021	21,429,404	561,281	208,986	27,245,890	5,170,000	138,525	100,396	54,854,482	3.77%	1,550
2020	13,881,119	129,217	260,847	27,632,179	5,475,000	186,338	182,593	47,747,292	3.67%	1,388
2019	14,546,315	174,462	265,209	28,974,986	5,770,000	243,768	262,367	50,237,107	4.00%	1,511
2018	15,231,748	270,762	297,873	30,377,536	6,050,000	57,843	339,794	52,625,556	4.68%	1,590
2017	12,369,441	3,387,834	-	27,635,220	6,320,000	102,171	379,540	50,194,206	4.66%	1,543
2016	13,350,329	3,562,910	-	31,430,036	6,580,000	185,909	-	55,109,184	4.86%	1,621
2015	13,350,329	3,562,910	-	31,430,036	6,580,000	185,909	-	55,109,184	6.64%	1,660

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 - EXCISE TAX REVENUE BONDS
LAST TEN FISCAL YEARS

		Excise Tax Revenue Bonds									
		2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Pledged revenues	(1)	$34,659,407	$29,782,958	$24,657,240	$24,759,401	$21,475,220	$19,715,582	$18,672,560	$15,562,640	$15,766,957	$15,379,657
Debt service requirements											
Principal		$2,815,000	$2,525,000	$2,315,000	$1,975,000	$1,880,000	$1,915,000	$1,035,000	$995,000	$1,690,001	$1,020,000
Interest		1,840,614	1,686,111	1,766,249	1,687,496	1,710,626	1,759,000	1,679,297	2,337,226	2,369,747	3,528,124
Total Annual Requirements		4,655,614	4,211,111	4,081,249	3,662,496	3,590,626	3,674,000	2,714,297	3,332,226	4,059,748	4,548,124
Estimated Coverage		7.44	7.07	6.04	6.76	5.98	5.37	6.88	4.67	3.88	3.38

(1)
Pledged revenues on the Excise Tax Revenue Bonds 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.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds and debt service schedules - City financial records

CITY OF SAN LUIS, ARIZONA
PLEDGED REVENUE COVERAGE - UTILITY REVENUE BONDS
LAST TEN FISCAL YEARS

		Water and Wastewater Utility Revenue Bonds									
	(3)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Gross Revenues	(1)	$12,353,102	$9,939,699	$9,012,642	$9,050,328	$8,976,213	$8,598,226	$8,232,732	$8,086,255	$7,506,930	$7,011,185
Operating Expenses	(2)	7,432,216	5,970,809	5,494,237	5,130,618	4,405,164	4,059,728	3,363,861	5,027,804	4,388,160	5,387,500
Net Revenues Available		$4,920,886	$3,968,890	$3,518,405	$3,919,710	$4,571,049	$4,538,498	$4,868,871	$3,058,451	$3,118,770	$1,623,685
Debt Service Requirements											
Principal		$350,000	$340,000	$325,000	$315,000	$305,000	$295,000	$280,000	$270,000	$260,000	$ -
Interest		159,220	172,140	184,490	196,460	208,050	219,260	229,900	240,160	250,040	250,040
		$509,220	$512,140	$509,490	$511,460	$513,050	$514,260	$509,900	$510,160	$510,040	$250,040
Estimated Coverage		9.66	7.75	6.91	7.66	8.91	8.83	9.55	6.00	6.11	6.49

Notes:

(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.

Source: Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds and repayment schedules for the Water and Wastewater Utility Revenue Bonds.

CITY OF SAN LUIS
Computation of Direct and Overlapping Debt
June 30, 2024

Jurisdiction	Net Assessed Value (2)	Net Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
City of San Luis: Note Payable	$ 111,042,875	$ 162,751	100.00%	$ 162,751
City of San Luis: Revenue Bonds	111,042,875	16,936,080	100.00%	16,936,080
City of San Luis: Premiums	111,042,875	1,107,267	100.00%	1,107,267
City of San Luis: Financed Purchases/SBITAs Payable	111,042,875	90,071	100.00%	90,071
		$ 18,296,169		$ 18,296,169
As presented fiscal year ended June 30, 2023				
Arizona Western College	$ 1,443,410,621	$ 69,346,878	0.61%	$ 423,016
Somerton Elementary School District No. 11	100,393,626	1,038,475	18.00%	$ 186,926
Gadsden School District No. 32	82,451,926	8,439,426	26.70%	$ 2,253,327
Yuma County	1,443,410,621	86,706,646	0.61%	$ 528,911
Yuma Union High School District No 70 (1)	1,338,185,445	60,015,985	0.94%	$ 564,150
Total Overlapping General Obligation Bonded Debt		$ 225,547,410		$ 3,956,330
Total Direct and Ovelapping General Obligation Debt				$ 22,252,499

Sources: City of San Luis GIS Department

(1) Total Net Debt Outstanding from FY23 Report of Bonded Indebtedness, AZ Financial Transparency Portal
(2) 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

Fiscal Year	Population	Personal Income	Labor force	Employment	Unemployment	Unemployment rate percentage
2024	38,758	53,444	12,746	11,900	3,693	29.0%
2023	35,372	47,257	15,169	10,907	4,262	28.1%
2022	35,391	47,414	15,096	8,062	7,034	46.6%
2021	35,394	41,122	13,946	10,850	3,096	22.2%
2020	34,394	37,800	14,626	7,386	7,240	49.5%
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%

Data Source:

Greater Yuma Economic Development Corporation

CITY OF SAN LUIS, ARIZONA
MAJOR EMPLOYERS WITHIN THE CITY
CURRENT YEAR AND NINE YEARS AGO

	2024			2015		
Employer	# of Employees	Rank	Percentage of City Employment	# of Employees	Rank	Percentage of City Employment
Arizona State Prison	1,000	1	25.93%	854	3	23.44%
Gadsen Unified School District	876	2	22.71%	869	1	23.85%
ACT Call Center	487	3	12.63%	820	2	22.50%
Walmart	361	4	9.36%	333	6	9.14%
Ortiz brothers inc	350	5	9.07%	-	-	
City of San Luis	313	6	8.12%	237	5	6.50%
Factor Sales	201	7	5.21%	409	4	11.22%
San Luis Detention Center	170	8	4.41%	122	7	3.35%
Comite De Bienestar	60	9	1.56%	-	-	
Basha's/Food City	39	10	1.00%	-	-	
Total Employees	3,857			3,644		

Source: Greater Yuma Economic Development Corporation

Notes:

(1) Data for 7 employers was the only available information for 2015.

CITY OF SAN LUIS, ARIZONA
AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Permanent Position by Function	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
General Fund										
General Government	95	87	76	76	91	89	79	56	58	55
Public Safety	109	105	98	98	80	83	96	89	94	85
Health and Welfare	7	7	5	5	4	4	4	3	4	4
Culture and Recreation	32	32	27	25	23	47	23	35	47	37
Community Development	16	17	16	14	12	12	10	9	9	8
Sub total General Fund	259	248	222	218	210	235	212	192	189	194
General Fund	259	247	222	218	210	235	212	192	189	194
Public Works & Streets	23	23	21	21	20	15	17	18	15	16
Enterprise Funds	62	62	58	53	40	30	53	50	32	32
Total Permanent Positions	344	332	301	292	270	280	282	260	237	237

Source: City Payroll

CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - BILLINGS
LAST TEN FISCAL YEARS

Utility Rate Increases & Average Bill

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water										
Average bill	$50.18	$45.12	$46.11	$48.10	$48.84	$48.28	$48.16	$48.45	$48.03	$46.59
% Increase	11.21%	-2.15%	-4.14%	-1.52%	1.16%	0.25%	-0.60%	0.88%	3.09%	3.41%
Wastewater										
Average bill	$51.79	$43.96	$43.96	$43.26	$43.65	$44.56	$44.60	$51.57	$48.40	$46.30
% Increase	17.81%	0.00%	1.62%	-0.89%	-2.04%	-0.09%	-13.52%	6.56%	4.52%	24.03%
Residential Solid Waste										
Average bill	$20.87	$18.01	$17.90	$17.48	$17.51	$17.64	$17.82	$17.03	$16.95	$16.86
% Increase	15.88%	0.61%	2.40%	-0.17%	-0.74%	-1.01%	4.64%	0.47%	0.52%	-0.15%

Source: City Customer Service and Billing records (Billing Register Summary)

CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - ACCOUNTS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water										
Number of Accounts	8,870	8,393	8,103	7,949	7,614	7,194	6,828	6,669	6,384	6,190
% Increase	5.68%	3.58%	1.94%	4.40%	5.84%	5.36%	2.38%	4.46%	3.13%	2.77%
Wastewater										
Number of Accounts	8,504	8,164	7,972	7,721	7,383	7,027	6,618	6,495	6,216	5,990
% Increase	4.16%	2.41%	3.25%	4.58%	5.07%	6.18%	1.89%	4.49%	3.77%	2.80%
Residential Solid Waste										
Number of Accounts	8,066	7,693	7,559	7,319	6,983	6,620	6,222	6,113	5,825	5,643
% Increase	4.85%	1.77%	3.28%	4.81%	5.48%	6.40%	1.78%	4.94%	3.23%	1.69%

Source: City Customer Service and Billing records

CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - RATES

Charges for Water Services
Base Minimum Monthly Bill

Water Service Fees

	Residential		Commercial / Government / School		
				Commercial / Gov't	
Meter Size	***1st 2,000 G***	***Excess / 000's***	***1st 2,000 G***	***Excess / 000's***	***School***
5/8" - 3/4"	$ 16.40	$ 2.51	$ 41.70	$ 3.16	$ 2.95
1"	N/A	N/A	$ 69.65	$ 3.16	$ 2.95
1 ½"	N/A	N/A	$ 138.88	$ 3.16	$ 2.95
2"	N/A	N/A	$ 222.28	$ 3.16	$ 2.95
3"	N/A	N/A	$ 486.69	$ 3.16	$ 2.95
4"	N/A	N/A	$ 1,668.18	$ 3.16	$ 2.95
6"	N/A	N/A	$ 3,475.37	$ 3.16	$ 2.95
8"	N/A	N/A	$ 5,004.54	$ 3.16	$ 2.95

Charges for Wastewater Services
Based Minimum Monthly Bill

Wastewater Service Fees

	Residential		Commercial / Government / School	
Meter Size	***Base***	***Excess / 000's***	***Base***	***Volume/000's***
Senior 60+ yrs	$ 25.60	N/A	N/A	N/A
5/8" - 3/4"	$ 50.62	N/A	$ 31.01	$ 3.13
1" - 8"	N/A	N/A	$ 31.01	$ 3.13
Gadsden Residential	$ 69.95	N/A	N/A	N/A
Gadsden School	$ 260.47	N/A	N/A	N/A
Gasden Commercial	$ 96.63	N/A	N/A	N/A

Source: City Customer Service and Billing records

CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Miscellaneous data on water utility										
Annual Consumption (000's gal)	1,215,140	1,196,668	1,220,347	1,240,165	1,180,168	1,144,797	1,085,982	1,067,585	1,041,105	1,023,995
Avg gallons/account/month	11,416	11,882	12,654	13,001	13,671	13,261	13,254	13,340	13,590	13,786
Avg gallons/account/year	136,994	142,579	151,845	156,015	164,049	159,132	159,048.33	160,082	163,080	165,427
Avg. daily demand (MGD)	4	3.8	3.75	3.74	3.53	3.23	3.23	445	453	460
Peak demand (MGD)	4.9	4.63	4.48	4.84	4.74	3.81	3.81	3.81	3.43	3.43
Number of wells in system	10	10	10	10	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
Miscellaneous data on wastewater utility										
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)	682,547	651,801	580,295	526,272	613,095	586,810	514,839	458,763	465,867	471,403
Average daily flow (000's)	1,870	1,786	1,590	1,442	1,679	1,608	10,740	1,286	1,340	1,340
Miscellaneous data on solid waste service										
Tons of waste collected and disposed	13,562	13,351	14,313	14,100	12,300	12,046	11,719	10,740	10,306	9,681

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)

	Building Permits									
	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commercial										
Number of Permits	11	5	9	2	6	1	1	6	16	16
Value	$ 7,107	$ 6,512	$ 25,898	$ 5,721	$ 17,447	10	$568	$7,091	$51	$128
Residential										
Number of Dwelling Units	472	251	193	374	355	340	193	267	169	159
Value	$ 67,659	$ 38,089	$ 30,795	$ 57,804	$ 54,327	$ 49,318	$ 29,110	$ 35,339	$ 24,850	$ 24,530
Other										
Number of Permits	383	390	414	484	390	352	404	480	523	318
Value	$ 16,843	$ 12,509	$ 9,342	$ 11,432	$ 8,160	$ 6,664	$ 8,293	$ 9,601	$ 10,652	$ 2,146

	Single Family Housing Sales									
	Calendar Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
New units sold	351	235	244	349	317	314	258	228	175	88

Source: City Development Services

CITY OF SAN LUIS, ARIZONA
Operating Indicator by Function
LAST TEN FISCAL YEARS

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
GENERAL GOVERNMENT										
Court										
Charges filed/ Charges adjudicated(resolved)	4,311	3,613	2,684	2,186	2,630	2,749	2,200	3,317	3,734	3,989
Charges dismissed	1,170	-	862	399	761	1,014	754	1,037	841	938
Human Resources										
# of employment Applications Processed	3,833	2,000	2,044	2,001	2,683	1,816	2,829	3,047	1,643	750
Finance										
# of Accounts Payable checks issued	5,096	5,549	5,398	4,247	4,456	4,780	4,721	4,785	4,264	4,201
# of Claims filed, injured or ill workers	112	107	68	104	221	33	27	16	13	29
# of electrical inspections performed	-	-	-	2	3	4	**	**	3	1
Notice of claims	8	6	4	3	14	7	14	3	2	4
PUBLIC SAFETY										
Police										
# of 911 Emergency and Animal Calls	6,488	9,677	5,171	5,518	5,556	7,276	5,467	4,889	5,920	5,483
# of Traffic Stops	6,557	6,406	4,134	3,553	4,147	5,463	4,786	5,220	4,681	6,393
# of Arrests on Warrants	188	204	254	362	360	396	374	468	439	**
Fire										
# of Ambulance Transport Services	3,618	3,576	3,523	3,430	3,341	2,972	2,699	2,767	2,665	2,476
# of Fire & Hazmat Incidents	70	117	68	71	50	61	63	41	57	28
HEALTH AND WELFARE										
# of Meals served - Food Assistance	15,842	15,399	11,470	2,168	5,590	4,787	5,783	7,791	8,869	7,963
# of citywide transit ridership	4,096	3,655	2,682	390	4,797	6,157	6,166	9,538	10,661	8,136

Note: (**) Information is not available
Source: Various Departments

CITY OF SAN LUIS, ARIZONA
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
General Government										
City Hall										
Building	3	1	1	1	1	1	1	1	1	1
Vehicle	46	43	40	41	37	34	33	31	26	26
Public Safety										
Building	3	2	2	2	2	2	2	2	2	2
Vehicle	99	93	73	77	71	72	70	69	70	70
Culture & Recreation										
Building	3	3	3	3	3	3	3	3	3	3
Equipment	65	54	52	45	41	38	37	39	33	33
Health and Welfare										
Building	1	2	2	2	2	2	2	2	2	2
Vehicle	4	4	4	2	2	2	2	3	3	3
Public Works and streets										
Building	1	1	1	1	1	1	1	1	1	1
Equipment	39	36	35	29	28	28	28	27	26	26
Enterprise										
Building	4	4	4	4	4	4	4	4	4	4
Equipment	90	80	76	71	68	67	61	61	51	51

Source: City records Finance Department

Independent Accountant's Report

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

We have examined the City of San Luis, Arizona's (City) compliance as to whether highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City, were used solely for authorized transportation purposes during the fiscal year ended June 30, 2024. Management is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of San Luis, Arizona complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2024.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 12, 2024

December 13, 2024

To the Governing Board
City of San Luis, Arizona

We have audited the 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 (City) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following matters related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of San Luis, Arizona are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time management estimates those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third-party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension are based on historical trends and industry standards.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit and communicate them to the appropriate level of management. A misstatement is defined as a difference between the reported amount, classification, presentation, or disclosure of a financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be presented fairly in accordance with the applicable financial reporting framework. During the course of the audit we did not identify any uncorrected misstatements which require communication.

In addition, as part of the professional services we provided to the City we assisted with the preparation of the financial statements, the notes to financial statements, and the SEFA and related notes as well as the Data Collection Form submission to the Federal Audit Clearinghouse. In providing these services, we prepared adjusting journal entries necessary to convert the accounting records to the basis of accounting required by generally accepted accounting principles. Those adjusting journal entries have been provided to management who reviewed and approved those entries and accepted responsibility for them.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain written representations from management, which are included in the management representation letter provided to us at the conclusion of the audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants regarding auditing and accounting matters.

Discussions with Management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the course of the year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention as the City's auditors.

Compliance with Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm, have complied with all relevant ethical requirements regarding independence. Heinfeld, Meech & Co., P.C. continually assesses client relationships to comply with relevant ethical requirements, including independence,

integrity, and objectivity, and policies and procedures related to the acceptance and continuance of client relationships and specific engagements. Our firm follows the "Independence Rule" of the AICPA Code of Professional Conduct and the rules of state boards of accountancy and applicable regulatory agencies. It is the policy of the firm that all employees be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the AICPA, U.S. Government Accountability Office (GAO), and applicable state boards of accountancy.

Responsibility for Fraud

It is important for both management and the members of the governing body to recognize their role in preventing, deterring, and detecting fraud. One common misconception is that the auditors are responsible for detecting fraud. Auditors are required to plan and perform an audit to obtain reasonable assurance that the financial statements do not include material misstatements caused by fraud. Unfortunately most frauds which occur in an organization do not meet this threshold.

The attached document prepared by the Association of Certified Fraud Examiners (ACFE) is provided as a courtesy to test the effectiveness of the fraud prevention measures of your organization. Some of these steps may already be in place, others may not. Not even the most well-designed internal controls or procedures can prevent and detect all forms of fraud. However, an awareness of fraud related factors, as well as the active involvement by management and the members of the governing body in setting the proper "tone at the top", increases the likelihood that fraud will be prevented, deterred and detected.

Additional Reports Issued

In addition to the auditor's report on the financial statements we will also issue the following documents related to this audit. These reports are typically issued within 60 days of the date of this letter.

- Single Audit Report
- Highway User Revenue Fund Report
- Examination report on the Annual Expenditure Limitation Report
- Impact Fees Report

Other Important Communications Related to the Audit

Attached to this letter are a copy of the signed engagement letter provided to us at the initiation of the audit, and a copy of the management representation letter provided to us at the conclusion of the audit. If there are any questions on the purpose or content of these letters please contact the engagement partner identified in the attached engagement letter.

Restriction on Use

This information is intended solely for the use of the members of the City Council and management of City of San Luis, Arizona and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona

Fraud Prevention Checklist

The most cost-effective way to limit fraud losses is to prevent fraud from occurring. This checklist is designed to help organizations test the effectiveness of their fraud prevention measures.

1. **Is ongoing anti-fraud training provided to all employees of the organization?**
    - Do employees understand what constitutes fraud?
    - Have the costs of fraud to the company and everyone in it — including lost profits, adverse publicity, job loss and decreased morale and productivity — been made clear to employees?
    - Do employees know where to seek advice when faced with uncertain ethical decisions, and do they believe that they can speak freely?
    - Has a policy of zero-tolerance for fraud been communicated to employees through words and actions?

2. **Is an effective fraud reporting mechanism in place?**
    - Have employees been taught how to communicate concerns about known or potential wrongdoing?
    - Is there an anonymous reporting channel available to employees, such as a third-party hotline?
    - Do employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal?
    - Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated?
    - Do reporting policies and mechanisms extend to vendors, customers and other outside parties?

3. **To increase employees' perception of detection, are the following proactive measures taken and publicized to employees?**
    - Is possible fraudulent conduct aggressively sought out, rather than dealt with passively?
    - Does the organization send the message that it actively seeks out fraudulent conduct through fraud assessment questioning by auditors?
    - Are surprise fraud audits performed in addition to regularly scheduled audits?
    - Is continuous auditing software used to detect fraud and, if so, has the use of such software been made known throughout the organization?

4. **Is the management climate/tone at the top one of honesty and integrity?**
    - Are employees surveyed to determine the extent to which they believe management acts with honesty and integrity?
    - Are performance goals realistic?
    - Have fraud prevention goals been incorporated into the performance measures against which managers are evaluated and which are used to determine performance-related compensation?
    - Has the organization established, implemented and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee)?

5. **Are fraud risk assessments performed to proactively identify and mitigate the company's vulnerabilities to internal and external fraud?**

6. **Are strong anti-fraud controls in place and operating effectively, including the following?**
    - Proper separation of duties
    - Use of authorizations
    - Physical safeguards
    - Job rotations
    - Mandatory vacations

7. **Does the internal audit department, if one exists, have adequate resources and authority to operate effectively and without undue influence from senior management?**

8. **Does the hiring policy include the following (where permitted by law)?**
    - Past employment verification
    - Criminal and civil background checks
    - Credit checks
    - Drug screening
    - Education verification
    - References check

9. **Are employee support programs in place to assist employees struggling with addictions, mental/ emotional health, family or financial problems?**

10. **Is an open-door policy in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute?**

11. **Are anonymous surveys conducted to assess employee morale?**

May 1, 2024

Honorable Mayor, Members of the City Council, and Management
City of San Luis
P. O. Box 7740
San Luis, AZ 85349

We are pleased to confirm our understanding of the services we are to provide for City of San Luis, Arizona (City) for the year ended June 30, 2024. We encourage you to read this letter carefully as it includes important information regarding the services we will be providing to the City. If there are any questions on the content of the letter, or the services we will be providing, we would welcome the opportunity to meet with you to discuss this information further.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, business-type activities, each major fund, the discretely presented component unit, the aggregate remaining fund information, , including the disclosures, which collectively comprise the basic financial statements of City of San Luis, Arizona as of and for the year ended June 30, 2024.

We have also been engaged to report on supplementary information that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards
2. Combining and individual fund financial statements and schedules
3. Component unit financial statements

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI) to supplement the City's basic financial statements. Such information, although not 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America.

These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. GASB-required pension schedules

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Other information included with the audited financial statements such as the transmittal letter and statistical data

In addition, we will perform the necessary procedures to issue the applicable report for the following.

1. Examination report on the Annual Expenditure Limitation Report
2. Examination report on compliance for highway user revenue fund monies in accordance with ARS §9-481(B)(2)

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards.*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)*.*

An important aspect to our expression of opinions on the financial statements is understanding the concept of materiality. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. For purposes of determining materiality we may assume that reasonable users –

1. have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information in the financial statements with reasonable diligence;
2. understand that financial statements are prepared, presented, and audited to levels of materiality;
3. recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgment, and the consideration of future events; and
4. make reasonable judgements based on the information in the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in the financial statements nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. Our procedures will also include, as deemed necessary, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request, if deemed necessary, written representations from the City's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

Audit Procedures – Internal Control

We will obtain an understanding of the City and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the City has complied with federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the *OMB Compliance Supplement*, our compliance and internal control procedures will relate to the compliance requirements that the *OMB Compliance Supplement* identifies being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Governing Board of the City. Circumstances may arise in which our reports may differ from expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Nonaudit Services

As part of the audit, we will assist with preparation of your financial statements, notes to the financial statements, and supplementary information, including the schedule of expenditures of federal awards. In addition, we will assist with the completion of the auditee section of the data collection form to be submitted to the Federal Audit Clearinghouse. You have expressed your intention to use these nonaudit services within the scope of your request for proposal for audit services. These nonaudit services do not constitute an audit and such services will not be conducted in accordance with *Government Auditing Standards*. Upon engagement of the audit we will utilize the general ledger, accounting records, City prepared schedules and other information provided by City personnel in order to prepare the necessary year-end adjusting journal entries and to prepare drafts of the financial statements, notes to the financial statements, and the supplementary information.

You are responsible for the information provided by the City and for assuming all management responsibilities related to the financial statements, notes to the financial statements, supplementary information, data collection form, and the nonaudit services we provide. You are also responsible for designing, implementing, and maintaining internal controls over the financial statements process. Prior to the issuance of the financial statements you will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements, the schedule of expenditures of federal awards, and related notes to the financial statements, and acknowledge you have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee the nonaudit services we provide; evaluate the adequacy and results of these nonaudit services; and accept responsibility for the nonaudit services.

As the City's independent auditor, professional standards place specific requirements on our provision of certain nonaudit services. We are strictly prohibited from assuming management responsibilities or making management decisions; therefore, the nonaudit services we provide are limited to those indicated above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities or making management decisions. Accordingly, to maintain our independence it is imperative that management understand its responsibilities and is capable of fulfilling these responsibilities. If there are any questions or concerns regarding management's responsibilities or ability to fulfill these responsibilities we request that you immediately contact us so that we may assess the circumstance and our continued independence with respect to providing audit services.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under Uniform Guidance; (3) additional information we may request for the purpose of the audit; and (4) and unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; the schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Management's responsibilities also include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Management is responsible for the design and implementation of programs to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to issuance of our reports.

Management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards.

You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (1) you are responsible for presentation of supplementary information in accordance with accounting principles generally accepted in the United States of America; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or studies related to the objectives discussed in the *Audit Scope and Objectives* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our tests will not include a detailed check of all transactions for the period.

We have identified the following significant risks of material misstatement as part of our audit planning:

1. Management override of controls
2. Improper revenue recognition
3. Accounts Payable internal controls
4. Capital Asset activiy

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit in May 2024 and conclude audit procedures and date our report in December 2024.

Our audit of the financial statements does not relieve you of your responsibilities outlined in the *Responsibilities of Management for the Financial Statements* section of this letter.

Use of Third-Party Service Providers

We maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. We may, depending on the circumstances, use third-party service providers in providing our professional services. The following service providers may be utilized in the completion of our engagement:

- Capital Confirmation, Inc. – electronic bank and account balance confirmation service
- Citrix ShareFile – web-based application service to transfer files
- CCH Engagement Organizer – web-based application service to transfer files
- Harvest Investments, Ltd. – investment portfolio valuation service

You hereby consent and authorize us to use the above service providers, if deemed necessary, to complete the professional services outlined in this letter.

Engagement Administration, Fees, and Other

Brittney Williams is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

The audit documentation for this engagement is the property of Heinfeld, Meech & Co., P.C., and constitutes confidential information. However, we may be requested to make certain audit documentation available to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, the U.S. Government Accountability Office, or other authorized governmental agency for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Heinfeld, Meech & Co., P.C., personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven (7) years after the report release date, or for any additional period requested by a regulator, cognizant agency, oversight agency for audit, or pass-through entity. Upon expiration of the seven year period, or any additional period, we will commence the process of destroying the contents of our engagement files. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

Any disagreement, controversy, or claim ("dispute") that may arise from any aspect of our services, including this engagement or any prior engagement, will be submitted to mediation. The parties will engage in the mediation process in good faith once a written request to mediate has been given by any party. Any mediation initiated as a result of this engagement shall be administered by The American Arbitration Association, according to its mediation rules before resorting to litigation. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally.

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between us. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("limitation period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. The limitation period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

Professional standards prohibit auditors from agreeing to indemnify attest clients for damages, losses or costs arising from lawsuits, claims or settlements that relate, directly or indirectly, to the client's acts. As such, professional standards will prevail for indemnification clauses included in audit contracts. In addition, we are unable to obtain waivers on our professional liability insurance policy for certain provisions, including indemnification provisions, provisions requiring the firm to name the City as an additional insured party, and a waiver of subrogation rights.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our fee for these services will be at the amount outlined in our proposal. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Our fees are based on anticipated cooperation from your personnel, timely receipt of information, and the assumption that unexpected circumstances will not be encountered during the audit, including factors beyond our control, such as new accounting pronouncements or legal requirements, additional consultation, and assistance in correcting errors in your financial records. We will plan the engagement based on the assumption that your personnel will prepare and provide us with the items listed in our request for audit information, including preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Additional fees incurred will be billed at the following hourly rates: Partner - $272; Manager - $216; Senior - $159; Staff - $118.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2021 peer review report accompanies this letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. Please feel free to contact us at any time if you have any questions or concerns. If you have any questions regarding this letter, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona

cc: Jenny Torres, Acting City Manager
Roula Encinas, Acting Director of Finance

RESPONSE

Please indicate the name of the individual responsible for overseeing the nonaudit services of preparing the year-end adjusting journal entries and the preparation of the financial statements:

Name: Roula Jouanne de Encinas

This letter correctly sets forth the understanding of City of San Luis, Arizona.

Printed Name: Roula Jouanne de Encinas

Title: Acting Director of Finance

Signature: Roula J. de Encinas

Date: 05/01/2024

Grant Bennett Associates
A PROFESSIONAL CORPORATION

Proud Member of AlliottGlobalAlliance™

Report on the Firm's System of Quality Control

August 31, 2021

To Heinfeld, Meech & Co., P.C. and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C. (the firm) in effect for the year ended May 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility
The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility
Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations
Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion
In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C. in effect for the year ended May 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Heinfeld, Meech & Co., P.C. has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

GBA CPA
www.gbacpa.com

10850 Gold Center Drive, Suite 260
Rancho Cordova, CA 95670
916/922-5109 FAX 916/641-5200

1970 Broadway, Suite 260
Oakland, CA 94612
510/817-4886

Princeville, HI
888/763-7323

Together as One. Grant Bennett Associates is a Member of the Alliott Global Alliance of independent professional firms.

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SIGNATURE CERTIFICATE

REFERENCE NUMBER
67D8B158-0922-44AA-ADEA-B7A34B3D5D5A

TRANSACTION DETAILS	DOCUMENT DETAILS
Reference Number 67D8B158-0922-44AA-ADEA-B7A34B3D5D5A	**Document Name** Engagement Ltr FY24 San Luis
Transaction Type Signature Request	**Filename** Engagement_Ltr_FY24_San_Luis.pdf
Sent At 05/01/2024 10:45 MST	**Pages** 13 pages
Executed At 05/01/2024 14:49 MST	**Content Type** application/pdf
Identity Method email	**File Size** 393 KB
Distribution Method email	**Original Checksum** b7711198e0eabc52829e35047377083acf01a8398d20d6b7de0993840e8b92c5
Signed Checksum e4d8d5f3c0152a8217269094be9b92adc0821b452181e75299bdf7e3ea1eef1f	
Signer Sequencing Disabled	
Document Passcode Disabled	

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
Name Roula Encinas	**Status** signed	**Viewed At** 05/01/2024 11:57 MST
Email rencinas@sanluisaz.gov	**Multi-factor Digital Fingerprint Checksum** 320cb95a94f42c0cc7b42640e2dac8dd41828576eb74624be6bccb502ee183c2	**Identity Authenticated At** 05/01/2024 14:49 MST
Components 5	**IP Address** 64.183.172.98	**Signed At** 05/01/2024 14:49 MST
	Device Microsoft Edge via Windows	
	Typed Signature Roula J. de Encinas	
	Signature Reference ID 508D6E48	

AUDITS

TIMESTAMP	AUDIT
05/01/2024 10:45 MST	Carri Corbett (carri.corbett@hm.cpa) created document 'Engagement_Ltr_FY24_San_Luis.pdf' on Chrome via Windows from 76.134.178.164.
05/01/2024 10:45 MST	Roula Encinas (rencinas@sanluisaz.gov) was emailed a link to sign.
05/01/2024 11:37 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 162.43.230.81.
05/01/2024 11:38 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Chrome via Windows from 93.180.236.20.
05/01/2024 11:38 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 161.123.175.248.
05/01/2024 11:45 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Chrome via Windows from 64.183.172.98.
05/01/2024 11:45 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 213.188.85.1.
05/01/2024 11:46 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Chrome via Windows from 64.183.172.98.
05/01/2024 11:49 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 119.13.217.43.
05/01/2024 11:56 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 206.204.1.160.
05/01/2024 11:57 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 64.183.172.98.
05/01/2024 14:49 MST	Roula Encinas (rencinas@sanluisaz.gov) authenticated via email on Microsoft Edge via Windows from 64.183.172.98.
05/01/2024 14:49 MST	Roula Encinas (rencinas@sanluisaz.gov) signed the document on Microsoft Edge via Windows from 64.183.172.98.

Heinfeld, Meech & Co., P.C.
1365 N. Scottsdale Rd., Suite 300
Scottsdale, AZ 85257

This representation letter is provided in connection with your audit of the financial statements of City of San Luis, Arizona (City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, the aggregate remaining fund as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the disclosures (collectively the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of our signature, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility for 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. The City did not include its proportionate share of the Arizona State Retirement System's other postemployment benefit asset of $400,734 as of year-end due to the relative insignificance of the amount.

9. The effects of all known actual or possible litigation, claims, and assessments have been evaluated, and if necessary, have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.

    d. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, grantors, regulators, or others.

16. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20. If applicable we have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, that you have reported to us.

21. We have a process to track the status of audit findings and recommendations.

22. We have identified and communicated to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

23. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

24. If applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

25. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred outflows/inflows of resources, and fund balance or net position.

26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

27. With respect to your compliance examination of highway user revenue fund monies and other dedicated state transportation revenues, we represent the following:
    - we are responsible for compliance with A.R.S. Title 28, Chapter 18, Article 2; and for establishing and maintaining effective internal controls to ensure compliance.
    - we have disclosed to you all known noncompliance with the aforementioned statutes and related requirements.
    - we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with the aforementioned statutes and related requirements.

28. We have identified and disclosed to you all instances of identified fraud and suspected fraud that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

29. We have identified and disclosed to you all instances of identified noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

30. We have identified and disclosed to you all instances of identified abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

31. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

32. We understand that in addition to your audit, you prepared the adjusting journal entries necessary to convert our accounting records to the basis of accounting required by generally accepted accounting principles. We acknowledge that we have reviewed and approved those entries and accepted responsibility for the adjusting journal entries.

33. In addition to your audit, you assisted with preparation of the financial statements, notes to the financial statements, the schedule of expenditures of federal awards, and the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that

    - we assume all management responsibilities;
    - oversee the nonaudit services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience;
    - evaluate the adequacy and results of the nonaudit services performed;

- and accept responsibility for the results of the nonaudit services.

34. We have reviewed, approved, and accepted responsibility for the financial statements, notes to the financial statements, the schedule of expenditures of federal awards, and the data collection form on which you have assisted with the preparation.

35. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

36. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

37. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

38. If applicable, the financial statements include all component units, appropriately present majority equity interest in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

39. The financial statements include all fiduciary activities required by U.S. GAAP.

40. The financial statements properly classify all funds and activities in accordance with U.S. GAAP.

41. All funds that meet the quantitative criteria for presentation as a major fund are identified and presented as such and all other funds that are presented as a major fund are particularly important to financial statement users.

42. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

43. Investments are properly valued.

44. With regard to investments and other instruments reported at fair value:
    - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

45. If applicable, provisions for uncollectible receivables have been properly identified and recorded.

46. All payroll information and the individual employment data have been properly submitted to the state retirement systems, and the employer contributions have been properly submitted to the retirement systems.

47. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

48. Revenues are appropriately classified in the statement of activities within program revenues, and general revenues.

49. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

50. Special and extraordinary items, if any, are appropriately classified and reported.

51. Deposits and investment securities are properly classified as to risk and are properly disclosed.

52. Capital assets, including infrastructure, are properly capitalized, reported, and, if applicable, depreciated or amortized.

53. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

54. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

55. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

56. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

57. With respect to the supplementary information presented, such as the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards.

    a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

58. We acknowledge our responsibility for the other information included in the financial statements, such as the transmittal letter and statistical data. We believe the other information, including its form and content, is fairly presented and is materially consistent with the basic financial statements.

59. With respect to federal award programs:

    a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).

    b. We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

    c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

    d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h. We have received no requests from a federal agency to audit one or more specific programs as a major program.

i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards, if any.

j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).

m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t. If applicable, we have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

u. If applicable, we have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

v. If applicable, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

w. We have charged costs to federal awards in accordance with applicable cost principles.

x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

bb. If applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

We have reviewed the drafts of the financial statements and related notes and believe the amounts are properly presented based on the books and records of our insert client type here. We hereby take responsibility for the financial statements and authorize Heinfeld, Meech & Co., P.C. to issue the reports in final form and to distribute to those parties as outlined in the contract.

We understand that at the conclusion of the audit Heinfeld, Meech & Co, P.C. will submit to the City Council a communication to those charged with governance that will include a copy of this representation letter and a copy of the engagement letter.

Jenny Torres
_____
Jenny Torres, Acting City Manager
City of San Luis, Arizona

Roula Jouanne de Encinas
_____
Roula Encinas, Finance Director
City of San Luis, Arizona

citrix | RightSignature

SIGNATURE CERTIFICATE

REFERENCE NUMBER
2D628ECA-B6F7-4E3B-BC99-4F63AC10E3C3

TRANSACTION DETAILS	DOCUMENT DETAILS
Reference Number 2D628ECA-B6F7-4E3B-BC99-4F63AC10E3C3	**Document Name** General Rep SA 24 City of San Luis
Transaction Type Signature Request	**Filename** General_Rep_SA_24_City_of_San_Luis.pdf
Sent At 12/12/2024 18:07 EST	**Pages** 10 pages
Executed At 12/12/2024 18:39 EST	**Content Type** application/pdf
Identity Method email	**File Size** 209 KB
Distribution Method email	**Original Checksum** 59c9008517243d9eb68678612464060af8f42f7ff21619870aaaa7a2558ba5c2
Signed Checksum 5f350619049134c22af54353701f7fe49a1524124f6f2809924783471c6740b3	
Signer Sequencing Disabled	
Document Passcode Disabled	

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
Name Jenny Torres	**Status** signed	**Viewed At** 12/12/2024 18:38 EST
Email jtorres@sanluisaz.gov	**Multi-factor Digital Fingerprint Checksum** 2d15a009a9bd2ff0dbc9700bf96aa855bac3d8e5323283693e5be9d915e64b74	**Identity Authenticated At** 12/12/2024 18:39 EST
Components 1	**IP Address** 64.183.172.98	**Signed At** 12/12/2024 18:39 EST
	Device Microsoft Edge via Windows	
	Typed Signature Jenny Torres	
	Signature Reference ID 554229C2	
Name Roula J. de Encinas	**Status** signed	**Viewed At** 12/12/2024 18:28 EST
Email rencinas@sanluisaz.gov	**Multi-factor Digital Fingerprint Checksum** 8ceb1793e648a8441c797d926ea299880b1558e9cca8f6ff7de395a1dc7f3327	**Identity Authenticated At** 12/12/2024 18:36 EST
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	Device Microsoft Edge via Windows	
	Typed Signature Roula Jouanne de Encinas	
	Signature Reference ID 5780A3FA	

AUDITS

TIMESTAMP	AUDIT
12/12/2024 18:07 EST	Jared Young (jared.young@hm.cpa) created document 'General_Rep_SA_24_City_of_San_Luis.pdf' on Chrome via Windows from 52.45.54.47.
12/12/2024 18:07 EST	Jenny Torres (jtorres@sanluisaz.gov) was emailed a link to sign.
12/12/2024 18:07 EST	Roula J. de Encinas (rencinas@sanluisaz.gov) was emailed a link to sign.
12/12/2024 18:26 EST	Roula J. de Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 64.183.172.98.

TIMESTAMP	AUDIT
12/12/2024 18:27 EST	Roula J. de Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 3.216.86.4.
12/12/2024 18:28 EST	Roula J. de Encinas (rencinas@sanluisaz.gov) viewed the document on Chrome via Windows from 83.136.82.76.
12/12/2024 18:36 EST	Roula J. de Encinas (rencinas@sanluisaz.gov) authenticated via email on Microsoft Edge via Windows from 64.183.172.98.
12/12/2024 18:36 EST	Roula J. de Encinas (rencinas@sanluisaz.gov) signed the document on Microsoft Edge via Windows from 64.183.172.98.
12/12/2024 18:38 EST	Jenny Torres (jtorres@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 64.183.172.98.
12/12/2024 18:38 EST	Jenny Torres (jtorres@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 54.197.218.112.
12/12/2024 18:39 EST	Jenny Torres (jtorres@sanluisaz.gov) authenticated via email on Microsoft Edge via Windows from 64.183.172.98.
12/12/2024 18:39 EST	Jenny Torres (jtorres@sanluisaz.gov) signed the document on Microsoft Edge via Windows from 64.183.172.98.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. B.**

Meeting Date: 02/12/2025

Department Head: Jenny Torres, Acting City Manager, Administration

Submitted By: Jenny Torres, Acting City Manager, Administration

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the appointment of a member to serve on the Greater Yuma Port Authority (GYPA). **(Jenny Torres, Acting City Manager)**

SUMMARY:

The Greater Yuma Port Authority (GYPA) was established in September 2000 to provide a two-port solution for key port of entry between San Luis, AZ, and San Luis, Sonora. The GYPA is composed of the member entities of the City of San Luis, Yuma County, the Cocopah Nation, and the City of Yuma. Each member entity appoints two (2) directors to the board. The GYPA 5th Amended Bylaws, Section 4.3, one (1) director shall be an elected official or employee of the City of San Luis, and the other director may be part of the City of San Luis (elected official or staff) or an outside person. It is strongly recommended that members appointed to the board have experience in economic development, transportation, and international issues. The term of office is for five (5) years. The GYPA board meetings are held on the third Thursday of the month at 8:30 am at San Luis City Hall.

The current board consists of the following members:

City of San Luis: Nieves Riedel, Mayor, and Matias Rosales, former Council Member
City of Yuma: Doug Nicholls, Mayor, and Russ Jones, RL Jones Custom Broker
Yuma County: Tony Reyes, Supervisor, and Ian McGaughey, County Administrator
Cocopah Tribe: Gary Magrino, Business Development, and Arturo Durazo, Tribal Planner

On January 22, 2025, the San Luis City Council appointed Matias Rosales to serve on the board. Mayor Riedel is recommending that the San Luis City Council appoint council member Javier Vargas to replace her on the board. Councilmember Vargas attends all the GYPA board meetings and is interested in serving on the board.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPOINT JAVIER VARGAS TO SERVE ON THE GREATER YUMA PORT AUTHORITY BOARD.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	NO
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A

AVAILABLE AMOUNT TO TRANSFER: N/A

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: N/A

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

There is not fiscal impact.

Attachments

5th Amended Bylaws

Greater Yuma Port Authority
198 S. Main Street, Yuma AZ
Office: 928-373-1179

April 26, 2018

Tadeo De La Hoya
City Administrator
City of San Luis
1090 E. Union St.
San Luis, AZ 85349

Dear Mr. De La Hoya,

During the Greater Yuma Port Authority's (GYPA's) regular Board meeting held on March 29, 2018, a proposed change to the organization's bylaws were approved.

The Bylaws require that any amendments be approved by the GYPA Board of Directors and the governing body of each member entity.

I am requesting your assistance by placing this item on the next possible City Council agenda for action as quickly as possible. Please send notification of action once the City Council has approved this amendment.

Attached are the "redlined" version of the Bylaws' amended page 3 of 14 and the new cover page.

Once the amendment is adopted, please distribute the attached replacement pages to anyone who has the current version of the Bylaws (Fourth Amended and Restated Bylaws).

Please contact me with any questions. I appreciate your attention to this matter.

Sincerely,

Naim Duran, Executive Director
GYPA

Attachments:
GYPA Resolution
GYPA Bylaws Cover page and amended page 3 of 14

Greater Yuma Port Authority
198 S. Main Street, Yuma AZ
Office: 928-373-1179

RESOLUTION 2018-01

WHEREAS: A modification to the Bylaws, Section 4.3, related to the composition of Members of the Board of Directors would reflect current practices of at least one Member and allow all Members greater flexibility to meet their own needs and interests in selecting representatives for the GYPA Board; and

WHEREAS: A change to the Bylaws must be approved by resolution by three-fourths of the members of the Board of Directors and then approved by each member agency;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Greater Yuma Port Authority hereby approves the following change to the Bylaws:

FROM Current Language:

4.3 Composition, Selection, and Qualifications of Members of the Board

A. A Member may appoint two (2) persons to serve on the Board of Directors, one of whom shall be from the business/private community and not an employee or elected official of any Member.

B. It is strongly recommended the Members shall appoint qualified person(s) to the Board. Persons experienced in economic development, transportation and international issues are desired.

TO Proposed New Language:

4.3 Composition, Selection, and Qualifications of Members of the Board

A. A Member may appoint two (2) persons to serve on the Board of Directors, at the Member's discretion. At least one person appointed shall be an elected official or employee of the Member. The second person may serve in any capacity, whether within the Member's organization or outside it.

B. (no change)

Adopted this 29th day of March, 2018.

Matias Rosales, Chairman

ATTEST:
Linda Matthias, Administrator

FIFTH AMENDMENT TO THE BYLAWS

OF

GREATER YUMA PORT AUTHORITY INC.

An Arizona Nonprofit Corporation

The Fifth Amendment to the GYPA Bylaws was approved by the GYPA Board of Directors on March 29, 2018.

The only change is an amended Page 3 of 14, which should replace page 3 of 14 in the Fourth Amended and Restated Bylaws.

Pease replace existing Page 3 of 14 of the GYPA Fourth Amended and Restated Bylaws with this page:

The cost of the Membership shall be as set forth in these bylaws, or as they may hereafter be amended. Such amount is due within 60 (sixty) days of the date of approval of the new Member, or as determined by the Board of Directors.

4.2 Master Plan.

The Board shall draft a master plan for improvement of any land which shall be conveyed to, leased or acquired by the Corporation. A majority vote of the Board shall be required to adopt this plan. The Board may from time to time modify the master plan by majority vote of the Board.

The provisions in the Master Plan shall not override or supersede any local existing zoning ordinance in effect at the time said lands are acquired. The jurisdiction wherein any land obtained by the Corporation is situated shall govern such land.

4.3 Composition, Selection, and Qualifications of Members of the Board of Directors.

A. ~~A Member may appoint two (2) persons to serve on the Board of Directors, one of whom shall be from the business/private community and not an employee or elected official of any Member.~~ (Deleted 3-29-2018)

A. A Member may appoint two (2) persons to serve on the Board of Directors, at the Member's discretion. At least one person appointed shall be an elected official or employee of the Member. The second person may serve in any capacity, whether within the Member's organization or outside it. (Added 3-29-2018)

B. It is strongly recommended the Members shall appoint qualified person(s) to the Board. Persons experienced in economic development, transportation, and international issues are desired.

4.4 Voting Rights.

Each Director shall be entitled to one vote provided the requirements of Article V are fulfilled. All votes shall be considered equal. Written proxies may not be given.

4.5 Term of Office.

The term of office shall be five (5) years. In the event a Director fails to complete his/her five year term, a replacement will be selected by the appointing Member to serve the remaining portion of the term. There is no limit to the number of terms for which a Director may be appointed, as long as each member entity makes a timely appointment and the appointment meets the criteria of Section 4.3.

4.6 Initial Directors.

The initial Board of Directors shall consist of directors selected to serve three or five year terms. Each Member shall select one director to serve a three year term and one director to serve a five year term. An initial director serving a three year term shall be considered to have served a full term of the purposes of this section.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. C.**

Meeting Date: 02/12/2025

Department Head: Lizette Varela, Assistant Director to Parks & Recreation, Parks & Recreation Department, Recreation

Submitted By: Lizette Varela, Assistant Director to Parks & Recreation, Parks & Recreation Department, Recreation

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the purchase of a manufactured restroom unit for the East Community Park. **(Angelica Roldan, Director of Parks and Recreation)**

SUMMARY:

The Parks and Recreation staff contacted CXT Precast Concrete Products to continue the East Community Park Project. CXT Precast Concrete Products is a business with vast experience in manufacturing and installing restrooms. This prefab restroom will consist of two fully accessible flush restrooms, interior and exterior lights, a baby changing table, an anti-graffiti coating, and an exterior-mounted ADA Drinking Fountain.

Staff will work closely with CXT Precast Concrete Products to provide a clear and level site area for delivering the restrooms. Staff will outsource this project to be completed before the prefab restrooms arrive.

The staff is seeking approval from the Mayor and Council members to move forward with the purchase of the manufactured restrooms from CXT for the amount of $329,022.78 utilizing cooperative agreement contract #: 081721-CXT under the authority of the City of San Luis Procurement Code 3.05.090, Cooperative Purchasing. CXT provided staff with a quote that includes the Sourcewell Contract # 081721-CXT, ensuring that the City receives the best pricing for this purchase so formal bidding wouldn't result in a lower bid. Staff have purchased manufactured restrooms from CXT in the past for the Bienestar 9B park, and the quality of the restrooms and the time of delivery and installation were excellent.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE THE PURCHASE OF THE MANUFACTURED RESTROOM UNIT IN THE AMOUNT OF $329,022.78, AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	YES
CITY/STATE/FEDERAL FUNDS:	CITY
TOTAL:	$329,022.78
BUDGETED AMOUNT:	$400.000.00

AVAILABLE AMOUNT TO TRANSFER: N/A

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: CAPITAL OUTLAY CIP - 806-144-90015

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

The purchase of the manufactured restrooms was contemplated when budgeting for the East San Luis Community Park under the GL account 806-144-90015 with an approved budget of $400,000.

Attachments

CXT Proposal

CXT

ORDERING INFORMATION

Sourcewell
Awarded Contract
Contract # 081721-CXT

CXT® Precast Concrete Products manufactures restroom, shower and concession buildings in multiple designs, textures and colors. The roof and walls are fabricated with high strength precast concrete to meet all local building codes and textured to match local architectural details. All CXT buildings are designed to meet A.D.A. and to withstand heavy snow, high wind and category E seismic loads. All concrete construction also makes the buildings easy to maintain and withstand the rigors of vandalism. The buildings are prefabricated and delivered complete and ready-to- use, including plumbing and electrical where applicable. With thousands of satisfied customers nationwide, CXT is the leader in prefabricated concrete restrooms.

1. ORDERING ADDRESS(ES): CXT Precast Concrete Products, 606 N. Pines Road, Suite 202, Spokane Valley, WA 99206

2. ORDERING PROCEDURES: Fax 509-928-8270

3. PAYMENT ADDRESS(ES):
Remitting by check:
CXT, Inc., PO Box 676208, Dallas, TX 75267-6208

Remitting by ACH or wire transfer:
Beneficiary: CXT, Inc.
Beneficiary Bank: PNC Bank, Pittsburgh, PA
Account: 1077766885 ABA/Routing: 043000096
Email remittance details to AR@lbfoster.com

4. WARRANTY PROVISIONS: CXT provides a one (1) year warranty. The warranty is valid only when concrete is used within the specified loadings. Furthermore, said warranty includes only the related material necessary for the construction and fabrication of said concrete components. All other non-concrete components will carry a one (1) year warranty. CXT warrants that all goods sold pursuant hereto will, when delivered, conform to specifications set forth above. Goods shall be deemed accepted and meeting specifications unless notice identifying the nature of any non-conformity is provided to CXT in writing within the specified warranty. CXT, at its option, will repair or replace the goods or issue credit for the customer provided CXT is first given the opportunity to inspect such goods. It is specifically understood that CXT's obligation hereunder is for credit, repair or replacement only, F.O.B. CXT's manufacturing plants, and does not include shipping, handling, installation or other incidental or consequential costs unless otherwise agreed to in writing by CXT.

This warranty shall not apply to:

1. Any goods which have been repaired or altered without CXT's express written consent, in such a way as in the reasonable judgment of CXT, to adversely affect the stability or reliability thereof;

2. To any goods which have been subject to misuse, negligence, acts of God or accidents; or

3. To any goods which have not been installed to manufacturer's specifications and guidelines, improperly maintained, or used outside of the specifications for which such goods were designed.

5. TERMS AND CONDITIONS OF INSTALLATION (IF APPLICABLE): All prices subject to the "Conditions of Sale" listed on the CXT quotation form.

Customers are responsible for marking exact location building is to be set; providing clear and level site, free of overhead and/or underground obstructions; and providing site accessible to normal highway trucks and sufficient area for the crane to install and other equipment to perform the contract requirements. Site must allow for the crane to be within three feet of the building location and the truck to be within three feet of the crane. Customer shall provide notice in writing of low bridges, roadway width or grade, unimproved roads or any other possible obstacles to access. CXT reserves the right to charge the customer for additional costs incurred for special equipment required to perform delivery and installation. Customers will negotiate installation on a project-by-project basis, which shall be priced as separate line items. For more information regarding installation and truck turning radius guidelines please see our website at http://www.cxtinc.com.

In the event delivery of the building/s ordered is/are not completed within 30 days of the agreed to schedule through no fault of CXT, an invoice for the full contract value (excluding shipping and installation costs) will be submitted for payment. Delivery and installation charges will be invoiced at the time of delivery and installation.

Should the delivery and installation costs increase due to changes in the delivery period, this increase will be added to the price originally quoted, and will be subject to the contract payment terms.

In the event that the delivery is delayed more than 90 days after the agreed to schedule and through no fault of CXT, then in addition to the remedies above, a storage fee of 1-½% of contract price per month or any part of any month will be charged.

**Customer is responsible for all local permits and fees.

6. DELIVERY CHARGE: All prices F.O.B. origin prepaid and added to invoice. CXT operates three (3) manufacturing plants in the United States and will deliver from the closest location on our carriers.

7. PAYMENT TERMS: All orders are cash in advance. At CXT's discretion, credit may be given after approval of credit application. Payment to CXT by the purchaser of any approved credit amount is net 30 days after submission of invoice to purchaser. Interest at a rate equal to the lower of (i) the highest rate permitted by law; or (ii) 1.5% per month will be charged monthly on all unpaid invoices beginning with the 35th day (includes five (5) day grace period) from the date of the invoice. Under no circumstance can retention be taken. If CXT initiates legal proceeding to collect any unpaid amount, purchaser shall be liable for all of CXT's costs, expenses and attorneys' fees and costs of any appeal.

8. LIMITATION OF REMEDIES: In the event of any breach of any obligations hereunder; breach of any warranty regarding the goods, or any negligent act or omission of any party, the parties agree to submit all claims to binding arbitration. Any settlement reached shall include all reasonable costs including attorney fees. In no event shall CXT be subject to or liable for any incidental or consequential damages. Without limitation on the foregoing, in no event shall CXT be liable for damages in excess of the purchase price of the goods herein offered.

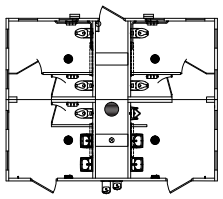
9. DELIVERY INFORMATION: All prices F.O.B. origin prepaid and added to invoice. CXT operates three (3) manufacturing plants in the United States and will deliver from the closest location on our carriers. Use the information below to determine the origin:

- F.O.B. 6701 E. Flamingo Avenue, Building 300, Nampa, ID 83687 applies to: AK, CA, HI, ID, MT, ND, NV, OR, SD, UT, WA, WY.
- F.O.B. 901 North Highway 77, Hillsboro, TX 76645 applies to AR, AZ, CO, IA, KS, LA, MN, MO, MS, NE, NM, OK, TX.
- F.O.B. 362 Waverly Road, Williamstown, WV 26183 applies to AL, CT, DE, FL, GA, IL, IN, KY, MA, MD, ME, MI, NC, NH, NJ, NY, OH, PA, PR, RI, SC, TN, VA, VT, WI, WV.
- Prices exclude all federal/state/local taxes. Tax will be charged where applicable if customer is unable to provide proof of exemption.

TAOS — 20' X 26'

Taos with chase has two multiuser fully accessible flush restrooms. Standard features include simulated barnwood textured walls, simulated cedar shake textured roof, vitreous china fixtures, 30-gallon water heater, interior and exterior lights, off loaded, and set up at site.





CXT
800.696.5766
cxtinc.com

			Price Per Unit		
Base Price			$		$
Added Cost Options				Click to Select	
Final Connection to Utilities (per section)			$		
Optional Wall Texture (per section)- *choose one*	Split Face Block ($5,500)	Stone ($7,000)			
Optional Roof Texture (per section)	Ribbed Metal		$		
Insulation and Heaters (per section)			$		
Stainless Steel Water Closet (each)		Qty:	$		
Stainless Steel Lavatory (each)		Qty:	$		
Stainless Steel Urinal (each)		Qty:	$		
Electric Hand Dryer (each)		Qty:	$		
Electronic Flush Valve (each)		Qty:	$		
Electronic Lavatory Faucet (each)		Qty:	$		
Electronic Urinal Flush Valve (each)		Qty:	$		
Paper Towel Dispenser (each)		Qty:	$		
Toilet Seat Cover Dispenser (each)		Qty:	$		
Sanitary Napkin Disposal Receptacle (each)		Qty:	$		
Baby Changing Table (each)		Qty:	$		
Skylight in Restroom (each)		Qty:	$		
Marine Grade Skylight in Restroom (each)		Qty:	$		
Marine Package *(excluding fiberglass doors and frames)* (per section)			$		
Exterior Mounted ADA Drinking Fountain w/Cane Skirt (each)		Qty:	$		
2K Anti-Graffiti Coating (per section)			$		
Optional Door Closure (each)		Qty:	$		
Fiberglass Entry and Chase Doors and Frames (each)		Qty:	$		
Timed Electric Lock System (2 doors- does not include chase door) (each)		Qty:	$		
Exterior Frostproof Hose Bib with Box (each)		Qty:	$		
				Total for Added Cost Options:	$
Custom Options:					$
				Engineering and State Fees:	$
				Estimated One-Way Transportation Costs to Site (quote):	$
				Estimated Tax:	$
				Total Cost per Unit Placed at Job Site:	$

Estimated monthly payment on 5 year lease

Sourcewell
Awarded Contract
Contract # 081721-CXT

This price quote is good for 60 days from date below, and is accurate and complete.

CXT Sales Representative Date

I accept this quote. Please process this order.

Company Name

Company Representative Date

OPTIONS

Exterior Color(s) *(For single color mark an X. For two-tone combinations use W = Walls and R = Roof.)*

_____ Amber Rose	_____ Berry Mauve	_____ Buckskin	_____ Cappuccino Cream
_____ Charcoal Grey	_____ Coca Milk	_____ Evergreen	_____ Georgia Brick
_____ Golden Beige	_____ Granite Rock	_____ Hunter Green	_____ Java Brown
_____ Liberty Tan	_____ Malibu Taupe	_____ Mocha Caramel	_____ Natural Honey
_____ Nuss Brown	_____ Oatmeal Buff	_____ Pueblo Gold	_____ Raven Black
_____ Rich Earth	_____ Rosewood	_____ Sage Green	_____ Salsa Red
_____ Sand Beige	_____ Sun Bronze	_____ Toasted Almond	_____ Western Wheat

Special roof color # _____ Special wall color # _____

Special trim color # _____

Stone Color*(Mark option with an X.) *If option is not available, verify stone option is selected on previous page.*

_____ Basalt* _____ Mountain Blend* _____ Natural Grey* _____ Romana*

Roof Texture **If option is not available, verify roof texture option is selected on previous page.*

_____ Ribbed Metal*

Wall Texture(s) *(For single texture mark an X. For top and bottom textures use T = Top and B = Bottom.)*
**If option is not available, verify wall texture option is selected on previous page.*

_____ Split Face Block* _____ Horizontal Lap* _____ Board & Batt* _____ Stucco*#

_____ Brick*# _____ Distressed Wood*#

Stone Wall Texture *(bottom texture only) *If option is not available, verify stone option is selected on previous page.*

_____ Napa Valley*# _____ River Rock*# _____ Flagstone*# _____ Stacked Rock*#

#Textures not included in CXT's quote are additional cost.

Door Opener

Non-locking ADA Handle Privacy ADA Latch Pull Handle/Push Plate

Deadbolt

Accessible Signage

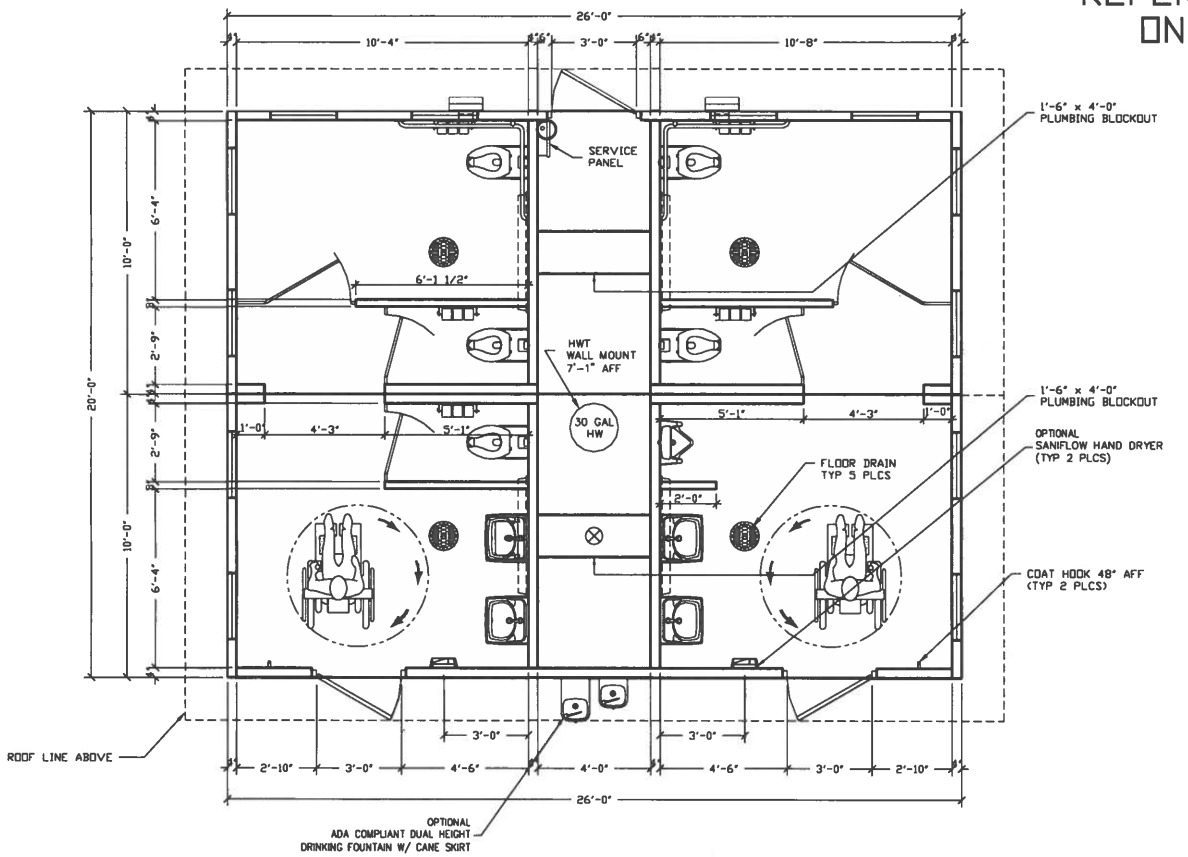
Men Women Unisex

Toilet Paper Holder

2-Roll Stainless Steel 3-Roll Stainless Steel

Notes:

FOR REFERENCE ONLY



NOTES: 1. SEE DRAWING TA-28 FOR SIZE AND LOCATION OF FLOOR BLOCKOUTS

3806 N. Sullivan Bldg. #7 Spokane, WA 99216

CXT Precast Products

901 N. Highway 77 Hillsboro, TX 76645

PROJECT TITLE
TAOS
CXT STANDARD BUILDING

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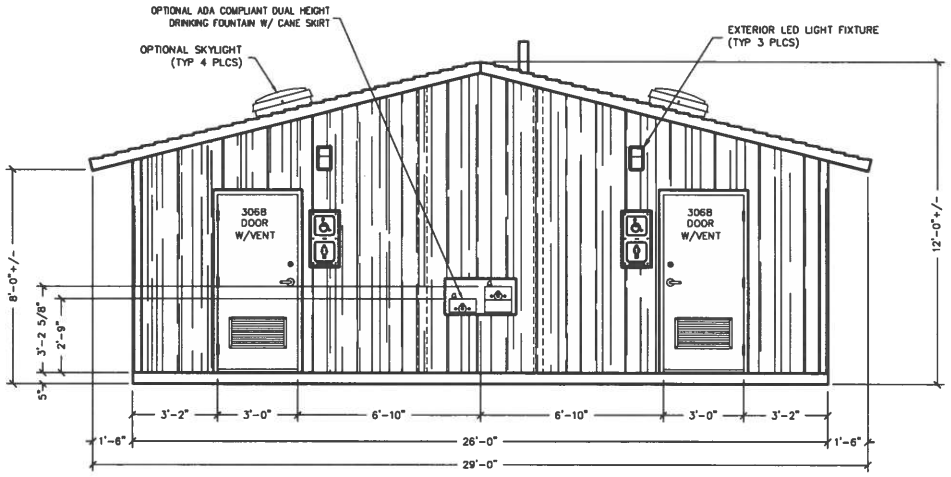
CXT Incorporated

NO.	DESCRIPTION	APPROVED	DATE

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DRAWN		FILE NO.	PC-TA03
CHECKED		PLOT	48

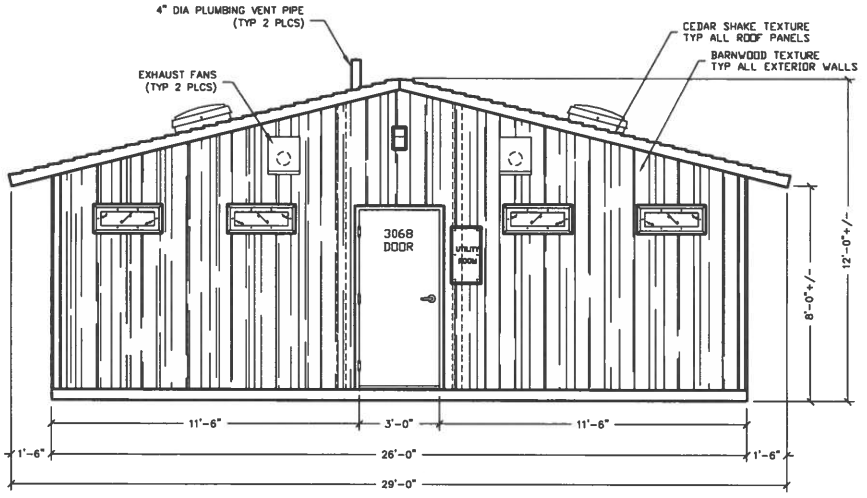
FLOOR PLAN

DWG NO.	SHEET	REV.
TA-03		



FRONT ELEVATION

FOR REFERENCE ONLY



REAR ELEVATION

3808 N. Sullivan Bldg. #7 Spokane, WA 99216
CXT
Precast Products
901 N. Highway 77 Hillsboro, TX 76645

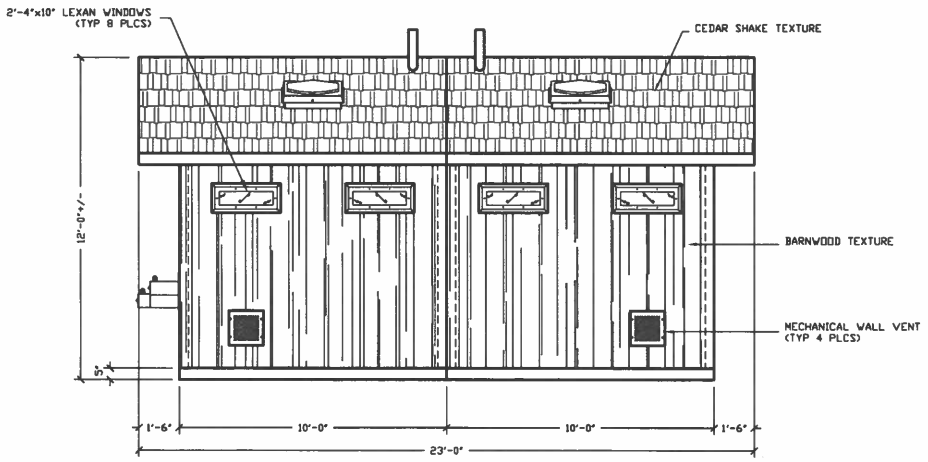
PROJECT TITLE
TAOS
CXT STANDARD BUILDING

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CXT Incorporated

NO.	REVISION	APPROVED	DATE
SCALE	1/4"=1'-0"	DATE	04-30-18
DRAWN		FILE NO.	PO-TA04
CHECKED		PLOT	48

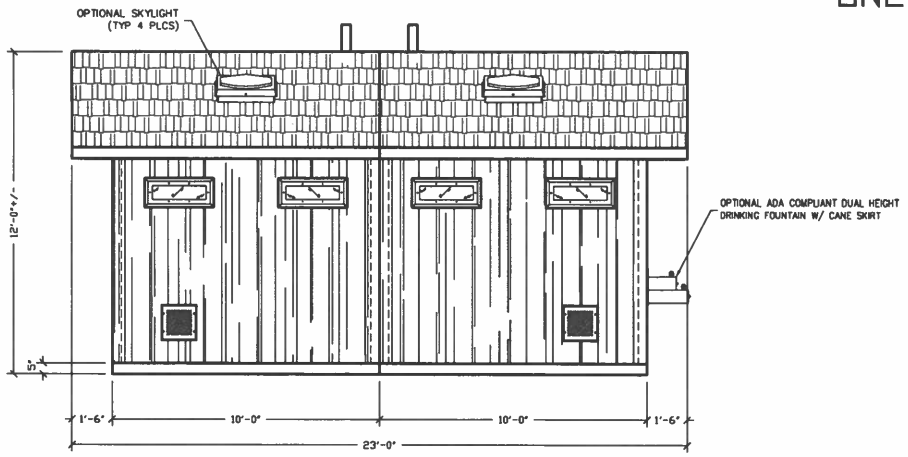
BUILDING ELEVATIONS

DWG NO. TA-04 | SHEET | REV.



RH SIDE ELEVATION

FOR
REFERENCE
ONLY



LH SIDE ELEVATION

3808 N. Sullivan Bldg. #7 Spokane, WA 99216
CXT
Precast Products
901 N. Highway 77 Hillsboro, TX 76645

PROJECT TITLE
TAOS
CXT STANDARD BUILDING

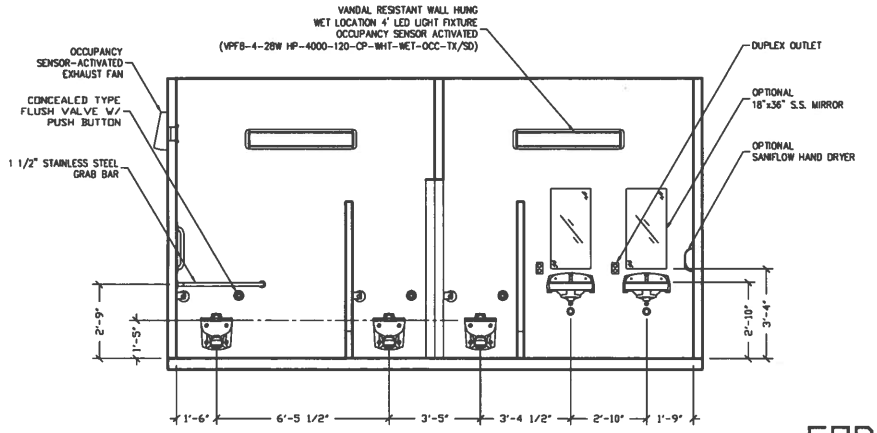
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CXT Incorporated

REV	DESCRIPTION	APPROVAL	DATE

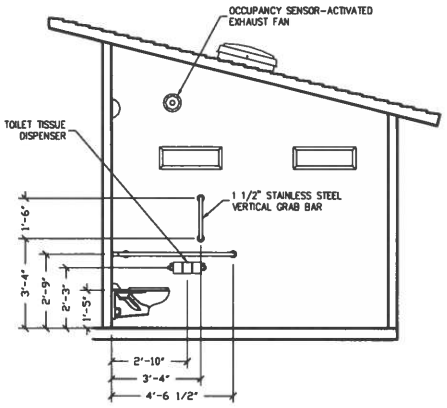
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DRAWN		FILE NO.	PD-TAOS
CHECKED		PLOT	48

BUILDING ELEVATIONS

DWG NO.	SHEET	REV.
TA-05		

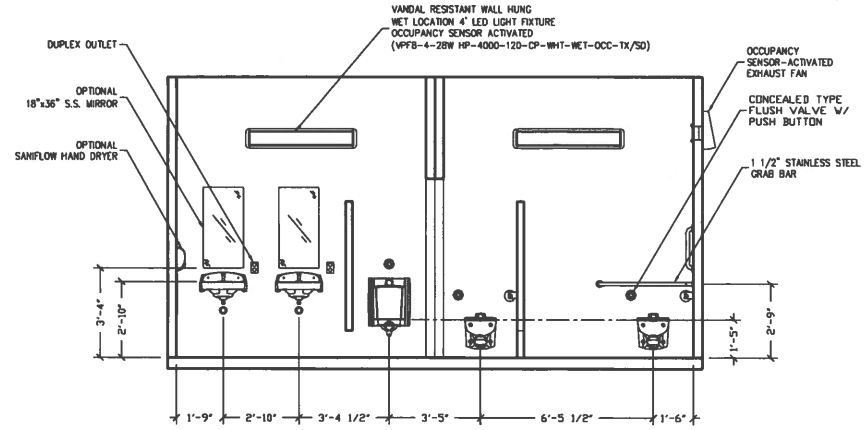


INTERIOR ELEVATION –WOMEN'S RESTROOM

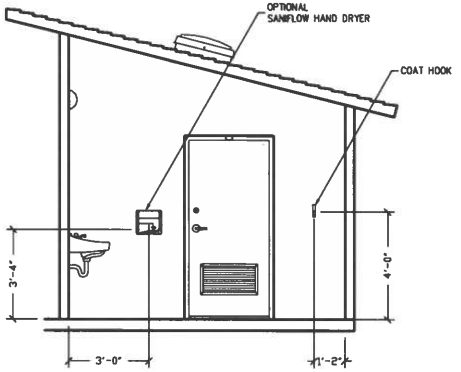


INTERIOR ELEVATION – MEN'S RESTROOM

FOR REFERENCE ONLY



INTERIOR ELEVATION – MEN'S RESTROOM



INTERIOR ELEVATION – WOMEN'S RESTROOM

MENS OPPOSITE HAND

3808 N. Sullivan Bldg. #7 Spokane, WA 99216
CXT
Precast Products
801 N. Highway 77 Hillsboro, TX 76645

PROJECT TITLE
TAOS
CXT STANDARD BUILDING

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CXT Incorporated

NO.	DESCRIPTION	APPROVAL	DATE

SCALE	1/4"=1'-0"	DATE	04-30-18
DRAWN		FILE NO.	PO-TAOS
CHECKED		PLOT	48

INTERIOR ELEVATIONS

DWG NO. TA-06 | SHEET | REV.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. D.**

Meeting Date: 02/12/2025

Department Head: Fernando Corona, Security Administrator, Administration, Information Technology

Submitted By: Fernando Corona, Information Technology Manager, Administration, Information Technology

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the authorization to purchase a 60-foot Sabre Model S3TL self-supporting Category VI tower. **(Fernando Corona, IT Manager)**

SUMMARY:

The Information Technology Division is seeking approval to utilize $149,000.00 in AZ DEMA BSF Grant funds to procure a 60-foot Sabre Model S3TL self-supporting Category VI tower. This tower will be used to mount a radio repeater, which is crucial for improving radio communications for San Luis Public Safety, particularly on the city's east side.

The tower construction will be procured through the NASPO State Contract with Sabre Industries, who has provided a quote for the 60-foot Sabre Model S3TL self-supporting Category VI tower at a total cost of $109,792.03. The City of San Luis was approved for the $149,000.00 AZ DEMA BSF Agreement Grant, which will fund this essential project. This investment will ensure that first responders on the east side of the city have reliable communication, thereby enhancing their ability to respond to emergencies, coordinate efforts, and improve overall public safety.

By improving radio coverage in this area, the new tower will strengthen the city's ability to provide critical services, ensuring that first responders can effectively communicate during emergencies. This project is not only an investment in infrastructure, but also in the safety and well-being of the community.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE THE PURCHASE OF A 60-FOOT SABRE MODEL S3TL SELF-SUPPORTING CATEGORY VI TOWER IN THE AMOUNT OF $109,792.03 UTILIZING THE NASPO STATE CONTRACT.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	YES
CITY/STATE/FEDERAL FUNDS:	STATE
TOTAL:	$109,792.03
BUDGETED AMOUNT:	$109,792.03
AVAILABLE AMOUNT TO TRANSFER:	See fiscal impact statement

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: We are requesting approval to utilize $109,792.03 from account 250-181-90000 Project: 2025021

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

We are requesting approval to utilize $109,792.03 from account 250-181-90000 Project: 2025021

Attachments

Proposal

1709210327_NASPO Public Safety Communications Products, Services and Solutions AZ Participating Addendum - Sabre-STATE_Cotract

Executed NASPO Agreement

Sabre Industries™
INNOVATION DELIVERED

January 20, 2025

CITY OF SAN LUIS, AZ
1090 E Union St
PO Box 1170
San Luis, AZ 85349

Attn: Fernando Corona
928-341-8579

Dear Fernando:

Per your recent request, please find following our revised quotation for a 60' Sabre Model S3TL self-supporting tower.

If you have any questions or require further information, please feel free to contact me at (712) 204-1767.

Sincerely,
SABRE INDUSTRIES

Rolli Sexton
Western Sales Manager

Enclosure: Per Above

RSS: af

Sabre Industries™
INNOVATION DELIVERED

PROPOSAL

Prepared for: **CITY OF SAN LUIS, AZ**
1090 E Union St
San Luis, AZ 85349
Attn: Fernando Corona

Proposal No.: **25-1978-RSS-R4**
Date: **01/20/25** **Page 1 of 4**
Reference: **60' S3TL/San Luis East, AZ**
Freight: **Origin**

SABRE MODEL S3T-L SELF-SUPPORTING TOWER

Quantity of one (1) 60' Sabre Model S3TL self-supporting tower.

The tower will be triangular in design with a base width of 7' - 0" tapering to 5' - 0" at the top. The tower will utilize tubular steel for tower legs and angular steel for bracing.

See the tower profile included in this proposal for the design parameters.

The tower will be designed to support the following equipment:

	ANTENNA MODEL NUMBER (QTY)	RADOME YES	RADOME NO	ELEVATION C.O.R.	TX. LINE SIZE & TYPE	FREQUENCY	AZIMUTH TO NORTH	ANTENNA MOUNT (DESIGN)	MOUNT PROVIDED YES	MOUNT PROVIDED NO
1	(1) ATC-GC7V6O6O		X	60' @ Base	(2) 7/8"	N/A	Unknown	One (1) 6' Sidearm	X	
2	(1) TTA (16" x 8" x 6")		X	60'	(1) 1/2"	N/A	Unknown	Same as above		X
3	(1) VHLP3-11W		X	55'	(1) EW90	11 GHz	1°	One (1) 4-1/2" O.D. Leg-type Dish Mount	X	
4	(2) ODU 600		X	55'	N/A	N/A	Unknown	Same as above		X

ITEM I ***TOWER MATERIALS*** ..... **$ 16,880.00**
Estimated Applicable Sales Tax ..... *$ 1,785.80*
NASPO DISCOUNT ..... **$ 16,036.00**

Materials to be provided include:

Complete tower steel and hardware
Anchor bolts and templates
Leg-to-Leg templates
Climbing step bolts (one leg only)
Waveguide support ladder (to support all lines)
One (1) 6' sidearm with two (2) tiebacks with one (1) 10' mounting pipe @ the 60' elevation
One (1) 4-1/2" O.D. leg dish mount @ the 55' elevation
Safety cable kit and leg brackets without harness (100')
One (1) 5' x 5/8" lightning rod copper clad
One (1) 2-7/8" x 15' lightning rod extension
P.E. certified tower profile and foundation drawings
Final erection drawings

Sabre Industries™
INNOVATION DELIVERED

PROPOSAL

Prepared for: **CITY OF SAN LUIS, AZ**
1090 E Union St
San Luis, AZ 85349
Attn: Fernando Corona

Proposal No.: **25-1978-RSS-R4**
Date: **01/20/25** **Page 2 of 4**
Reference: **60' S3TL/San Luis East, AZ**
Freight: **Origin**

ITEM II ***FOUNDATION INSTALLATION*** ..... **$ 29,857.00**
NASPO DISCOUNT ..... **$ 28,364.00**

Install foundations based on (Engineering Co. Name's) soil analysis provided to Sabre Communications Corporation.

ITEM III ***TOWER ERECTION*** ..... **$ 15,578.00**
NASPO DISCOUNT ..... **$ 14,799.00**

The following is included in the erection price:

Offload tower materials from truck and inventory
Erect tower steel complete
Install Climbing step bolts (one leg only)
Install One (1) waveguide support ladder (to support all lines)
Install One (1) 6' sidearm with two (2) tiebacks with one (1) 10' mounting pipe @ the 60' elevation
Install One (1) 4-1/2" O.D. leg dish mount @ the 55' elevation
Install Safety cable kit and leg brackets without harness (100')
Install One (1) 5' x 5/8" lightning rod copper clad
Install One (1) 2-7/8" x 15' lightning rod extension

ITEM IV ***SHELTER FOUNDATION*** ..... **$ 26,612.00**
NASPO DISCOUNT ..... **$ 25,281.00**

Install foundation for 16' x 27' concrete shelter.

ITEM V ***GENERATOR FOUNDATION*** ..... **$ 3,117.00**
NASPO DISCOUNT ..... **$ 2,961.00**

Supply and install concrete pad 8'x4'x6" concrete pad to support new generator with (4) bollards.

TOWER FREIGHT TO YUMA COUNTY, AZ ..... **$ 5,922.00**

ANCHOR BOLT FREIGHT TO YUMA COUNTY, AZ ..... **$ 456.00**
****The above pricing is for one (1) set of anchor bolts and templates, and one (1) leg-to-leg template to be shipped together in one (1) shipment to the same destination at the same time.***

OPTIONS:
One (1) Motorola R56 Grounding (each) ..... $ 759.00
NASPO DISCOUNT (each) ..... $ 721.00
Estimated Applicable Sales Tax ..... *$ 77.23*
Installation (each) ..... $ 2,598.00
NASPO DISCOUNT (each) ..... $ 2,468.00

Sabre Industries™
INNOVATION DELIVERED

PROPOSAL

NOTES: **Terms will be reviewed upon receipt of order.**

Wind induced vibrations, such as vortex shedding and harmonic oscillation/resonance, of structures of all types due to unpredictable interaction with wind and surrounding structures, exposure and terrain rarely occur. The owner's maintenance program should include observations for vibration and any resulting loosening of connecting hardware or damage to the structure. The Sabre warranty specifically excludes failure due to fatigue or similar phenomena as a result of the aforementioned behavior.

The permit package includes a profile drawing of the structure with member sizes; anchor bolt details; descriptive notes; structural calculations; a table of supported antennas, mounts and feedlines; and a foundation sketch and calculations (if applicable).

This quotation is based on ANSI/TIA-222-H and Customer provided specifications. Any information not provided by ANSI/TIA-222-H or the Customer has not been considered.

Foundation and anchor bolt designs are based strictly on ANSI/TIA-222-H. Any additional requirements may result in increased foundation size and price.

Dimensional information is preliminary only; it may change based on final engineering.

All Sabre mounts are quoted with support pipes of appropriate length for most applications if not otherwise specified. If different support pipe lengths are required at the time of the order, additional costs may be incurred.

Cable type safety climbing device provided does not include harness.

Freight charges quoted are for provided materials only. Additional freight charges may be incurred with the order of additional items.

Site must be easily accessible for trucks delivering tower steel and concrete, cranes, drill rigs, and all other equipment required to perform the job.

In the event that the existing soil conditions are found to be other than as depicted in the Soils Report and Sabre's soil parameters, Sabre may ask for an equitable adjustment to the quoted price.

Customer to secure all permits.

This quote is based on non-union, non-prevailing wages, and non-winter working conditions.

All deviations, alterations, field changes, engineering changes, or architectural changes to the implied scope of work will be bill accordingly on a time a materials basis.

Any downtime or remobilization due to circumstances beyond our control will be billed accordingly.

All antennas, transmission lines, jumpers, ground kits, hangers, and hardware are to be provided and installed by others.

Sabre Industries™
INNOVATION DELIVERED

PROPOSAL

Prepared for:	**CITY OF SAN LUIS, AZ**	**Proposal No.:**	**25-1978-RSS-R4**
	1090 E Union St	**Date:**	**01/20/25** **Page 4 of 4**
	San Luis, AZ 85349	**Reference:**	**60' S3TL/San Luis East, AZ**
	Attn: Fernando Corona	**Freight:**	**Origin**

All tower materials will be hot dip galvanized as outlined in ASTM A-123.

This proposal does not include any sales, use, excise, contractors or any other taxes not specifically detailed in this proposal.

If a Customer requests to pick up a tower, a $300.00 per truck charge may apply for dunnage and loading.

Storage charges of $350.00 per month may apply starting sixty (60) days after original scheduled ship date.

Due to material and freight price fluctuations, Sabre reserves the right to review all material and freight pricing prior to accepting any order. Any structure order placed on hold is subject to a price review at the time of its release from hold status.

Title, ownership, risk of loss, risk of material obsolescence and risk of material market value decline shall pass to the Customer upon invoicing or shipment to Customer, whichever occurs earlier in time.

Delivery of tower materials will be approximately 8 weeks after receipt of required information and contingent upon backlog at the time of order.

==========

This proposal is based on the terms and conditions proposed above including the attached standard terms and conditions and is subject to our review and final acceptance of your order. No other terms are valid unless signed by an authorized officer of Sabre Industries.

==========

Submitted By: Sabre Industries

Rolli S. Sexton

Rolli Sexton
Western Sales Manager

Acceptance of Customer:

Please enter our order for the above items
in accordance with this proposal.

Signature _____

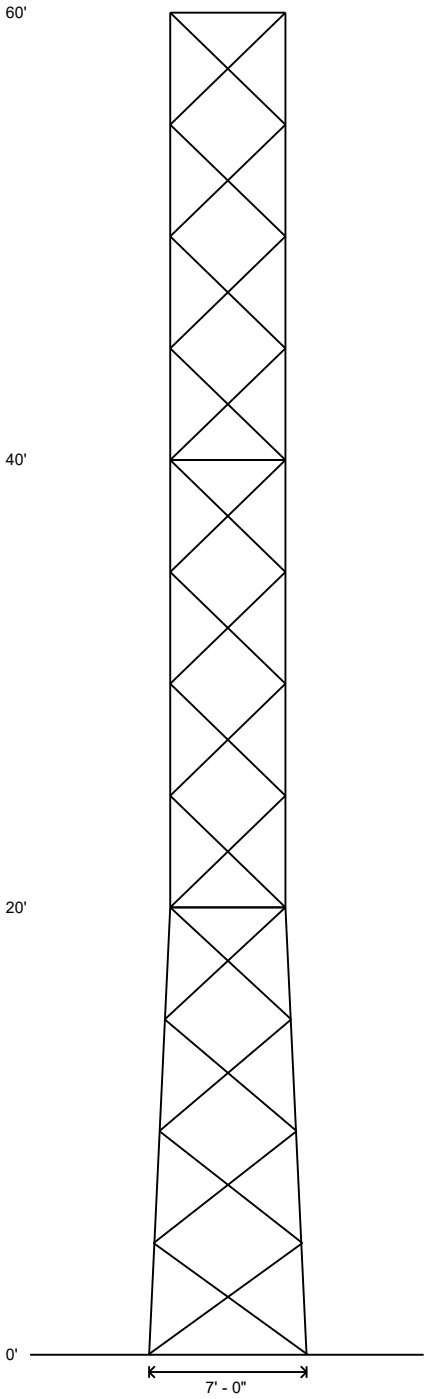
Name (print)_____

Title _____ Date _____

Purchase Order No. _____

SIZES ARE PRELIMINARY AND MAY CHANGE UPON FINAL DESIGN

Legs	2.875 OD X .203	2.375 OD X .218	2.375 OD X .154			
Diagonals	L 2 X 2 X 1/8					
Horizontals	NONE	L 2 X 2 X 1/8	NONE	L 2 X 2 X 1/8	NONE	L 2 X 2 X 1/8
Brace Bolts	(1) 5/8"					
Top Face Width	5'					
Panel Count/Height	12 @ 5'					
Section Weight	903	805				721



Designed Appurtenance Loading

Elev	Description	Tx-Line
66.67	(1) ATC-GC7V6O6O	(2) 7/8"
65	(1) Extendible Lightning Rod	
60	6ft Sidearm	
60	(1) TTA (16" x 8" x 6")	(1) 1/2"
55	Leg Dish Mount	
55	(1) VHLP3-11W	(1) EW90
55	(2) ODU 600	

Design Criteria - ANSI/TIA-222-H

Wind Speed (No Ice)	110 mph
Wind Speed (Ice)	30 mph
Design Ice Thickness	0.00 in
Risk Category	IV
Exposure Category	C
Topographic Factor Procedure	Method 1 (Simplified)
Topographic Category	1
Ground Elevation	161 ft
Seismic Importance Factor, Ie	1.50
0.2-sec Spectral Response, Ss	0.661 g
1-sec Spectral Response, S1	0.277 g
Site Class	D (DEFAULT)
Seismic Design Category	D
Basic Seismic Force-Resisting System	Telecommunication Tower (Truss: Steel)

Base Reactions - Wind/Ice

Total Foundation		Individual Footing	
Shear (kips)	4.32	Shear (kips)	2.54
Axial (kips)	3.48	Compression (kips)	28
Moment (ft-kips)	160	Uplift (kips)	24

Base Reactions - Seismic

Total Foundation		Individual Footing	
Shear (kips)	0.97	Shear (kips)	0.62
Axial (kips)	4.53	Compression (kips)	9
Moment (ft-kips)	44	Uplift (kips)	6

Notes

1) All legs are A500 (50 ksi Min. Yield).
2) All braces are A572 Grade 50.
3) All brace bolts are A325-X.
4) The tower model is S3TL Series HD1.
5) Transmission lines are to be attached to standard 12 hole waveguide ladders.
6) Azimuths are relative (not based on true north).
7) Foundation loads shown are maximums.
8) (4) 3/4" dia. x 39"-long F1554 grade 105 anchor bolts per leg.
9) All unequal angles are oriented with the short leg vertical.
10) Weights shown are estimates. Final weights may vary.
11) No grout is required under the base plates.

Sabre Industries
INNOVATION DELIVERED
Sabre Industries
7101 Southbridge Drive
P.O. Box 658
Sioux City, IA 51102-0658
Phone: (712) 258-6690
Fax: (712) 279-0814

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Quote:	**25-1978-RSS-R4**
Customer:	CITY OF SAN LUIS, AZ
Site Name:	San Luis East, AZ
Description:	60' S3TL
Date:	1/20/2025 By: AF

CONSTRUCTION CONTRACT
STANDARD TERMS AND CONDITIONS

1. ACCEPTANCE: Proposal valid for thirty (30) days. Acceptance of order/contract by Sabre Communications subject to credit approval. All prices and clerical errors are subject to change and/or correction without notice. The work to be accomplished, as a result of this proposal is limited strictly to the work outlined in this proposal. No changes are valid unless in writing. **SUBMISSION OF A PURCHASE ORDER IN RESPONSE TO A SABRE PROPOSAL IS CONCLUSIVE ASSENT TO AND ACCEPTANCE OF THESE TERMS AND CONDITIONS UNLESS SPECIFIC TERMS ARE OBJECTED TO IN WRITING BY CUSTOMER AND ACCEPTED IN WRITING BY SABRE.**

2. TERMS: Net thirty (30) days from date of invoice. Invoices shall be issued, at the sole discretion of Sabre, upon substantial completion of each phase of construction. Invoices not paid within thirty (30) days of invoice date shall, as an additional remedy, accrue interest at the rate of 1 1/2% per month (or maximum legal rate, whichever is greater) from invoice due date until paid in full. No other terms shall apply unless accepted in writing by an authorized representative of Sabre. Payment to Sabre shall not be contingent upon Customer having received payment from the Owner.

3. TAXES: Prices do not include excise, sales, use, privilege, import/export duties or any other tax, duty or assessment which may be imposed upon Sabre. **However, all such taxes, duties or assessments are the responsibility of the Customer.**

4. CHANGE ORDERS/CANCELLATION: Purchase Order or contract may not be changed or cancelled without prior written approval by Sabre. Any order canceled after any work has been done by Sabre, will have a cancellation charge to be determined solely at the discretion of Sabre, for whatever work has been performed. Sabre reserves the right to change or modify any construction procedures. Any extra work required because of conditions differing from those stated in this proposal or extra work requested by Customer/Owner will be charged on a time and material basis.

5. DELAYS: For any construction delays due to Acts of God, fire, malicious mischief, insurrection, riot, war (declared or undeclared), explosions, epidemics, acts of Customer, its employees, agents or subcontractors, strikes, freight embargoes, unusually severe weather conditions, delivery delays by the carrier, or any other cause whatsoever beyond the control and without fault of Sabre or its subcontractors, whether similar to or dissimilar from causes herein enumerated, Sabre shall not incur any liability consequential or otherwise for such construction delays, and an extension of time within which to complete construction shall be allowed to Sabre.

6. INDEMNIFICATION: Customer shall protect, defend and indemnify Sabre and its officers, directors and employees for, from and against all claims, demands, expenses (including reasonable attorney fees) and causes of action of every kind and character that arise out of or are related to the work under this agreement and are caused by or arise out of Customer's negligence, willful misconduct or other acts or omissions which impose upon Customer strict liability, and that result in personal injury, death, property loss or damage. Sabre shall protect, defend and indemnify Customer and Customer's officers, directors and employees for, from and against all claims, demands, expenses (including reasonable attorney fees) and causes of action of every kind and character that arise out of or are related to the work under this agreement and are caused by or arise out of Sabre's negligence, willful misconduct or other acts or omissions which impose upon Sabre strict liability, and that result in personal injury, death, property loss or damage. If such claim, demand, expense or cause of action is caused by or arises out of the joint or concurrent negligence, willful misconduct or acts or omissions of Sabre and Customer, each party shall indemnify the other to the extent of the indemnifying party's negligence, willful misconduct or omissions.

7. INFRINGEMENT: In the event Sabre receives a claim that a product or any part thereof installed by Sabre infringes upon the patent, copyright or trademark rights of others, Sabre shall immediately notify Customer in writing of all such claims. Customer shall defend, at its own cost, any and all suits or proceedings, or settle such claims. In any event, Customer will indemnify and hold Sabre harmless completely and at all times for any resulting costs or damages and expenses including reasonable attorney's fees, arising from any suit, claim or demand for actual or alleged infringement. Sabre shall have no liability for any claim based upon the combination, operation or use of any product not supplied by Sabre, or based upon alteration of the product by someone other than Sabre.

8. CONFIDENTIALITY: Sabre and Customer agree that each will disclose to the other proprietary information regarding matters dealing with actions necessary to carry out these terms, except information that the party is precluded from disclosing under applicable law or regulation or by valid and binding agreements with third parties. The parties agree that each will keep the other's proprietary information and all related matters confidential and prevent disclosure of said information by its agents, employees or representatives.

9. WARRANTY: Sabre warrants that its workmanship will be of good quality and free from defects. All claims for defective work must be made in writing immediately upon discovery and, in any event, within thirty (30) days after the date of completion of the work. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER TYPE, WHETHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND OF ANY OTHER TYPE, WHETHER EXPRESS OR IMPLIED. IN NO EVENT SHALL SABRE BE LIABLE FOR CONSEQUENTIAL DAMAGES, NOR SHALL SABRE'S LIABILITY ON ANY CLAIMS FOR DAMAGES ARISING OUT OF OR CONNECTED WITH THE PROJECT EXCEED THE CONTRACT PRICE.

   The foregoing warranty is Sabre's only obligation and the Customer/Owner's only remedy for breach of warranty or breach of Sabre's undertaking hereunder. Any action for breach of warranty must be commenced within one (1) year after the cause of action accrues. Sabre's warranty and other obligations and responsibilities hereunder shall terminate upon the Customer/Owner's modification of the work. The above warranty is the only warranty made by Sabre in connection with work performed. Any provisions in any proposals, specifications, correspondence, or other documents, or any statements made in the course of negotiating this proposal are merely descriptive and not to be construed as warranties made by Sabre.

10. ASSIGNMENT: Sabre reserves the right to assign, transfer, subcontract or delegate responsibilities of order/contract, in whole or in part, without prior written approval of Customer. Any such transfer does not relieve Sabre from order/contract obligation to Customer.

11. PROPRIETARY NOTICE: Title to all drawings, specifications, brochures, proposals, reprints, copies, copies of copies or any other data furnished to Customer remain with Sabre. Customer shall not reproduce, copy or disclose such information in whole or in part for any purpose without prior written permission from Sabre.

12. LIGHTING REQUIREMENTS: Customer agrees to comply with the latest standards set forth by the Federal Aviation Administration, the Federal Communications Commission, and any other local, state or federal regulations or ordinances for tower erection and lighting. Customer confirms that the lighting kit ordered for installation on the tower conforms to all such standards and indemnifies Sabre for any loss or expense, including attorney fees, for noncompliance or nonconformance with such standards.

13. SITE/JOB CONDITIONS: Customer shall provide a level cleared site with the exact location and orientation of the tower properly marked. Site(s) shall be made readily accessible to standard transit mix trucks, semi-tractor and trailers with adequate space for material delivery, storage, assembly/erection and have adequate space for equipment operation and equipment turn around during construction. Unless otherwise stated in Sabre's proposal, the concrete installation is based on normal soil (4000 psf) as defined by E.I.A. Specification, responsibility of determining soil conditions rest with Customer. Site shall be free from overhead and underground obstructions for placement of guys, anchors and foundations. A 75 foot radius in all directions from the tower base (and a 20 foot wide strip to each anchor point, if applicable) must be cleared by Customer/Owner. Sabre's crews shall have access to the site during all daylight hours, seven (7) days per week, including holidays (if required). Antenna height and orientation must be specified by Customer/Owner.

14. EXCLUSIONS FROM PROPOSAL PRICE: Proposal prices do not include the following, unless specifically stated otherwise:

a. Blasting, drilling, use of jack hammer, sheet piling, pumping of water or other condition requiring special material or equipment for foundation installation;
b. Hauling in backfill;
c. Site clearing of any nature;
d. Restoration of any landscaping, fencing, crops, or other improvements damaged or removed as a result of the performance of our work;
e. Permits, fees or licenses of any nature;
f. Winter installation of foundations or erection;
g. Union labor;
h. Standby time while waiting for Customer deliveries during construction or inspections after completion;
i. Engineering certifications, special insurance coverage or bonds;
j. Special erection equipment, rigging, scaffolding, netting, barricades, protective coverings or other requirements promulgated by local, state or federal requirements;
k. Path alignment;
l. Hauling of antennas, feedline and assembly at site;
m. For towers that require lighting it shall be the Customer's responsibility to provide adequate electrical supply at the base of the tower.
n. Deviations from Customer-provided information including but not limited to, soils condition reports.

Inclusion of any of the above constitutes a change which shall be invoiced as an extra to Customer.

15. PHOTOGRAPHS: Sabre at all times reserves the right to take pictures of any or all of its work for advertising purposes, except those which are under classified government control.

16. DISPUTE RESOLUTION:

a. If a dispute arises out of or relates to this Agreement or its breach, the parties shall endeavor to settle the dispute first through direct discussions. If the dispute cannot be settled through direct discussions, the parties shall endeavor to settle the dispute by mediation under the Construction Industry Mediation Rules of the American Arbitration Association before recourse to arbitration. Issues to be mediated are subject to the exceptions in subparagraph 16.(b) for arbitration. The location of the mediation shall be the location of the project. Once one party files a request for mediation with the other party and with the American Arbitration Association, the parties agree to conclude such mediation within sixty (60) days of filing the request.

b. Any controversy or claim arising out of or relating to this Agreement or its breach not resolved by mediation, except for claims which have been waived by the making or acceptance of final payment shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect unless the parties mutually agree otherwise. Notwithstanding paragraph 17, this agreement to arbitrate shall be governed by the Federal Arbitration Act.

c. A written demand for arbitration shall be filed with the American Arbitration Association and the other party to this Agreement within a reasonable time after the dispute or claim has arisen, but in no event after the applicable statute of limitations for a legal or equitable proceeding would have run.

d. The arbitration award shall be final. Judgment upon the award may be confirmed in any court having competent jurisdiction.

e. Unless otherwise agreed in writing, Sabre shall continue the work and maintain approved schedules during any arbitration proceedings. If Sabre continues to perform, Customer shall continue t make payments in accordance with the agreement. Nothing herein shall prohibit Sabre from filing a mechanics' lien against the real estate on which the work was or is being performed.

f. The parties agree that all parties necessary to resolve a claim shall be the parties to the same arbitration proceedings. Appropriate provisions shall be included in all other contracts relating to the work to provide for the consolidation of arbitrations.

g. The prevailing party in any dispute arising out or of relating to this Agreement or its breach that is resolved by arbitration or litigation shall be entitled to recover from the other party reasonable attorney's fees, costs and expenses incurred by the prevailing party in connection with such arbitration or litigation.

17. GOVERNING LAW: Contracts formed as a result of this proposal and the performance thereof shall be governed by principals of contract law under the laws of the State of Iowa. Jurisdiction to resolve any dispute arising hereunder is agreed to be in the Federal and/or State District Courts located in Woodbury County, Iowa.

18. ENTIRE AGREEMENT: These terms and conditions are solely for the benefit of Sabre Communications Corporation and Customer hereto and, in addition to the proposal attached hereto, represent the entire and integrated agreement between the parties, and, unless specifically referenced herein, supersedes all prior negotiations, representations or agreements, either written or oral.

19. WAIVER: No waiver of any provision shall be deemed or constitute a waiver of any other provision herein nor shall a waiver be construed as a continuing waiver.

20. SURVIVAL OF OBLIGATIONS: The termination of this Agreement shall not affect the obligations of either party to the other that arises under the terms and conditions of this Agreement, rights arising from this Agreement, or causes of action which have accrued prior to the date of the termination.

SABRE COMMUNICATIONS CORPORATION
TOWERS, ACCESSORIES AND MODIFICATION MATERIALS
STANDARD TERMS AND CONDITIONS

1. **OVERVIEW**: The written offer to the customer named ("**Customer**") in the written proposal ("**Proposal**") by Sabre Communications Corporation ("**Sabre**") that describes the products ("**Products**") and/or Services ("**Services**") to be provided by Sabre, the prices for the same, the anticipated delivery or commencement date and such additional information as may be included in the Proposal are made subject exclusively to these standard terms and conditions ("**Standard Terms and Conditions**") stated herein and are valid for acceptance by Customer in writing within thirty (30) days of the date of the Proposal. All prices and clerical errors are subject to change and/or correction without notice. The Products to be furnished and/or Services to be accomplished as a result of the Proposal are limited strictly to the Products and/or Services outlined in the Proposal. **CUSTOMER'S SUBMISSION OF A PURCHASE ORDER OR OTHER SIMILAR DOCUMENT IN RESPONSE TO THE PROPOSAL IS CONCLUSIVE ASSENT TO AND ACCEPTANCE OF THESE STANDARD TERMS AND CONDITIONS UNLESS SPECIFIC TERMS ARE OBJECTED TO IN WRITING BY CUSTOMER AND ACCEPTED IN WRITING BY SABRE.** The provisions of the Proposal and these Standard Terms and Conditions shall constitute the entire contract and agreement between Customer and Sabre ("**Agreement**"). Acceptance of this bid through a purchase order or otherwise is limited to the terms and conditions stated herein unless both parties expressly agree otherwise in a writing signed by both parties.

2. **PAYMENT**: If Sabre extends credit to Customer, payment is due net thirty (30) days from the date of the invoice. Invoices for towers shall be issued upon the completion of fabrication regardless of whether Products have been shipped. Unless Customer shall have provided Sabre with a valid and effective tax exemption certificate or satisfactory evidence of the same, all federal, state and local taxes (other than those based upon Sabre's net income) imposed upon the Products or Services performed hereunder shall be paid by Customer. Time is of the essence with respect to payments to Sabre. Past due amounts are subject to an interest charge of the lower of one and one-half per cent (1-1/2%) per month or the highest rate permitted by law plus all reasonable fees and expenses of collection. Payment to Sabre is not contingent upon Customer having received payment from any other party.

3. **DELIVERY**: All Products are delivered F.O.B. Sabre's facility upon completion of fabrication. Title, ownership, risk of loss, risk of material obsolescence as well as risk of material market value decline shall pass to the Customer upon invoicing or shipment to Customer, whichever occurs earlier in time; provided, however, as an accommodation to the Customer, Sabre will maintain insurance coverage against the risk of loss for property damage on all material awaiting shipment.

4. **SHIPMENT**: Off-loading at point of destination not included unless specifically stated otherwise in the Proposal. Sabre will ship Products by common carrier. The carrier (through its driver) shall determine whether the site is accessible for its equipment. If the carrier determines that it is impractical to reach the site without injury/damage to the load, truck, or driver, the Customer will be responsible for finding an alternative site for unloading. No costs shall be incurred by Sabre as a result of the carrier's determination that access to the site is impractical. Customer must make careful inspection of Products when received. Customer must note on the bill of lading any claim that the shipment is not complete or that the Products are warped, bent, scraped, dented, or damaged in any other way, or not in all respects in proper condition prior to off-loading and shall make all claims pertaining to the shipment to Sabre in writing within forty-eight (48) hours of receipt of the Products or Sabre shall have no responsibility with respect to the shipment and such claims will be declined. In addition to the freight charges agreed to by the parties in the Proposal, additional freight charges may be assessed as follows: (i) Customer will have two (2) hours from the scheduled arrival time to unload the shipment, however, if the carrier is delayed more than the free time allowed, an additional rate per hour or maximum charge per day may apply; (ii) if the Customer requests the carrier to hold a delivery overnight to accommodate unloading, layover charges may be incurred in addition to any other unloading delays; (iii) if a load is diverted to a new location by the Customer, a new point-to-point rate will be established as well as additional mileage fees, if required; and/or (iv) if the Customer cancels a shipment on the same day the shipment was scheduled to leave Sabre's facility and the truck has been dispatched to load, a "truck not used" fee may be applied in addition to charges for material handling, however, if notice to cancel the shipment is given not less than one (1) business day prior to the scheduled departure date, no additional fees will apply.

5. **STORAGE**: If Customer declines to accept shipment of the Products immediately upon completion of fabrication, Sabre may agree to store the Products at its facility at Sabre's standard daily storage rate or Sabre may arrange for storage at another location at the expense of Customer.

6. **CHANGE ORDERS**: Customer shall notify Sabre in writing of any requested change(s) to an existing purchase order and Sabre will prepare and submit to Customer a change order incorporating the changes Sabre will agree to and any change in the price(s) associated with said changes (the "**Change Order**"). If Customer agrees in writing to the changes, Customer will sign and return the Change Order. If additional payments are due Sabre as a result of the changes, Sabre will invoice Customer for such changes.

7. **TOWER MODIFICATION PRODUCTS AND/OR SERVICES**: If the Proposal is for tower modification Products, Sabre will not participate to any extent in the physical modification of any existing communication tower structure unless specifically stated in the Proposal. Sabre's sole responsibility shall be the design, drafting, engineering and fabrication of the Products needed for modification of the existing communication tower.

8. **PRODUCT RETURNS**: Prior written authorization from Sabre is required for all returned Products which Sabre may decline in its sole discretion. Requests for return authorization must be received by Sabre within thirty (30) days of original shipment. When a Product return is authorized by Sabre, it must be received within fifteen (15) days of the date the return material authorization number ("**RMA**") is issued by Sabre, bear the RMA number, be shipped freight prepaid to a destination of Sabre's choice, and be in new and unused condition. All returned Products are subject to a restocking charge of 25% of the purchase price unless the Products are returned due to a defect, in which case, no restocking charge shall apply. Unsalable Products returned to Sabre will be scrapped and no credit will be given.

9. **DELAYS**: Sabre shall not be liable for any delay or failure to perform its obligations due to any cause beyond its reasonable control, including, without limitation, lack of cooperation or assistance by Customer, labor difficulties, fire, accident, act of the public enemy, war, public disturbances, sabotage, transportation delay, shortage of raw material, energy, or machinery, or act of God, government or the judiciary or any disruption caused by a third party that materially impairs Sabre's performance hereunder.

10. **EXCLUSIVE WARRANTIES AND REMEDIES**: Sabre's exclusive limited warranty relating to the Products is that the Products will comply with the applicable Product specifications in the Proposal in all material respects and will be free of material defects in materials and workmanship when delivered. The warranty period is for one (1) year from the earlier of the date of Sabre's invoice or shipment of Products to Customer. Sabre reserves the right to change or modify the design or construction of any of its Products and to substitute material equal to or superior to that originally specified. In the event Sabre determines that the Products do not conform with this warranty, Customer's exclusive remedy shall be, at Sabre's option and expense: (i) Sabre shall correct any material defect; (ii) Sabre shall furnish a replacement Product and shall be responsible for labor costs involved in the reinstallation of such Product only if Sabre installed the Product; or (iii) Sabre shall refund the price paid to Sabre for the Product provided that Customer agrees to return the Product (freight prepaid by Sabre) within thirty (30) days of the discovery of the discrepancy during the warranty period. With respect

to Services, Sabre's exclusive limited warranty is that the Services shall be performed in a workmanlike fashion. In the event Sabre breaches this warranty, Customer's exclusive remedy shall be, at Sabre's option and expense: (i) Sabre shall correct such Services within thirty (30) days of the performance of the Services; or (ii) Sabre shall refund the price paid for the applicable portion of the Services. Sabre does not make any warranty as to any services, materials or goods furnished by third parties (e.g., light kits); however, Sabre will assign to Customer any rights it has against such third parties. These warranties shall be effective only if the Products are installed and maintained in accordance with Sabre's recommendations and specifications and that Customer, during the warranty period, shall regularly (not less than semi-annually) inspect and properly maintain the Products.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND OF ANY OTHER TYPE, WHETHER EXPRESS OR IMPLIED. IT SHALL BE THE CUSTOMER'S SOLE RESPONSIBILITY TO VERIFY THAT THE PRODUCTS MEET THE SUITABILITY AND USABILITY REQUIREMENTS OF THE INTENDED APPLICATION OF CUSTOMER.

11. **LIMITATION OF LIABILITY: IN NO EVENT SHALL SABRE BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR REVENUE OR DOWNTIME, EVEN IF SABRE HAS BEEN ADVISED OF THE POSSIBILITY OF THE FOREGOING. IN NO EVENT SHALL SABRE'S LIABILITY ON ANY CLAIMS FOR DAMAGES ARISING OUT OF OR CONNECTED WITH THE PRODUCTS AND/OR SERVICES OR OTHERWISE EXCEED THE LESSER OF CUSTOMER'S DIRECT DAMAGES OR THE PRICE PAID BY CUSTOMER FOR THE PRODUCTS AND/OR SERVICES**.

12. **CUSTOMER PRODUCT SELECTION AND USE RESPONSIBILITIES**: Customer represents and warrants to Sabre that Customer possesses all necessary expertise to properly select, install and/or use the Products or that Customer has secured the services of a competent professional with respect to the foregoing and acknowledges that the Proposal is based upon the design, information and specifications provided by the Customer being complete, correct, and accurate. Customer agrees to be responsible for all claims, losses, expenses, fines, penalties, damages, demands, judgments, actions, causes of action, suits and liability caused by Customer's improper selection, use, installation or dealings with the Products or the failure of the design, information and specifications provided by the Customer to be complete, correct, and accurate. Customer shall specify any specific design parameters required to conform to local, state or federal requirements which may affect the price in the Proposal prior to Sabre accepting an order from Customer. Plot plans with tower orientation and antenna mounting elevations and azimuths shall be provided by Customer with the Purchase Order.

13. **INDEMNIFICATION**: To the fullest extent allowed by law, each party will indemnify, defend and hold the other party and its respective parents, subsidiaries, affiliates, directors, officers, partners, stockholders, associates, employees and agents (collectively, "**Indemnitees**") harmless from and against all claims, losses, expenses, fines, penalties, damages, demands, judgments, actions, causes of action, suits and liability claimed by a third party for personal injury, death or damage to tangible property (collectively, "**Liabilities**") proximately caused by the party from which indemnification is sought ("**Indemnitor**") provided the Indemnitees give the Indemnitor prompt written notice of any of the foregoing and provide full cooperation and assistance to the Indemnitor in the investigation and defense of such claim and grants the Indemnitor exclusive control of the defense and settlement thereof. No indemnification will be requested by or provided to a party whose actions are a contributing cause, in whole or in part, to the Liabilities.

14. **CONFIDENTIALITY**: The parties agree that if either party provides the other party with non-public written documentation which the disclosing party wants treated as being confidential, the disclosing party will clearly mark the documentation with a legend stating that the documentation is considered confidential by the disclosing party. The recipient will use at least the same effort to avoid disclosure of the confidential documentation as the recipient uses with respect to the recipient's confidential documentation but in no event less than due care. Notwithstanding the foregoing, the recipient shall not be required to protect or hold in confidence any information in the confidential documentation which was or is: (a) part of the public domain, (b) known to the recipient prior to the disclosure to the recipient, (c) disclosed to a third-party by the disclosing party without a written obligation of confidence; (d) rightly received by the recipient from a third party; or (e) independently developed by the recipient without access to the confidential documentation.

15. **INFRINGEMENT**: Sabre's exclusive warranty regarding infringement is that for one (1) year from the earlier of the date of Sabre's invoice or shipment of Products to Customer, the Products created by Sabre or the Services or any works created as a result of the Services solely in accordance with Sabre's plans, drawings, specifications or instructions, will not infringe any United States patent, copyright or trade secret. Sabre agrees to defend Customer against a lawsuit and pay all damages, costs and reasonable attorney's fees finally awarded against Customer resulting from any claim that any Products created by Sabre or the Services performed by Sabre or the works created as a result of the Services infringe any of the foregoing provided that Customer: (a) gives Sabre prompt written notice of any claim; (b) provides reasonable cooperation to Sabre in the investigation and defense of such claim; and (c) grants Sabre exclusive control of the defense and settlement thereof. In the event of any such infringement, Sabre shall, at its option and expense, either (i) replace or modify the Products or the works created as a result of the Services so that they become non-infringing, or (ii) accept return of the Products and refund an amount equal to Customer's depreciated value of the returned Products or works found to be infringing. Sabre shall have no liability for infringements caused in whole or in part by Customer, third parties not hired by Sabre or alterations or combinations not reviewed and approved in writing in advance by Sabre or that are not performed or provided by Sabre. The foregoing constitutes the exclusive warranty of Sabre and exclusive remedy of Customer with respect to any claim or action for infringement. Customer may fully participate in the defense and/or settlement or compromise of any claim of infringement at Customer's expense. Customer shall provide Sabre with the same warranty and defense of claims of infringement with regard to Products created by Sabre in compliance with Customer's plans, drawings, specification or instructions. Sabre does not warrant against infringement any materials or goods furnished by third parties (e.g., light kits); however, Sabre will assign to Customer any rights it has against such third parties.

16. **SABRE'S DRAWINGS & MATERIALS**: Title to all drawings, specifications, brochures, reprints, copies, copies of copies or any other data furnished to Customer are copyrighted by Sabre and title thereto shall remain with Sabre. Customer shall not reproduce, copy or disclose such information in whole or in part for any purpose without prior written permission from Sabre.

17. **LIGHTING REQUIREMENTS**: Customer agrees to comply with the latest standards set forth by the Federal Aviation Administration, the Federal Communications Commission, and any other local, state or federal regulations or ordinances for tower erection and lighting. Customer confirms that the lighting kit ordered for installation on the tower conforms to all such standards and indemnifies Sabre for any loss or expense, including attorney fees, for noncompliance or nonconformance with such standards. It shall be the Customer's responsibility to provide adequate electrical supply at the base of the tower.

18. **EXCLUSIONS FROM PROPOSAL PRICE**: Unless otherwise stated in the Proposal, the prices in the Proposal do not include antennas, transmission lines, jumpers, ground kits, hangars and hardware.

19. **PHOTOGRAPHS**: Sabre at all times reserves the right to take pictures of any or all of its Products after installation for advertising purposes, except those which are under classified government control.

20. **SABRE'S EMPLOYEES**: Sabre reserves the right to determine which of its employees will be assigned to a particular project, to replace or reassign such employees and/or subcontract to qualified third persons part or all of the performance of any Services requested hereunder. Customer may request the removal or reassignment of Sabre's employees on a nondiscriminatory basis at any time and Sabre will promptly provide a suitable replacement. Sabre's employees will comply with all generally applicable work and security rules of Customer.

21. **INDEPENDENT CONTRACTORS**: The parties' relationship during the term of this Agreement shall be that of independent contractors. Neither party shall have, nor shall represent that it has, any power, right or authority to bind the other, or to assume or create any obligation or responsibility, express or implied, on behalf of the other or in such other party's name, except as herein expressly provided. Nothing stated in this Agreement shall be construed as constituting a partnership, joint venture or as creating the relationships of employer/employee or principal/agent between the parties.

22. **NOTICES**: All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder will be deemed duly given if it is received and/or sent by facsimile, receipted delivery or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the address set forth in the Proposal. Either party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth. Each party agrees to promptly provide written notice of any suspected breach of this Agreement, the specifics of any claim of breach or for damages and to provide the other with a reasonable opportunity to investigate and cure any curable matter. In order to bring an action against Sabre for damages, Customer must give notice to Sabre of any claim for damages within six (6) months of the date the claim arises. No claim of breach of this Agreement shall be made by Customer unless and until all uncontested amounts are paid to Sabre.

23. **WAIVER**: Any waiver of any breach of this Agreement shall not be effective unless set forth in a writing signed by an officer of the waiving party.

24. **SURVIVAL**: The termination of this Agreement shall not affect the obligations of either party to the other that arises under the terms and conditions of this Agreement, rights arising from this Agreement, or causes of action which have accrued prior to the date of the termination.

25. **DISPUTES**: The parties agree that any controversy or claim (whether such controversy or claim is based upon statute, contract, tort or otherwise) arising out of or relating to this Agreement, any performance or dealings between the parties, or any dispute arising out of the interpretation or application of this Agreement or any dealings between the parties and/or their respective directors, managers, partners, officers, employees or agents ("**Dispute**"), which the parties are not able to resolve, shall be resolved as follows:

a. The parties will endeavor to settle the Dispute through mediation under the Construction Industry Mediation Rules of the American Arbitration Association ("**AAA**") before recourse to arbitration. Any action for breach of warranty must be commenced within one (1) year after the cause of action accrues. Once one party files a request for mediation with the other party and with the AAA, the parties agree to conclude the mediation within thirty (30) days of filing the request. The mediation shall be conducted in the city where the party commencing the mediation is located. The parties agree to share the fees and expenses of mediation equally.

b. Any Dispute not resolved by mediation, shall be decided by a single arbitrator pursuant to the Construction Industry Arbitration Rules of the AAA then in effect and shall be conducted in the city where the party commences the arbitration. The arbitrator will have the authority to grant injunctive relief in a form similar to that which a court of law would otherwise grant. Judgment upon the award rendered by the arbitrator shall be entered in any court having jurisdiction thereof. The arbitrator will be mutually chosen from a panel of licensed attorneys familiar with the subject matter of this Agreement having at least fifteen (15) years of professional experience and will be appointed within thirty (30) days of the date the demand for arbitration was sent to the other party. Discovery will be permitted in accordance with the Federal Rules of Civil Procedure of the United States of America. If an arbitration proceeding is brought pursuant to this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees, costs and necessary disbursements incurred in addition to any other relief to which such party may be entitled except that, by the express agreement of the parties, the arbitrator shall not have the power to award incidental, consequential, special, indirect, punitive or exemplary damages. Neither the parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as necessary to enforce award or to comply with legal or regulatory requirements. Before making any such disclosure, the party intending to make the disclosure shall give the other party written notice of such intention and shall afford the other party a reasonable opportunity to protect its interests, which such period shall not be less than twenty (20) days from the non-disclosing party's receipt of the aforementioned written notice. The parties agree that all parties necessary to resolve the claim shall be the parties to the same arbitration proceedings. Appropriate provisions shall be included in all other contracts relating to the work to provide for the consolidation of arbitrations. If Sabre continues to perform, Customer shall continue to make payments in accordance with this Agreement. Nothing herein shall prohibit Sabre from filing a mechanics lien against the real estate or the real estate interest on which any Services are performed. This agreement to arbitrate shall be governed by the Federal Arbitration Act.

26. **SEVERABILITY**: If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws during the term hereof, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to the illegal, invalid, or unenforceable provision as may be possible.

27. **GOVERNING LAW**: This Agreement shall be governed by the laws of the State of Iowa. Jurisdiction to enforce the mediation and arbitration provisions of this Agreement is agreed to be in the Federal and/or State District Courts located in Woodbury County, Iowa.

28. **ENTIRE AGREEMENT**: This Agreement constitutes the entire agreement between the parties and may only be modified by a written instrument executed by an authorized officer of both parties. All negotiations and representations (if any) made prior, and with reference to the subject matter of this Agreement, are merged herein. Neither Sabre nor Customer shall be bound by any oral agreement or representation, irrespective of when made. Sabre and Customer agree that Customer's preprinted forms, including Customer's Purchase Order, are for convenience only and all terms and conditions stated thereon which are inconsistent with these Standard Terms and Conditions are void and of no effect and are hereby expressly rejected by Sabre.

NASPO ValuePoint

PARTICIPATING ADDENDUM

PUBLIC SAFETY COMMUNICATIONS PRODUCTS, SERVICE AND SOLUTIONS

Lead by the State of **Washington**

Master Agreement #: 00318 State of Arizona Contract #CTR069967

Contractor: **Sabre Communications Corporation**

Participating Entity: **STATE OF ARIZONA**

The following products or services are included in this contract portfolio:

Sabre Communications Corporation has been awarded the following categories/sub-category/solutions. Detail regarding available services, warranty, software options along with products and pricing are available on the NASPO ValuePoint webpage.

11.2 Equipment Shelter: Concrete
12.4 Towers: Guyed
12.5 Towers: Guyed, Light
12.6 Towers: Lattice
12.7 Towers: Lattice, Light
12.8 Towers: Monopole

Master Agreement Terms and Conditions:

1. Scope: This addendum covers the *Public Safety Communications Products, Services and Solutions* led by the State of Washington for use by state agencies and other entities located in the Participating State *[or State Entity]* authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.

2. Participation: This NASPO ValuePoint Master Agreement may be used by the State of Arizona, and its departments, agencies, boards, commissions, universities, and other entities authorized to use statewide contracts in the State of Arizona. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official. State of Arizona Agencies, Boards and Commissions engaging in Design or Construction activities need to comply with A.R.S. 41-791.01 and SP044 of the Arizona State Procurement Office.

3. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Phillip Haigler
Address:	7101 Southbridge Drive Sioux City, IA 51111
Telephone:	(850) 225 - 9614
Fax:	
Email:	plhaigler@sabreindustries.com

Participating Entity

Name:	John Red Horse
Address:	1802 W. Jackson St., #100 Phoenix, AZ 85007
Telephone:	602-695-6602
Fax:	
Email:	john.redhorse@azdoa.gov

4. Participating Entity Modifications Or Additions To The Master Agreement

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

[___] No changes to the terms and conditions of the Master Agreement are required.

[___X] The following changes are modifying or supplementing the Master Agreement terms and conditions.

Notwithstanding any provision of the Agreement ("the Agreement") to the contrary, Contractor ("Contractor") agrees to abide the following terms and provisions that are required for contracts with the State Procurement Office ("the Department"), an agency of the State of Arizona:

1. No Indemnification. Notwithstanding any provision of the Agreement to the contrary, the Department is not authorized to indemnify the Contractor.

To the fullest extent allowed by law, each Party will indemnify, defend and hold the other Party and its respective parents, subsidiaries, affiliates, directors, officers, partners, stockholders, associates, employees and agents harmless from and against all third party claims, losses, expenses, fines, penalties, damages, demands, judgments, actions, causes of action, suits and liability arising out of or in connection with any injury, damage, or death caused by the negligence or willful misconduct of the Indemnifying Party or its agents, employees, or representatives in the course of performing the obligations set forth in this this Agreement.

Indemnification provided in this agreement shall only be proportionate to the degree of negligence or willful misconduct of the indemnifying party. The indemnifying party shall not be liable for any damages or losses that are not directly caused by its negligence or willful misconduct.

2. Availability of Funds. Every payment obligation of the Department under this Agreement is conditioned upon the availability of funds appropriated and allocated for the payment of such obligation. If funds are not appropriated, allocated and available or if the appropriation is changed by the legislature resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated by the Department or any other agency of the State of Arizona at the end of the period for which funds are available. No liability shall accrue to the Department or any other agency of the State of Arizona in the event this provision is exercised, and neither the Department nor any other agency of the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph. In the event of cancellation, charges on uncompleted Goods or Services shall not exceed Contractor's cost at the end of the notice period following termination. Contractor's cost shall include direct and indirect costs, including materials, labor and overhead, but shall not include any profit on work performed to date on uncompleted Goods or Services. Charges for all completed Goods or Services shall be the selling price as stated in the Purchase Order or most recent change order.

3. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain any and all Data and other "records" relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

A.R.S. § 35-214. Inspection and audit of contract provisions

A. Except as provided in subsection C, in all contracts and subcontracts for the furnishing of goods, equipment, labor, materials or services to the state, or any of its agencies, boards, commissions or departments, there shall be a provision that all books, accounts, reports, files and other records relating to the contract shall be subject at all reasonable times to inspection and audit by the state for five years after completion of the contract. The contract provision shall also require that such records be produced at such state offices as designated by the state in the contract.

B. Nothing in subsection A shall preclude a more stringent audit requirement agreed to by the parties in any state contract, and no rule of procedure shall limit the authority of the state to exercise its rights under this section.

C. This section does not apply to contracts or subcontracts for the furnishing of goods, equipment, materials or services to any agency, board, commission or department of this state by another agency, board, commission or department of this state or a political subdivision of this state.

A.R.S. § 35-215. Influencing, obstructing or impairing audit; classification

A person who, with intent to defraud, or deceive, improperly influences, obstructs or impairs an audit being conducted or about to be conducted in relation to any contract or subcontract with the state is guilty of a class 5 felony.

4. Non-Discrimination. The Contractor shall comply with State Executive Order Nos. 2023-09, 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

5. Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any Subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

6. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547.

A.R.S. § 41-2547. Right to inspect plant

The state may at reasonable times inspect the part of the plant or place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by this state.

Inspection at Facility – Contractor's proposed schedule and price does not contemplate any disruptive or additional holding and supervisory conditions caused by inspections from Department or Department's representative at Contractor's facility during the manufacturing process. For confidentiality, safety and scheduling reasons, Contractor, at its sole discretion, reserves the right to approve the presence or supervision of Department or Department's representative at Contractor's facility during any phase of the manufacturing process and may require Department or its representative to sign a Non-Disclosure Agreement prior to entering Contractor's premises.

7. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the signature block to the Contract submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the

Procurement Officer stated in the Contract, or listed on the State's eProcurement system. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other; an amendment to the Contract shall not be necessary.

8. Federal Immigration and Nationality Act. Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, Contractor shall flow down this requirement to all Subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and Subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor or any Subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default and suspension or debarment of the contractor.

9. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.

10. Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.

11. Certifications Required by State Law.

    11.1. If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 *et seq*. and will refrain from any such boycott for the duration of this Contract.

    11.2. Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

12. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt of Materials or Services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

13. Applicable Taxes

    13.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

    13.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are

the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

13.3. Tax Indemnification. Contractor and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all Subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

13.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

14. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern Materials or Services supplied by third parties to the Contractor, toward fulfillment of this Contract.

15. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

A.R.S. § 38-511. Cancellation of political subdivision and state contracts; definition

A. The state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

B. Leases of state trust land for terms longer than ten years cancelled under this section shall respect those rights given to mortgagees of the lessee by section 37-289 and other lawful provisions of the lease.

C. The cancellation under this section by the state or its political subdivisions shall be effective when written notice from the governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time.

D. The cancellation under this section by any department or agency of the state or its political subdivisions shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

E. In addition to the right to cancel a contract as provided in subsection A of this section, the state, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract.

F. Notice of this section shall be included in every contract to which the state, its political subdivisions, or any of the departments or agencies of either is a party.

G. For purposes of this section, "political subdivisions" do not include entities formed or operating under title 48, chapter 11, 12, 13, 17, 18, 19 or 22.

16. Contract Claims. All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

17. Arbitration. The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (A.R.S. Title 41).

A.R.S. § 12-1518. State and political subdivisions; use of arbitration

A. In the discretion of any state agency, board or commission or any political subdivision of this state, the services of the American arbitration association, or any other similar body, may be used as provided by this article. Any agreement to make use of arbitration shall be made either at the time of entering into a contract or by written mutual agreement at a subsequent time prior to the filing of any civil action.

B. Notwithstanding subsection A of this section, a state agency, board or commission shall include an agreement to make use of arbitration in all contracts which are subject to mandatory arbitration pursuant to rules adopted under section 12-133.

C. Notwithstanding subsection A or B of this section, a state agency, board or commission shall include an agreement to make use of arbitration as provided in this article in public works contracts if the amount in controversy is less than one hundred thousand dollars.

18. Subcontractors: All contactors, dealers, and resellers authorized in the State of *Arizona* as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

19. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

20. Attachment "A". Boycott of Israel Pursuant to A.R.S. § 35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Materials or Services from Israel."

21. Attachment "B". Pursuant to A.R.S. § 35-394, written certification is required to show that the company entering into a contract with a public entity does not use the forced labor, or use any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor or any goods or services produced by the forced labor, of ethnic Uyghurs in the People's Republic of China.

22. Liability Limitation

22.1. Limit. Subject to the provisos that follow below and unless stated otherwise in the Special Terms and Conditions, State's and Contractor's respective liability arising from or related to the Contract is limited to one (1) time the purchase price of the specific Materials or Services giving rise to the claim whether based in contract, tort, warranty or other theory of recovery. This limitation of liability applies to all arbitration decisions, settlements, judgments, losses, damages, costs, expenses, attorney's fees, remedies, or any other form of compensation.

22.2. Provisos. - To the fullest extent permitted by applicable law, and notwithstanding any other provisions in this Agreement, neither Party shall not be liable to the other Party under any theory of recovery, whether based in contract, tort, warranty, or other theory of recovery for any loss of profits, revenue, business opportunity, interest, or goodwill, or any indirect or consequential damages, incidental, special, exemplary, or punitive damages, whether or not foreseeable, arising out of or in connection with this Agreement.

23. Bill and Hold: In the event of construction delays or any other delays in delivery not due to Contractor, the Department shall notify Contractor in writing to postpone and delay the delivery of any Products which have been manufactured by Contractor. In the event the Department is unable to accept delivery at the scheduled dates, the Department shall store completed Products at Contractor's facility under a Bill and Hold arrangement. Under a Bill and Hold arrangement, Contractor may store the finished Products for up to thirty (30) days free of storage charge, subject to space availability and confirmation at time of request by the Department. After thirty (30) days, Contractor may charge the Department storage fee at a price agreed upon by both Parties. Under a Bill and Hold arrangement, Contractor shall invoice Products at completion of fabrication, regardless of delivery status. The Department understands and agrees that title and risk of ownership will pass to the Department under a Bill and Hold arrangement, and the invoice will

be paid according to normal payment terms noted elsewhere in this Agreement. It is further understood that regarding risk of loss, Contractor will maintain custodial obligations for the Products, including responsibility for damage to the Products while at Contractor's facility.

24. Termination for Default: Contractor may suspend all work or terminate this Agreement for cause if Department fails to pay Contractor any undisputed amount due as set forth in this Agreement, and such failure continues for fifteen (15) days following due date.

25. Confidentiality: Neither Party may not, without the other Party's prior written consent, disclose the terms and conditions of this Agreement and any information exchanged between the Parties pursuant to or in connection with this Agreement ("Confidential Information") to any third party, except (i) to the extent such disclosure is required under applicable law or order of a court or other governmental authority; (ii) to either Party's affiliates' employees, agents, representatives and professional advisers; (iii) to any third party, including a bank or other lending agency and its professional advisers, to the extent necessary for arranging for financing; or (iv) to the extent such disclosure is necessary to allow either Party to perform its obligations under this Agreement. If either Party desires to make a disclosure of any Confidential Information to any third party, it shall consult with and advise the other Party reasonably in advance of such disclosure and the parties will work together in good faith relative to any such actual or potential disclosure.

26. Intellectual Property Ownership: Under no circumstances shall this Agreement or any Purchase Order grant a Party any ownership rights in the patents, copyrights, trademarks, or trade secrets ("Intellectual Property") of the other Party, whether the Intellectual Property is in existence on the Effective Date of the Agreement or developed or acquired thereafter. Any Intellectual Property shall remain the sole and exclusive property of each respective Party. Nevertheless, both Department and Contractor hereby grant a limited license to the other Party relative to any Intellectual Property implicated by this Agreement for the limited purpose of completing the obligations imposed by this Agreement. Only the Parties' officers, directors and/or employees with a "need to know" shall have access to such Intellectual Property. This limited license shall be terminated when the obligations imposed on the Parties by this Agreement are completed or the Agreement is otherwise terminated. Under no circumstances shall a Party distribute, share or discuss any of the other Party's Intellectual Property with any third-party without the written consent of the other Party. Notwithstanding anything set forth herein, Department shall retain royalty-free, perpetual rights to use the Goods for their intended purpose but shall not copy, re-manufacture or reverse engineer the Goods.

27. Termination for Convenience: The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all Subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, Data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive

just and equitable compensation for work in progress, work completed and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.

28. Insurance: Additional Insured and Waiver of Subrogation.

a. All policies shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

b. All policies shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

29. Business Automobile Liability:

Bodily Injury and Property Damage for any owned, hired, and/or non- owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) $1,000,000

a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.

b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

30. The Contract is a mandatory statewide contract (per A.A.C. R2-7-607) for multiple purchases, projects, or assignments, and a cooperative contract (per A.R.S. § 41-2632 and A.A.C. R2-7-1002(B)) that can be purchased against by some or all Eligible Agencies and any Co-Op Buyers that elect to participate. Even if only one Eligible Agency needs or elects to purchase against the Contract, it is to be construed as being a cooperative contract hereunder.

30.1 Contractor shall verify if an ordering entity is a current Co-Op Buyer before selling Materials to or providing Services for them under the Contract. The current list of Co-Op Buyers is available on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting

30.2 Contractor shall sell to Co-Op Buyers at the same price and on the same lead times and other terms and conditions under which it sells to Eligible Agencies, with the sole exception of any legitimately additional costs for extraordinary shipping or delivery requirements if the Co-Op Buyer is having Materials delivered or installed or Services performed at locations not contemplated in the contracted pricing (e.g. delivery to a location outside Arizona).

30.3 Contractor shall pay State an administrative fee against all Contract sales to Co-Op Buyers, as provided for under A.R.S. § 41-2633. The fee rate prior to January 1, 2024, is one (1%) percent. Rates are set in accordance with SPO Technical Bulletin (TB) 007, available on the SPO website, which may be revised at the State's sole discretion as part of Arizona state procurement policy. For convenience (though note that this link may change over time) TB 007 may be found here:

https://spo.az.gov/suppliers/usage-reporting

Failure to remit the administrative fees is a material breach of contract, and will entitle the State to its remedies under Contract Terms and Conditions Section 8 and its right to terminate for default under Section 9. Method of calculation, payment procedures, and other details are provided on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting

30.4 Contractor shall submit to State a quarterly usage report documenting all Contract sales to both Eligible Agencies and Co-Op Buyers, itemized separately. Contractor shall further itemize divisions, groups or areas within a given Eligible Agency if they place Orders independently of each other. Failure to submit the report is a material breach of contract, and will entitle the State to its remedies under Contract Terms and Conditions Section 8 and its right to terminate for default under Section 9. Contractor shall submit the report using the forms and following the instructions on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting

30.5 Contractor shall acknowledge each Order from Eligible Agencies within one (1) business day after receipt by either: (a) "approving" the Order electronically in the State's eProcurement System, which will indicate Contractor's unqualified acceptance of the Order as-issued; or (b) "rejecting" the Order electronically in the State's eProcurement System, with a concurrent explanation by email to relevant originator as to the reason for rejecting it. By way of reminder, the only grounds on which the Contractor may reject or refuse an Order are those set out in subparagraph 3.11.3 [Orders are Obligatory]. Unless and until Contractor has approved the Order in the State's eProcurement System, it will have no effect under the Contract and will not oblige either State or Contractor. If the relevant Eligible Agency explicitly instructs at the time that a verbal acceptance is sufficient because of urgency or other unusual circumstances and Contractor duly gives its verbal acceptance, then Contractor will be deemed to have accepted

the Order immediately upon commencing performance, provided that, Contractor must follow-up its verbal acceptance by accepting the Purchase Order electronically in the State's eProcurement System within three (3) business days. Contractor shall thereafter be barred from subsequently rejecting the Order in the State's eProcurement System and if it does so the rejection will be void.

30.6 Contractor shall acknowledge each Order from Co-Op Buyers in conformance with each Co-Op Buyer's instructions given at the time of ordering or in any supplemental participating agreement Contractor might have with them. Orders from Co-Op Buyers create no obligation on State's part, since they are entirely between the Co-Op Buyer and Contractor. That notwithstanding, Contractor's obligation under the Contract is to service Co-Op Buyers commercially as though they were with an Eligible Agency, and Contractor's refusal to do so would be a material breach of the Contract.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity:	Contractor:
State of Arizona	Sabre Industries, Inc.
Signature:	Signature:
Name: John Red Horse	Name: Brian D. Newberg
Title: Sr. Manager – Technology, SPO	Title: President
Date: 2/7/2024	Date: 2-7-2024

[Additional signatures may be added if required by the Participating Entity]

For questions on executing a participating addendum, please contact:

NASPO ValuePoint

Cooperative Development Coordinator:	Ted Fosket
Telephone:	(907) 723-3360
Email:	tfosket@naspovaluepoint.org

Please email fully executed PDF copy of this document to PA@naspovaluepoint.org .

	Sabre NASPO AZ participating addendum	Arizona Department of Administration State Procurement Office

Attachment – Boycott of Israel Disclosure

Please note that if <u>any</u> of the following apply to this Solicitation, Contract, or Contractor, then the Offeror <u>shall</u> select the "Exempt Solicitation, Contract, or Contractor" option below:

- The Solicitation or Contract has an estimated value of less than $100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; or
- Contractor is a non-profit organization.

Pursuant to A.R.S. § 35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Materials or Services from Israel."

Under A.R.S. § 35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
(a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.
(b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
…
5. "Public entity": (a) Means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State. (b) Includes the universities under the jurisdiction of the Arizona board of regents and community college districts as defined in section 15-1401.

The certification below does <u>not</u> include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. *See* A.R.S. § 35-393.03.

In compliance with A.R.S. § 35-393 *et seq*., all Offerors must select one of the following:

☒ The Company submitting this Offer **<u>does not</u>** participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. § 35-393 *et seq*. I understand that my entire response will become a public record in accordance with A.A.C. R2-7-C317;

☐ The Company submitting this Offer **<u>does</u>** participate in a boycott of Israel as described in A.R.S. § 35-393 *et seq*.; or

☐ **Exempt Solicitation, Contract, or Contractor.** Indicate which of the following statements applies to this Contract (may be more than one):

- ☐ Solicitation or Contract has an estimated value of less than $100,000;
- ☐ Contractor is a sole proprietorship;
- ☐ Contractor has fewer than ten (10) employees; or
- ☐ Contractor is a non-profit organization.

Sabre Industries, Inc.	
Company name	Signature of person authorized to sign
7101 Southbridge Drive	Brian D. Newberg, President
Address	Printed name and Title
Sioux City, IA 51111	bdnewberg@sabreindustries.com (712) 253-9027
City, State, ZIP	Contact email address / Contact phone number

	Forced Labor of Ethnic Uyghurs Ban		
	Sabre NASPO AZ Participating Addendum	PAGE 1 OF 1	State of Arizona State Procurement Office

Forced Labor of Ethnic Uyghurs Ban

Please note that if <u>any</u> of the following apply to the Contractor, then the Contractor <u>shall</u> select the "Exempt Contractor" option below:

- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. § 35-394, written certification is required to show that the company entering into a contract with a public entity does not use the forced labor, or use any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor or any goods or services produced by the forced labor, of ethnic Uyghurs in the People's Republic of China.

Under A.R.S. § 35-394:

1. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
2. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

In compliance with A.R.S. § 35-394, all Contractors must select one of the following:

☒ The Company **<u>does not</u>** use, and agrees not to use during the term of the contract, any of the following:

- Forced labor of ethnic Uyghurs in the People's Republic of China;
- Any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or
- Any Contractors, Subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

☐ The Company **<u>does</u>** participate in the use of Forced Uyghurs Labor as described in A.R.S. § 35-394.

☐ **Exempt Contractor: Select all statements that** apply to the Contractor:

- ☐ Contractor is a sole proprietorship;
- ☐ Contractor has fewer than ten (10) employees; and/or
- ☐ Contractor is a non-profit organization.

Sabre Industries, Inc.	
Company name	Signature of person authorized to sign
7101 Southbridge Drive	Brian D. Newberg
Address	Printed name and Title
Sioux City, IA 51111	bdnewberg@sabreindustries.com 712-454-7100
City, State, ZIP	Contact email address Contact phone number

COOPERATIVE PURCHASING MASTER AGREEMENT

NO. 00318

PUBLIC SAFETY COMMUNICATIONS PRODUCTS, SERVICES AND SOLUTIONS

For Use by Eligible Purchasers

By and Between

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

and

SABRE COMMUNICATIONS CORPORATION

Dated July 1, 2021

COOPERATIVE PURCHASING MASTER AGREEMENT

NO. 00318

PUBLIC SAFETY COMMUNICATIONS PRODUCTS, SERVICES AND SOLUTIONS

FOR

SUB-CATEGORY 11.2 SHELTERS, CONCRETE
SUB-CATEGORY 12.4 TOWERS, GUYED
SUB-CATEGORY 12.5 TOWERS, GUYED LIGHT
SUB-CATEGORY 12.6 TOWERS LATTICE
SUB-CATEGORY 12.7 TOWERS, LATTICE LIGHT
SUB-CATEGORY 12.8 TOWERS, MONOPOLE

This Cooperative Purchasing Master Agreement ("Cooperative Purchasing Master Agreement") is made and entered into by and between Enterprise Services acting by and through the State of Washington ("Enterprise Services") and Sabre Communications Corporation, an Iowa corporation ("Contractor") and is dated and effective as of July 1, 2021.

R E C I T A L S

A. Pursuant to Legislative authorization, Enterprise Services, on behalf of the State of Washington, is authorized to develop, solicit, and establish master contracts for goods and services to support Washington state agencies. *See* RCW 39.26.050(1). The Washington State Legislature has authorized Enterprise Services to make these master contracts available, pursuant to agreement in which Enterprise Services ensures full cost recovery, to other local or federal government agency or entity, public benefit nonprofit organizations, or any tribes located in the State of Washington. *See* RCW 39.26.050(1) & (2).

B. The Washington State Legislature also has authorized Enterprise Services to participate in, sponsor, conduct, or administer certain cooperative purchasing agreements for the procurement of goods or services. *See* RCW 39.26.060(1). One of the approaches that Enterprise Services utilizes to participate in cooperative purchasing agreements with other states is NASPO ValuePoint.

C. NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, is a nonprofit subsidiary of the National Association of State Procurement Officials (NASPO). The NASPO ValuePoint purchasing cooperative program is led by state procurement officers from member states. NASPO ValuePoint does not award contracts; rather, it assists states, for an administrative fee, in their collaboration pertaining to solicitations and the resulting master agreements.

D. Pursuant to the NASPO ValuePoint cooperative purchasing model, a state serves as the 'lead state' to conduct a competitive procurement in compliance with that state's procurement laws and award a cooperative purchasing master agreement with a contractor for the specified goods or services. States (including the District of Columbia and the organized territories of the United States), including the lead state, then may participate in that cooperative purchasing master agreement by executing a Participating

Addendum. Until a Participating Addendum is executed by the applicable state (a 'participating entity'), no agency or other eligible organization (a 'purchasing entity') may purchase pursuant to the cooperative purchasing master agreement. Under Washington law, at the time of solicitation, states may provide supplemental substantive terms and conditions to inform the competitive procurement. In addition, pursuant to their Participating Addendum, states may require certain administrative terms and conditions (e.g., a vendor management fee for sales within the state, state registration and reporting). Contractor, however, has no obligation to condition execution of a Participating Addendum on substantive terms and conditions that were not competitively procured.

E. Enterprise Services, as part of a cooperative purchasing competitive governmental procurement, with administrative support from NASPO ValuePoint, issued Competitive Solicitation No. 00318 dated November 16, 2020 regarding Public Safety Communications Products, Services and Solutions ("Public Safety Radio"). Sixteen (16) states indicated an intent to utilize the resulting Cooperative Purchasing Master Agreement.

F. Enterprise Services and a stakeholder team consisting of representatives from Washington, California, Alaska, Oregon, Montana, Tennessee, Colorado and Nevada evaluated all responsive bids to the Competitive Solicitation and identified Contractor as an Apparent Successful Bidder for the Categories identified above.

G. Enterprise Services determined that entering into this Cooperative Purchasing Master Agreement will meet the cooperative purchasing needs and be in the best interest of the State of Washington.

H. The purpose of this Cooperative Purchasing Master Agreement is to enable Participating or Purchasing Entities to purchase Public Safety Radio products and services, in the awarded Categories as set forth herein.

A G R E E M E N T

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto hereby agree as follows:

1. TERM. The term of this Cooperative Purchasing Master Agreement begins July 1, 2021 and ends on December 31, 2026; provided, however that, the contract term shall be extended for twenty-four (24) months if, in Enterprise Services' sole, reasonable judgement, which shall occur no later than June 30, 2025, Contractor meets the following performance metrics:

- Reports: Contractor provides timely and accurate reports as detailed in this Master Agreement and Participating Addendums; and
- Administrative Fee Payments: Contractor provides timely and accurate Administrative Fee payments as detailed in this Master Agreement and Participating Addendums.

Notwithstanding any provision to the contrary, to effectuate a smooth transition for Participating States and Purchasing Entities for Public Safety Communications Products, Services and Solutions to begin on July 1, 2021 Contractor shall provide implementation and transition support to Participating States who wish to utilize the Cooperative Purchasing Master Agreement, beginning upon the date

such Participating State and Contractor executes a Participating Addendum. For the avoidance of doubt, no orders for products or services shall be made under this Agreement prior to July 1, 2021.

2. PARTICIPANTS AND SCOPE. This Cooperative Purchasing Master Agreement may be utilized under the following conditions:

2.1. PARTICIPATING ENTITIES. Contractor may not sell Public Safety Radio products and services under this Cooperative Purchasing Master Agreement until a Participating Addendum acceptable to the Participating Entity and Contractor is executed. The terms and conditions set forth in the Cooperative Purchasing Master Agreement are applicable to any Purchasing Order by a Participating Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented, or amended by a Participating Addendum; *Provided*, however, that no Participating Addendum shall operate to alter or modify any substantive terms of this Cooperative Purchasing Master Agreement which were solicited and procured pursuant to a competitive procurement. By way of illustration and not limitation, Participating Entities may include unique administrative, delivery, and invoicing requirements, as well as entity-specific confidentiality requirements and similar entity-specific administrative requirements in Purchase Orders utilizing this Cooperative Purchasing Master Agreement.

2.2. PURCHASING ENTITIES. Purchasing Entity means a state (as well as the District of Columbia and U.S territories), city, county, district, other political subdivision of a State, and a nonprofit organization under the laws of some states if authorized by a Participating Addendum, that issues a Purchase Order or other commitment document against the Cooperative Purchasing Master Agreement and becomes financially committed to the purchase.

2.3. PARTICIPATING ADDENDUM. Obligations under this Cooperative Purchasing Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. States or other entities permitted to participate may use an informal competitive or other process to determine which Cooperative Purchasing Master Agreements to participate in through execution of a Participating Addendum. Financial obligations of Participating Entities who are states are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating Entities who are states incur no financial obligations on behalf of other Purchasing Entities. Contractor shall email a fully executed PDF copy of each Participating Addendum as instructed by the Lead State to support documentation of participation and posting in appropriate databases.

2.4. PURCHASING ENTITY RIGHTS. Except to the extent modified by a Participating Addendum, each Purchasing Entity shall follow the terms and conditions of the Cooperative Purchasing Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Cooperative Purchasing Master Agreement, including but not limited to, any indemnity or right to recover any costs as such right is defined in the Cooperative Purchasing Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. Contractor will apply the charges and invoice each Participating Entity individually.

2.5. PARTICIPATING ADDENDUM APPROVAL. Participating Entities who are not states may, under some circumstances, sign their own Participating Addendum, subject to the approval of

participation by the Chief Procurement Official of the state where the Participating Entity is located. Coordinate requests for such participation through NASPO ValuePoint. Any permission to participate through execution of a Participating Addendum is not a determination that procurement authority exists in the Participating Entity; they must ensure that they have the requisite procurement authority to execute a Participating Addendum.

3. SCOPE – INCLUDED GOODS/SERVICES AND PRICE.

3.1. CONTRACT SCOPE. Pursuant to this Cooperative Purchasing Master Agreement, Contractor is authorized to sell only those Public Safety Radio Products and Services in the category above posted on the NASPO ValuePoint website. Contractor shall not represent to any Participating or Purchasing Entity under this Cooperative Purchasing Master Agreement that Contractor has contractual authority to sell any Public Safety Radio Products beyond those approved and posted on the NASPO ValuePoint website.

3.2. MINIMUM WARRANTY FOR INCLUDED GOODS/SERVICES. Notwithstanding any provision to the contrary, Contractor agrees to and is providing a minimum warranty of no less than one (1) year for any goods/services included in this Cooperative Purchasing Master Agreement. Such minimum warranty begins when the goods/services are accepted by Purchaser or as agreed by Purchaser in its ordering documentation. Such minimum warranty includes all firmware and software updates within warranty period. Parts and related software will be free from defects in material and workmanship for one (1) year. If a product fails because of a defect in workmanship or materials within one (1) year from the date of acceptance by Purchaser, manufacture shall repair or replace the product or part with a new product or part without charge to Purchaser.

3.3. ADDITIONAL WARRANTY OPTIONS – See Sabre Communications Corporation Products/Services Pricing Document on the NASPO ValuePoint website for all warranty options.

3.4. AVAILABLE SERVICES – See Sabre Communications Corporation Products/Services Pricing Document on the NASPO ValuePoint website for a description and pricing for all optional services.

3.5. ABILITY TO MODIFY SCOPE OF COOPERATIVE PURCHASING MASTER AGREEMENT. Subject to mutual agreement between the parties, Enterprise Services, acting as the lead state, reserves the right to modify the Public Safety Radio Products included in this Cooperative Purchasing Master Agreement; *Provided*, however, that any such modification shall be effective only upon thirty (30) days advance written notice; and *Provided further*, that any such modification must be within the scope of this competitively procured Cooperative Purchasing Master Agreement. In no event shall such modification, if authorized by Enterprise Services, limit the requirement for cooperative purchasing agreements to be subject to competitive procurement.

3.6. PRODUCT UPDATES. Upon approval, Contractor may update their products/pricelist on a semi-annual basis. Contractor must submit to the Lead Contract Administrator a revised product/pricelist highlighting changes and include an effective date of the change. At no time during the contract term shall products be deleted from the products/pricelist. Discontinued products/services must be struck-through and highlighted for ease of review process. Product/pricelist updates must be submitted for review and approval to the Lead Contract Administrator thirty (30) days prior to the effective date of the change. All products/pricelist will be posted on the NASPO ValuePoint website.

Product updates for January 1st through June 30th must be submitted to Lead State Contract Administrator by June 1st to be eligible for product updates effective July 1st. Product updates for July 1st through December 31st must be submitted to the Lead State Contract Administrator by December 1st to be eligible for product updates effective January 1st. Additional product updates may be considered for approval with proper thirty (30) day notice at the discretion of the Lead State.

Semi-Annual	Submitted By	Effective Date
January 1-June 30	June 1st	July 1st
July 1-December 31	December 1st	January 1st

3.7. ECONOMIC ADJUSTMENTS. All pricing must be guaranteed for the first year of the Cooperative Purchasing Master Agreement. Following the guarantee period, any request for price increases must be for an equal guarantee period (1 year), and must be submitted to the Lead State at least thirty (30) calendar days prior to the effective date. The Lead State will review a documented request for an MSRP price list increase only after the Price Guarantee Period.

Requests for price increases must include sufficient documentation supporting the request and demonstrating the reasonableness of the adjustment when comparing the current price list to the proposed price list. Documentation may include: the manufacturer's national price increase announcement letter, a complete and detailed description of what products are increasing and by what percentage, a complete and detailed description of what raw materials and/or other costs have increased and provide proof of increase, index data and other information to support and justify the increase. The price increase must not produce a higher profit margin than the original contract, and must be accompanied by sufficient documentation and nationwide notice of price adjustment to the published manufacturer's price list. No retroactive price increases will be allowed.

Price Reductions. In the event of a price decrease in any category of product at any time during the contract in an OEM's published manufacturer's price list, including renewal options, the Lead State shall be notified immediately. All published manufacturer's price list price reductions shall be effective upon the notification provided to the Lead State.

Enterprise Services reserves the right to request clarification and justification for requested Economic Adjustments.

Economic Price Adjustment requests for January 1st through June 30th must be submitted to Lead State Contract Administrator by June 1st to be eligible for product updates effective July 1st. Economic Price Adjustment requests for July 1st through December 31st must be submitted to the Lead State Contract Administrator by December 1st to be eligible for product updates effective January 1st.

Semi-Annual	Submitted By	Effective Date
January 1-June 30	June 1st	July 1st
July 1-December 31	December 1st	January 1st

3.8. PRICE CEILING. Although Contractor may offer lower prices, including volume discounts, to Purchasers, during the term of this Cooperative Purchasing Master Agreement, Contractor

guarantees to provide the Goods/Services at no greater than the prices set forth approved and posted on the NASPO ValuePoint website.

3.9. COOPERATIVE PURCHASING MASTER AGREEMENT INFORMATION. Enterprise Services shall maintain and provide information regarding this Cooperative Purchasing Master Agreement, including scope and pricing, to eligible Purchasers.

3.10. CONTRACTOR RESPONSIBILITIES. Contractor shall be responsible for successful performance of the Cooperative Purchasing Master Agreement and also for the successful performance of any and all of their partners. Contractor is to be the sole point of contact as applicable by Cooperative Purchasing Master Agreement with regard to contractual matters, payment of any and all charges resulting from the purchase of the products and maintenance of the product for the term of the Cooperative Purchasing Master Agreement unless otherwise specified by a Participating State in a Participating Addendum and/or the Cooperative Purchasing Master Agreement. Contractor must be able to receive, process, and invoice orders unless the Participating State has agreed to assign these functions to a partner. Contractor will be responsible for compliance with requirements under the Cooperative Purchasing Master Agreement, even if requirements are delegated to partners. Contractor and partners must not in any way represent themselves in the name of the Lead State, NASPO ValuePoint or Participating States.

4. CONTRACTOR REPRESENTATIONS AND WARRANTIES. Contractor makes each of the following representations and warranties as of the effective date of this Cooperative Purchasing Master Agreement and at the time any order is placed pursuant to this Cooperative Purchasing Master Agreement. If, at the time of any such order, Contractor cannot make such representations and warranties, Contractor shall not process any orders and shall, within three (3) business days notify Enterprise Services, in writing, of such breach.

4.1. QUALIFIED TO DO BUSINESS. Contractor represents and warrants that it is in good standing and qualified to do business in the State of Washington, that it is registered with the Washington State Department of Revenue and the Washington Secretary of State, that it possesses and shall keep current all required licenses and/or approvals, and that it is current, in full compliance, and has paid all applicable taxes owed to the State of Washington. Contractor further represents and warrants that, within fifteen (15) days of executing any Participating Addendum and prior to making any sales pursuant to such Participating Addendum, Contractor shall be in good standing and qualified to do business in such state and that Contractor properly shall have registered to do business in such state, shall possess and shall keep current all required licenses and/or approvals, and that it shall be current, in full compliance, and have paid all applicable taxes owed to such state.

4.2. SUSPENSION & DEBARMENT. Contractor represents and warrants that neither it nor its principals or affiliates presently are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any governmental contract by any governmental department or agency within the United States.

4.3. QUALITY OF GOODS OR SERVICES. Contractor represents and warrants that any goods and services sold pursuant to this Cooperative Purchasing Master Agreement shall be merchantable, shall conform to this Cooperative Purchasing Master Agreement and Purchaser's Purchase Order, shall be fit and safe for the intended purposes, shall be free from defects in materials and workmanship, and shall be produced and delivered in full compliance with applicable law.

Contractor further represents and warrants it has clear title to the goods and that the same shall be delivered and the services provided free of liens and encumbrances and that the same do not infringe any third party patent. Upon breach of warranty, Contractor will repair or replace (at no charge to Purchaser) any goods and services whose nonconformance is discovered and made known to the Contractor. If, in Purchaser's judgment, repair or replacement is inadequate, or fails of its essential purpose, Contractor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

4.4. WAGE VIOLATIONS. Contractor represents and warrants that, during the term of this Cooperative Purchasing Master Agreement and the three (3) year period immediately preceding the award of the Cooperative Purchasing Master Agreement, it is not determined, by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction, to be in willful violation of any provision of Washington state wage laws set forth in RCW 49.46, 49.48, or 49.52.

4.5. PAY EQUALITY. Contractor represents and warrants that, among its workers, similarly employed individuals are compensated as equals. For purposes of this provision, employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed. Contractor may allow differentials in compensation for its workers based in good faith on any of the following: a seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels. A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential. A bona fide regional difference in compensation level must be consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential. Notwithstanding any provision to the contrary, upon breach of warranty and Contractor's failure to provide satisfactory evidence of compliance within thirty (30) days, Enterprise Services may suspend or terminate this Cooperative Purchasing Master Agreement and any Purchaser hereunder similarly may suspend or terminate its use of the Cooperative Purchasing Master Agreement and/or any agreement entered into pursuant to this Cooperative Purchasing Master Agreement.

4.6. EXECUTIVE ORDER 18-03 – WORKERS' RIGHTS. Contractor represents and warrants, as previously certified in Contractor's Bidder's Certification, that Contractor does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers. Contractor further represents and warrants that, during the term of this Cooperative Purchasing Master Agreement, Contractor shall not, as a condition of employment, require its employees to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

4.7. PROCUREMENT ETHICS & PROHIBITION ON GIFTS. Contractor represents and warrants that it complies fully with all applicable procurement ethics restrictions including, but not limited to,

restrictions against Contractor providing gifts or anything of economic value, directly or indirectly, to Purchasers' employees.

4.8. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS). Contractor represents and warrants that it is registered in Washington's Electronic Business Solution (WEBS), Washington's contract registration system and that, all of its information therein is current and accurate and that throughout the term of this Cooperative Purchasing Master Agreement, Contractor shall maintain an accurate profile in WEBS.

4.9. STATEWIDE PAYEE DESK. Contractor represents and warrants that it is registered with Washington Statewide Payee Desk, which registration is a condition to payment.

4.10. COOPERATIVE PURCHASING MASTER AGREEMENT PROMOTION; ADVERTISING AND ENDORSEMENT. Contractor represents and warrants that it shall use commercially reasonable efforts both to promote and market the use of this Cooperative Purchasing Master Agreement with eligible Purchasers and to ensure that those entities that utilize this Cooperative Purchasing Master Agreement are eligible Purchasers. Contractor understands and acknowledges that neither Enterprise Services nor Purchasers are endorsing Contractor's goods and services or suggesting that such goods and services are the best or only solution to their needs. Accordingly, Contractor represents and warrants that it shall make no reference to Enterprise Services, any Purchaser, or the State of Washington in any promotional material without the prior written consent of Enterprise Services.

4.11. COOPERATIVE PURCHASING MASTER AGREEMENT TRANSITION. Contractor represents and warrants that, in the event this Cooperative Purchasing Master Agreement or a similar contract, is transitioned to another contractor (e.g., Cooperative Purchasing Master Agreement expiration or termination), Contractor shall use commercially reasonable efforts to assist Enterprise Services for a period of sixty (60) days to effectuate a smooth transition to another contractor to minimize disruption of service and/or costs to the State of Washington.

4.13 SUB-CONTRACTORS, AUTHORIZED RESELLERS/DEALERS. MANUFACTURER'S REPRESENTATIVE (PARTNERS). If utilizing partners, Contractor is responsible for such partners providing products and services, as well as warranty and maintenance services for any product or solution such partners provide pursuant to this Cooperative Purchasing Master Agreement. Pursuant to their applicable Participating Addendum, each Participating Entity may allow or disallow Contractor to utilize Partners. Only partners approved by the Participating Entity may be utilized. The Participating Entity will define the process to add and remove partners in their Participating Addendum.

5. USING THE COOPERATIVE PURCHASING MASTER AGREEMENT – PURCHASES.

5.1. ORDERING REQUIREMENTS. Eligible Purchasers shall order goods and services from this Cooperative Purchasing Master Agreement, consistent with the terms hereof and by using any ordering mechanism agreeable both to Contractor and Purchaser but, at a minimum, including the use of a purchase order. When practicable, Contractor and Purchaser also shall use telephone orders, email orders, web-based orders, and similar procurement methods (collectively "Purchaser Order"). All order documents must reference the Cooperative Purchasing Master Agreement number. The terms of this Cooperative Purchasing Master Agreement shall apply to any Purchase Order and, in the event of any conflict, the terms of this Cooperative Purchasing Master Agreement shall prevail. Notwithstanding any provision to the contrary, in no event shall any 'click-agreement,' software or web-based application terms and conditions, or other agreement modify the terms and conditions of this Cooperative Purchasing Master Agreement.

(a) All order documents must, at a minimum, reference

- the Cooperative Purchasing Master Agreement number;
- The place and requested time of delivery;
- A billing address;
- The name, phone number, and address of the Participating Entity representative;

(b) All communications concerning administration of Orders placed shall be furnished solely to the authorized purchasing agent within the Participating Entity's purchasing office, or to such other individual identified in writing in the Order.

(c) Orders must be placed pursuant to this Cooperative Purchasing Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days thereafter.

(d) Notwithstanding the expiration, cancellation or termination of this Cooperative Purchasing Master Agreement, Contractor agrees to perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after the expiration, cancellation, or termination of this Cooperative Purchasing Master Agreement, or otherwise inconsistent with its terms. Orders from any separate indefinite quantity, task orders, or other form of indefinite delivery order arrangement priced against this Cooperative Purchasing Master Agreement may not be placed after the expiration or termination of this Cooperative Purchasing Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

5.2. DELIVERY REQUIREMENTS. Contractor must ensure that delivery of goods and services will be made as required by this Cooperative Purchasing Master Agreement, the Purchase Order used by Purchasers, or as otherwise mutually agreed in writing between the Purchaser and Contractor. The following apply to all deliveries:

(a) Contractor shall make all deliveries to the applicable delivery location specified in the Purchase Order. Such deliveries shall occur during Purchasing Entity's normal

work hours and within the time period mutually agreed in writing between Purchasing Entity and Contractor at the time of order placement. Deliveries to be off-loaded at Purchasing Entity's receiving dock or designated job site by Contractor.

(b) Contractor shall ship all goods purchased pursuant to this Master Agreement FOB Purchasing Entity's specified destination. Shipping charges must be mutually agreed to between Purchasing Entity and Contractor, and shall be added as a separate line item on the Contractor's invoice. Contractor shall bear all risk of loss, damage, or destruction of the goods ordered hereunder that occurs prior to delivery, except loss or damage attributable to Purchasing Entity's fault or negligence.

(c) All products must be delivered in the manufacturer's standard package. Costs shall include all packing and/or crating charges. Cases shall be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton shall be marked with the commodity, brand, quantity, item code number and the Purchasing Entity's Purchase Order number.

(d) All packing lists, packages, instruction manuals, correspondence, shipping notices, shipping containers, and other written materials associated with this Cooperative Purchasing Master Agreement shall be identified by the Cooperative Purchasing Master Agreement number set forth on the cover of this Cooperative Purchasing Master Agreement and the applicable Purchase Order number. Packing lists shall be enclosed with each shipment and clearly identify all contents and any backorders.

(e) Purchasing Entities may return unopened or unused (non-specialty) Public Safety Radio products within ten (10) business days of receipt for full credit, minus any freight or restocking fee. In such event, Contractor is responsible for shipping costs pertaining to any defective Public Safety Radio Products that are returned.

5.3. RECEIPT AND INSPECTION OF GOODS AND SERVICES. Goods and/or services purchased under this Cooperative Purchasing Master Agreement are subject to Purchaser's reasonable inspection, testing, and approval at Purchaser's destination. Such inspection and approval shall be determined within thirty (30) days of delivery. Purchaser reserves the right to reject and refuse acceptance of goods and services that are not in accordance with this Cooperative Purchasing Master Agreement and Purchaser's Purchase Order. Purchaser may charge Contractor for the cost of inspecting rejected goods. If there are any apparent defects in the goods and services at the time of delivery, Purchaser will notify Contractor within five (5) business days. At Purchaser's option, and without limiting any other rights, Purchaser may require Contractor to, consistent with the warranty terms, repair or replace, at Contractor's expense, any or all of the damaged goods and/or services or, at Purchaser's option, Purchaser may note any damage to the goods and/or services on the receiving report, decline acceptance, and deduct the cost of rejected goods and/or services from final payment. Payment for any goods under such Purchase Order shall not be deemed acceptance of the goods.

a) All Products are subject to inspection at reasonable times and places before Acceptance. Contractor shall provide right of access to the Lead State, or to any

other authorized agent or official of the Lead State or other Participating or Purchasing Entity, at reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance requirements under this Cooperative Purchasing Master Agreement. Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve Contractor of liability for material (nonconformity that substantially impairs value) latent or hidden defects subsequently revealed when the Public Safety Radio Products are put to use. Acceptance of such Public Safety Radio Products may be revoked in accordance with the provisions of the applicable commercial code, and Contractor shall be liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of any Public Safety Radio Products rejected and returned, or for which Acceptance is revoked.

(a) If any Public Safety Radio Products do not conform to the specifications, the Purchasing Entity may require the Contractor to repair or replace the Public Safety Radio Product in conformity with the specifications.

5.4. ON SITE REQUIREMENTS. While on Purchaser's premises, Contractor, its agents, employees, or subcontractors shall comply, in all respects, with Purchaser's physical, fire, access, safety, and other security requirements.

5.5. INSTALLATION. Installation shall be performed by Contractor in a professional manner in accordance with industry standard best practices. The premises shall be left in a neat, clean, and undamaged condition. Purchaser reserves the right to require Contractor to repair any damage caused during installation or provide full compensation as determined by Purchaser.

5.6. CONFIDENTIALITY; SAFEGUARDING OF INFORMATION. Contractor shall not use or disclose any information concerning Enterprise Services/the State of Washington or Purchasing Entity's information which may be classified as confidential, for any purpose not directly connected with the administration of this Cooperative Purchasing Master Agreement, except with prior written consent of Enterprise Services (or the applicable Purchasing Entity), or as may be required by law.

5.7. TREATMENT OF ASSETS. Title to all property furnished by any Participating State or Purchasing Entity shall remain with such Participating State or Purchasing Entity, as applicable. Any property of any Participating State and/or Purchaser furnished to Contractor shall, unless otherwise provided herein or approved by such Participating State and/or Purchaser, be used only for the performance of this Cooperative Purchasing Master Agreement. Contractor shall be responsible for damages as a result of any loss or damage to property of any Participating State or Purchasing Entity to the extent it results from the negligence of Contractor or to the extent it results from the failure on the part of Contractor to maintain, administer and protect that property in a reasonable manner and to the extent practicable in all instances. If any such Participating State or Purchasing Entity property is lost, destroyed, or damaged, Contractor immediately shall notify such Participating State or Purchasing Entity and shall take all reasonable steps to protect the property from further damage. Contractor shall surrender to such Participating State or Purchasing Entity all property of such Participating State or Purchasing Entity prior to settlement upon completion, termination, or cancellation of this Cooperative Purchasing Master Agreement. Title to all property furnished by Contractor, the cost for which the Contractor is entitled to be reimbursed as a direct item of cost under this Contract, shall pass to and vest in the Purchaser upon delivery of such property

by Contractor and acceptance by the purchaser. Title to other property, the cost of which is reimbursable to Contractor under this Contract, shall pass to and vest in the Purchasing Entity upon (i) issuance for use of such property in the performance of this Contract, or (ii) commencement of use of such property in the performance of this Contract, or (iii) reimbursement of the cost thereof by the Purchaser in whole or in part, whichever first occurs. All reference to Contractor under this clause shall also include Contractor's employees, agents or subcontractors. Title to software shall not pass to Purchasing but shall be licensed. All reference to Contractor under this clause shall also include Contractor's employees, agents or subcontractors.

5.8. SOFTWARE LICENSE AGREEMENT. If the public safety communications equipment ordered and delivered under the term and conditions of this Cooperative Purchasing Master Agreement requires software or firmware to operate, Purchasing Entity and Contractor will mutually agree to Contractor's Software License Agreement that will apply to such transactions. Contractor's software license agreement shall not conflict with the terms and conditions of this Cooperative Purchasing Master Agreement or specific security requirements of Purchasing Entity.

5.9. SUBSCRIPTION SERVICES AGREEMENT. If the public safety communications equipment ordered and delivered under the term and conditions of this Contract requires subscription services to operate, Purchasing Entity and Contractor will mutually agree to Contractor's Software License Agreement that will apply to such transactions. Contractor's Subscription Services Agreement shall not conflict with the terms and conditions of this Master Agreement or the specific security requirements of Purchasing Entity.

6. INVOICING & PAYMENT.

6.1. CONTRACTOR INVOICE. Contractor shall submit to Purchaser's designated invoicing contact properly itemized invoices. Such invoices shall itemize the following:

- Cooperative Purchasing Master Agreement No. 00318
- Contractor name, address, telephone number, and email address for billing issues (i.e., Contractor Customer Service Representative)
- Contractor's Federal Tax Identification Number
- Date(s) of delivery
- Applicable goods/services;
- Invoice amount; and
- Payment terms, including any available prompt payment discounts.

Contractor's invoices for payment shall reflect accurate Cooperative Purchasing Master Agreement prices, less discounts or lower negotiated costs. Invoices will not be processed for payment until receipt of a complete invoice as specified herein.

6.2. PAYMENT. Payment is the sole responsibility of, and will be made by, the Purchaser. Payment is due within thirty (30) days of invoice. If Purchaser fails to make timely payment(s), Contractor may invoice Purchaser in the amount of one percent (1%) per month on the amount overdue or a minimum of $1. Payment will not be considered late if a check or warrant is mailed within the time specified.

6.3. OVERPAYMENTS. Contractor promptly shall refund to Purchaser the full amount of any erroneous payment or overpayment. Such refunds shall occur within thirty (30) days of written notice to Contractor; *Provided*, however, that Purchaser shall have the right to elect to have either direct payments or written credit memos issued. If Contractor fails to make timely payment(s) or issuance of such credit memos, Purchaser may impose a one percent (1%) per month on the amount overdue thirty (30) days after notice to the Contractor.

6.4. NO ADVANCE PAYMENT. No advance payment shall be made for the products and services furnished by Contractor pursuant to this Cooperative Purchasing Master Agreement; Provided, however, that the parties agree that maintenance payments, if any, may be made on a quarterly basis at the beginning of each quarter.

6.5. NO ADDITIONAL CHARGES. Unless otherwise specified herein, Contractor shall not include or impose any additional charges including, but not limited to, charges for shipping, handling, or payment processing.

6.6. TAXES/FEES. Contractor promptly shall pay all applicable taxes on its operations and activities pertaining to this Cooperative Purchasing Master Agreement. Failure to do so shall constitute breach of this Cooperative Purchasing Master Agreement. Unless otherwise agreed, Purchaser shall pay applicable sales tax imposed by the State of Washington on purchased goods and services. In regard to federal excise taxes, Contractor shall include federal excise taxes only if, after thirty (30) calendar days written notice to Purchaser, Purchase has not provided Contractor with a valid exemption certificate from such federal excise taxes.

7. CONTRACT MANAGEMENT.

7.1. CONTRACT ADMINISTRATION & NOTICES. Except for legal notices, the parties hereby designate the following contract administrators as the respective single points of contact for purposes of this Cooperative Purchasing Master Agreement. Enterprise Services' contract administrator shall provide Cooperative Purchasing Master Agreement oversight. Contractor's contract administrator shall be Contractor's principal contact for business activities under this Cooperative Purchasing Master Agreement. The parties may change contractor administrators by written notice as set forth below.

Any notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

Enterprise Services
Attn: Contract Administrator 00318
Washington Dept. of Enterprise Services
PO Box 41411
Olympia, WA 98504-1411
Tel: (360) 407-2218
Email: DESContractsTeamCypress@des.wa.gov

Sabre Communications Corporation
Attn: Phillip Haigler
7100 Southbridge Drive
Sioux City, IA 51111
Tel: (850) 225-9614
Email: plhaigler@sabreindustires.com

Notices shall be deemed effective upon the earlier of receipt, if mailed, or, if emailed, upon transmission to the designated email address of said addressee.

7.2. CONTRACTOR CUSTOMER SERVICE REPRESENTATIVE. Contractor shall designate a customer service representative (and inform Enterprise Services of the same) who shall be responsible for addressing Purchaser issues pertaining to this Cooperative Purchasing Master Agreement.

7.3. LEGAL NOTICES. Any legal notices required or desired shall be in writing and delivered by U.S. certified mail, return receipt requested, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

Enterprise Services	**Sabre Communications Corporation**
Attn: Legal Services Manager Washington Dept. of Enterprise Services PO Box 41411 Olympia, WA 98504-1411 Email: greg.tolbert@des.wa.gov	Attn: Phillip Haigler 7100 Southbridge Drive Sioux City, IA 51111 Email: plhaigler@sabreindustries.com

Notices shall be deemed effective upon the earlier of receipt when delivered, or, if mailed, upon return receipt, or, if emailed, upon transmission to the designated email address of said addressee.

8. NASPO VALUEPOINT SUMMARY AND DETAILED USAGE REPORTS.

8.1. SUMMARY SALES DATA. Contractor shall submit quarterly sales reports directly to NASPO ValuePoint using the NASPO ValuePoint Quarterly Sales/Administrative Fee Reporting Tool found at http://www.naspo.org/WNCPO/Calculator.aspx. Any/all sales made under this Cooperative Purchasing Master Agreement shall be reported as cumulative totals by state. Even if Contractor experiences zero sales during a calendar quarter, a report is still required. Reports shall be due no later than thirty (30) days following the end of the calendar quarter (as specified in the reporting tool).

8.2. DETAILED SALES DATA. Contractor also shall report detailed sales data by: (1) state; (2) entity/customer type, e.g. local government, higher education, K12, non-profit; (3) Participating Entity name; (4) Participating Entity bill-to and ship-to locations; (4) Participating Entity and Contractor Purchase Order identifier/number(s); (5) Purchase Order Type (e.g. sales order, credit, return, upgrade, determined by industry practices); (6) Purchase Order date; (7) Ship Date; and (8) line item description, including product number if used. Reports are due on a quarterly basis and must be received by the Enterprise Services and NASPO ValuePoint Cooperative Development Team no later than thirty (30) days after the end of the reporting period. Reports shall be delivered to Enterprise Services and to the NASPO ValuePoint Cooperative Development Team electronically through a designated portal, email, CD-ROM, flash drive or other method as determined by Enterprise Services and NASPO ValuePoint. Detailed sales data reports shall include sales information for all sales under Participating Addenda executed under this Cooperative Purchasing Master Agreement.

8.3. NASPO VALUEPOINT EXECUTIVE SUMMARY. Contractor shall provide the NASPO ValuePoint Cooperative Development Coordinator with an executive summary each quarter that includes, at a minimum, a list of states with an active Participating Addendum, states that Contractor is in negotiations with and any Participating Addendum roll out or implementation activities and issues. NASPO ValuePoint Cooperative Development Coordinator and Contractor will determine the format and content of the executive summary. The executive summary is due thirty (30) days

after the conclusion of each calendar quarter.

8.4. REPORT OWNERSHIP. Timely submission of these reports is a material requirement of the Cooperative Purchasing Master Agreement. Enterprise Services and NASPO ValuePoint shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

8.5. CONFIDENTIALITY OF DETAILED SALES DATA AND PARTICIPATING ADDENDA. Participating Addenda, as well as Orders or transaction data relating to Orders under this Cooperative Purchasing Master Agreement that identify the entity/customer, Order dates, line item descriptions and volumes, and prices/rates, shall be Confidential Information. Contractor shall hold Confidential Information in confidence and shall not transfer or otherwise disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Cooperative Purchasing Master Agreement. Contractor shall advise each of its employees and agents of their obligations to keep Confidential Information confidential. This provision does not apply to disclosure to the Lead State, a Participating State, or any governmental entity exercising an audit, inspection, or examination pursuant to this Cooperative Purchasing Master Agreement. To the extent permitted by law, Contractor shall notify the Lead State of the identity of any entity seeking access to the Confidential Information described in this subsection.

9. NASPO VALUEPOINT COOPERATIVE PROGRAM MARKETING AND PERFORMANCE REVIEW

9.1. NASPO VALUEPOINT COOPERATIVE PROGRAM. Contractor agrees to work cooperatively with NASPO ValuePoint personnel. Contractor agrees to present plans to NASPO ValuePoint for the education of Contractor's contract administrator(s) and sales/marketing workforce regarding the Cooperative Purchasing Master Agreement, including the competitive nature of NASPO ValuePoint procurements, the Cooperative Purchasing Master Agreement and Participating Addendum process, and the manner in which qualifying entities can participate in the Cooperative Purchasing Master Agreement.

9.2. LOGOS. NASPO VALUEPOINT logos may not be used by Contractor in sales and marketing until a logo use agreement is executed with NASPO ValuePoint.

9.3. ANNUAL SUPPLIER REVIEW. Contractor agrees to participate in an annual supplier performance review at a location (virtual or in-person) selected by Enterprise Services and NASPO ValuePoint, which may include a discussion of marketing action plans, target strategies, marketing materials, as well as Contractor reporting and timeliness of payment of administration fees. The 2022 Annual Supplier Business Review requires in-person attendance. Any subsequent Annual Supplier Business Review meetings may be attended virtually or in-person.

10. ADMINISTRATIVE FEES.

10.1. CONTRACTOR shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25%) of the quarterly sales by participating state. The NASPO ValuePoint administrative fee is not negotiable. This fee may not be adjusted in any Participating Addendum. This fee is to be included as part of the pricing submitted with the bid.

10.2. Some states may require an additional fee be paid directly to the state only on purchases made by Purchasing Entities within that state. The fee level, payment method and schedule

for such reports and payments will be incorporated into the Participating Addendum that is made a part of the Cooperative Purchasing Master Agreement. The Contractor may adjust the Cooperative Purchasing Master Agreement pricing accordingly for purchases made by Purchasing Entities within the jurisdiction of the state. All such agreements shall not affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee. The NASPO ValuePoint Administrative Fee set forth above shall be based on the gross amount of all sales (less any charges for taxes or shipping) at the adjusted prices (if any) in Participating Addenda.

11. RECORDS RETENTION & AUDITS.

11.1. RECORDS RETENTION. Contractor shall maintain books, records, documents, and other evidence pertaining to this Cooperative Purchasing Master Agreement and orders placed by Purchasers under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall retain such records for a period of six (6) years following expiration or termination of this Cooperative Purchasing Master Agreement or final payment for any order placed by a Purchaser against this Cooperative Purchasing Master Agreement, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.

11.2. AUDIT. Upon reasonable advance written notice, Enterprise Services reserves the right to audit, or have a designated third party audit, applicable records to ensure that Contractor has properly invoiced Purchasers and that Contractor has paid all applicable vendor management fees. Accordingly, Contractor shall permit Enterprise Services, any Purchaser, and any other duly authorized agent of a governmental agency, to audit, inspect examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Cooperative Purchasing Master Agreement or orders placed by a Purchaser under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of six (6) years following expiration or termination of this Cooperative Purchasing Master Agreement or final payment for any order placed by a Purchaser against this Cooperative Purchasing Master Agreement, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.

11.3. OVERPAYMENT OF PURCHASES OR UNDERPAYMENT OF FEES. Without limiting any other remedy available to any Purchaser, Contractor shall reimburse Purchasers for any overpayments inconsistent with the terms of this Cooperative Purchasing Master Agreement or orders, at a rate of 100% of such overpayments, found as a result of the examination of the Contractor's records.

12. INSURANCE.

12.1. REQUIRED INSURANCE. During the Term of this Cooperative Purchasing Master Agreement, Contractor, at its expense, shall maintain in full force and effect the insurance coverages set forth in *Exhibit A – Insurance Requirements*. All costs for insurance, including any payments of deductible amounts, shall be considered incidental to and included in the prices for goods/services and no additional payment shall be made.

12.2. WORKERS COMPENSATION. Contractor shall comply with applicable workers compensation statutes and regulations (e.g., RCW Title 51, Industrial Insurance). If Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, Enterprise Services may terminate this Cooperative Purchasing Master Agreement. This provision does not waive any of the Washington State Department of Labor and Industries (L&I) rights to collect from Contractor. In addition, Contractor waives its immunity under RCW Title 51 to the extent it is required to indemnify, defend, and hold harmless the State of Washington and its agencies, officials, agents, or employees.

12.3. INSURANCE CERTIFICATE. Prior to commencement of performance, Contractor shall provide to Enterprise Services a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to Enterprise Services that (1) names the State of Washington and Enterprise Services as additional insureds, (2) provides for written notice of cancellation delivered in accordance with the policy provisions, and (3) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of any Participating State as secondary and noncontributory. Unless otherwise agreed in any Participating Addendum, other state Participating Entities' rights and Contractor's obligations are the same as those specified in the first sentence of this subsection except the endorsement is provided to the applicable state.

13. PUBLIC INFORMATION. This Cooperative Purchasing Master Agreement, all related documents, and all records created as a result of the Cooperative Purchasing Master Agreement are subject to public disclosure as required by Washington's Public Records Act, RCW 42.56. In addition, Participating Addendums and related records shall be subject to public disclosure as required by applicable law pertaining to such Purchasing Entity. Consistent with the Public Records Act, to the extent that any such Contractor document or record – in whole or in part – includes information exempted or protected from disclosure by the Public Records Act, Contractor may mark such document or record – the exempted or protected portions only – with the specific basis for protection under the Public Records Act. In the event that Enterprise Services receives a public records disclosure request that pertains to such properly marked documents or records, Enterprise Services shall notify Contractor of such disclosure request and of the date that the records will be released to the requester unless Contractor, at Contractor's sole expense, timely obtains a court order enjoining such disclosure. In the event Contractor fails to file a motion for a court order enjoining such disclosure, Enterprise Services shall release the requested documents on the date specified. Contractor's failure properly to identify exempted or protected information or timely respond after notice of request for public disclosure has been given shall be deemed a waiver by Contractor of any claim that such materials are protected or exempt from disclosure.

14. DEFAULTS AND REMEDIES

14.1. SUSPENSION & TERMINATION FOR DEFAULT. Enterprise Services may suspend Contractor's operations under this Cooperative Purchasing Master Agreement immediately by written cure notice of any default. Contractor may be required to submit a written cure plan within five (5) business days of Suspension notification. Suspension shall continue until the default is remedied to Enterprise Services' reasonable satisfaction; *Provided*, however, that, if after thirty (30) days from such a suspension notice has completed all the actions within the timeframe identified in the written cure plan. All of Contractor's obligations to Enterprise Services and Purchasers survive termination of Contractor's rights under this Cooperative Purchasing Master Agreement, until such obligations have been fulfilled.

14.2. DEFAULT. Each of the following events shall constitute default of this Cooperative Purchasing Master Agreement by Contractor:

(a) Contractor fails to perform or comply with any of the terms or conditions of this Cooperative Purchasing Master Agreement;

(b) Contractor breaches any representation or warranty provided herein; or

(c) Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary.

14.3. REMEDIES for DEFAULT.

(a) Enterprise Services' rights to suspend and terminate Contractor's rights under this Cooperative Purchasing Master Agreement are in addition to all other available remedies.

(b) In the event of termination for default, Enterprise Services may exercise any remedy provided by law including, without limitation, the right to procure for all Purchasers replacement goods and services. In such event, Contractor shall be liable to Enterprise Services for damages as authorized by law including, but not limited to, any price difference between the Cooperative Purchasing Master Agreement price and the replacement or cover price as well as any administrative and/or transaction costs directly related to such replacement procurement – e.g., the cost of the competitive procurement.

(c) Unless otherwise specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and have all of the rights and remedies under this paragraph regarding its participation in the Cooperative Purchasing Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in a Purchase Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in this Cooperative Purchasing Master Agreement shall be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

14.4. LIMITATION ON DAMAGES. Notwithstanding any provision to the contrary, the parties agree that in no event shall any party or Participating Entity be liable to the other for exemplary or punitive damages.

14.5. GOVERNMENTAL TERMINATION.

(a) Termination for Withdrawal of Authority. Enterprise Services may suspend or terminate this Master Contract if, during the term hereof, Enterprise Services' procurement authority is withdrawn, reduced, or limited such that Enterprise Services, in its judgment, would lack authority to enter into this Master Contract; *Provided*, however, that such suspension or termination for withdrawal of authority shall only be effective upon twenty (20) days prior written notice; and *Provided further*, that such suspension or termination for withdrawal of authority shall not relieve any Participating Entity or Purchasing Entity from payment for goods and services already ordered as of the effective date of such notice. Except as stated in

this provision, in the event of such suspension or termination for withdrawal of authority, neither Enterprise Services nor any Participating Entity or Purchasing Entity shall have any obligation or liability to Contractor.

(b) Termination for Convenience. Enterprise Services, for convenience, may terminate this Cooperative Purchasing Master Agreement; *Provided*, however, that such termination for convenience must, in Enterprise Services' judgment, be in the best interest of the State of Washington; and *Provided further*, that such termination for convenience shall only be effective upon sixty (60) days prior written notice; and *Provided further*, that such termination for convenience shall not relieve any Participating Entity or Purchasing Entity from payment for goods and services already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such termination for convenience, neither Enterprise Services nor any Participating Entity or Purchasing Entity shall have any obligation or liability to Contractor.

15. CLAIMS.

15.1. ASSUMPTION OF RISKS; CLAIMS BETWEEN THE PARTIES. Contractor assumes sole responsibility and all risks of personal injury or property damage to itself and its employees and agents in connection with its operations under this Cooperative Purchasing Master Agreement. Enterprise Services has made no representations regarding any factor affecting Contractor's risks. Contractor shall pay for all damage to any Purchaser's property resulting directly or indirectly from its acts or omissions under this Cooperative Purchasing Master Agreement, even if not attributable to negligence by Contractor or its agents.

15.2. THIRD-PARTY CLAIMS; INDEMNITY. To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Enterprise Services, any Purchaser, and NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint) (NASPO) and their respective employees and agents from and against all claims, demands, judgments, assessments, damages, penalties, fines, costs, liabilities or losses including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees (collectively "claims") arising from any act or omission of Contractor or its successors, agents, and subcontractors under this Cooperative Purchasing Master Agreement, except to the extent such claims are caused by Enterprise Services, any Purchaser, or NASPO's' negligence. Contractor shall take all steps needed to keep Purchaser's property free of liens arising from Contractor's activities, and promptly obtain or bond the release of any such liens that may be filed. Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Cooperative Purchasing Master Agreement or in any other document executed in conjunction with this Cooperative Purchasing Master Agreement.

15.3. INDEMNIFICATION – Intellectual Property. The Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously pursue the defense or

settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of it and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim. Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Cooperative Purchasing Master Agreement.

(1) The Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

(a) provided by the Contractor or the Contractor's subsidiaries or affiliates;

(b) specified by the Contractor to work with the Product; or

(c) reasonably required, in order to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or

(d) it would be reasonably expected to use the Product in combination with such product, system or method.

16. DISPUTE RESOLUTION. The parties shall cooperate to resolve any dispute pertaining to this Cooperative Purchasing Master Agreement efficiently, as timely as practicable, and at the lowest possible level with authority to resolve such dispute. If, however, a dispute persists and cannot be resolved, it may be escalated within each organization. In such situation, upon notice by either party, each party, within five (5) business days shall reduce its description of the dispute to writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event that the parties cannot then agree on a resolution of the dispute, the parties shall schedule a conference between the respective senior managers of each organization to attempt to resolve the dispute. In the event the parties cannot agree, either party may resort to court to resolve the dispute.

17. GENERAL PROVISIONS.

17.1. TIME IS OF THE ESSENCE. Time is of the essence for each and every provision of this Cooperative Purchasing Master Agreement.

17.2. COMPLIANCE WITH LAW. Contractor shall comply with all applicable law.

17.3. INTEGRATED AGREEMENT. This Cooperative Purchasing Master Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.

17.4. AMENDMENT OR MODIFICATION. Except as set forth herein, this Cooperative Purchasing Master Agreement may not be amended or modified except in writing and signed by a duly authorized representative of each party.

17.5. AUTHORITY. Each party to this Cooperative Purchasing Master Agreement, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Cooperative Purchasing Master Agreement and that its execution, delivery, and performance of this Cooperative Purchasing Master Agreement has

been fully authorized and approved, and that no further approvals or consents are required to bind such party.

17.6. NO AGENCY. The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Cooperative Purchasing Master Agreement. Neither party is an agent of the other party nor authorized to obligate it.

17.7. ASSIGNMENT. Contractor may not assign its rights under this Cooperative Purchasing Master Agreement without Enterprise Services' prior written consent and Enterprise Services may consider any attempted assignment without such consent to be void; *Provided*, however, that, if Contractor (a) provides written notice to Enterprise Services within thirty (30) days of such event and (b) timely executes Enterprise Services' Assignment, Assumption, and Consent Agreement, Contractor may assign its rights under this Cooperative Purchasing Master Agreement in full to any parent, subsidiary, or affiliate of Contractor that controls or is controlled by or under common control with Contractor, is merged or consolidated with Contractor, or purchases a majority or controlling interest in the ownership or assets of Contractor. Unless otherwise agreed, Contractor guarantees prompt performance of all obligations under this Cooperative Purchasing Master Agreement notwithstanding any prior assignment of its rights.

17.8. BINDING EFFECT; SUCCESSORS & ASSIGNS. This Cooperative Purchasing Master Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

17.9. ASSIGNMENT OF ANTITRUST RIGHTS REGARDING PURCHASED GOODS/SERVICES. Contractor irrevocably assigns to Enterprise Services, on behalf of the State of Washington, any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws in connection with any goods and services provided in Washington for the purpose of carrying out the Contractor's obligations under this Cooperative Purchasing Master Agreement, including, at Enterprise Services' option, the right to control any such litigation on such claim for relief or cause of action.

17.10. FEDERAL FUNDS. To the extent that any Purchaser uses federal funds to purchase goods and services pursuant to this Cooperative Purchasing Master Agreement, such Purchaser shall specify, with its order, any applicable requirement or certification that must be satisfied by Contractor at the time the Purchase Order is placed or upon delivery of such goods/services to Purchaser.

17.11. SEVERABILITY. If any provision of this Cooperative Purchasing Master Agreement is held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this Cooperative Purchasing Master Agreement, and to this end the provisions of this Cooperative Purchasing Master Agreement are declared to be severable. If such invalidity becomes known or apparent to the parties, the parties agree to negotiate promptly in good faith in an attempt to amend such provision as nearly as possible to be consistent with the intent of this Cooperative Purchasing Master Agreement.

17.12. WAIVER. Failure of either party to insist upon the strict performance of any of the terms and conditions hereof, or failure to exercise any rights or remedies provided herein or by law, or to notify the other party in the event of breach, shall not release the other party of any of its obligations under this Cooperative Purchasing Master Agreement, nor shall any purported oral modification or rescission of this Cooperative Purchasing Master Agreement by either

party operate as a waiver of any of the terms hereof. No waiver by either party of any breach, default, or violation of any term, warranty, representation, contract, covenant, right, condition, or provision hereof shall constitute waiver of any subsequent breach, default, or violation of the same or other term, warranty, representation, contract, covenant, right, condition, or provision.

17.13. SURVIVAL. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this Cooperative Purchasing Master Agreement shall survive and remain in effect following the expiration or termination of this Cooperative Purchasing Master Agreement, *Provided*, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations periods.

17.14. GOVERNING LAW. The validity, construction, performance, and enforcement of this Cooperative Purchasing Master Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules. The validity, construction, and effect of any Participating Addendum pertaining to the Cooperative Purchasing Master Agreement or Order placed pursuant to such Participating Addendum shall be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's State.

17.15. JURISDICTION & VENUE. In the event that any action is brought to enforce any provision of this Cooperative Purchasing Master Agreement, the parties agree to exclusive jurisdiction in Thurston County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington; *Provided*, however, that venue for any claim, dispute, or action concerning any Order placed against the Cooperative Purchasing Master Agreement or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

17.16. SOVEREIGN IMMUNITY. In no event shall this Cooperative Purchasing Master Agreement, any Participating Addendum or any Purchase Order issued thereunder, or any act of the Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. This section applies to a claim brought against the Participating Entities who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court.

17.17. ATTORNEYS' FEES. Should any legal action or proceeding be commenced by either party in order to enforce this Cooperative Purchasing Master Agreement or any provision hereof, or in connection with any alleged dispute, breach, default, or misrepresentation in connection with any provision herein contained, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with such action or proceeding, including costs of pursuing or defending any legal action, including, without limitation, any appeal, discovery, or negotiation and preparation of settlement arrangements, in addition to such other relief as may be granted.

17.18. FAIR CONSTRUCTION & INTERPRETATION. The provisions of this Cooperative Purchasing Master Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Cooperative Purchasing Master Agreement. Each party hereto and its counsel has reviewed and revised this Cooperative Purchasing Master

Agreement and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be construed in the interpretation of this Cooperative Purchasing Master Agreement. Each term and provision of this Cooperative Purchasing Master Agreement to be performed by either party shall be construed to be both a covenant and a condition.

17.19. FURTHER ASSURANCES. In addition to the actions specifically mentioned in this Cooperative Purchasing Master Agreement, the parties shall each do whatever may reasonably be necessary to accomplish the transactions contemplated in this Cooperative Purchasing Master Agreement including, without limitation, executing any additional documents reasonably necessary to effectuate the provisions and purposes of this Cooperative Purchasing Master Agreement.

17.20. EXHIBITS. All exhibits referred to herein are deemed to be incorporated in this Cooperative Purchasing Master Agreement in their entirety.

17.21. CAPTIONS & HEADINGS. The captions and headings in this Cooperative Purchasing Master Agreement are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Cooperative Purchasing Master Agreement nor the meaning of any provisions hereof.

17.22. ELECTRONIC SIGNATURES. An electronic signature of this Cooperative Purchasing Master Agreement or any other ancillary agreement shall be deemed to have the same legal effect as delivery of an original executed copy of this Cooperative Purchasing Master Agreement or such other ancillary agreement for all purposes.

17.23. COUNTERPARTS. This Cooperative Purchasing Master Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Cooperative Purchasing Master Agreement at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Cooperative Purchasing Master Agreement.

EXECUTED as of the date and year first above written.

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

By: Elena McGrew
Elena McGrew
Its: Acting Statewide Enterprise Procurement Manager

SABRE COMMUNICATIONS CORPORATION,
AN IOWA CORPORATION

By: Phillip Haigler
Digitally signed by Phillip Haigler
DN: cn=Phillip Haigler, o=Sabre Communications Corp., ou, email=plhaigler@sabreindustries.com, c=US
Date: 2021.08.05 13:18:13 -05'00'
Phillip Haigler
Its: Contracts Manager – Federal Programs

EXHIBIT A

INSURANCE REQUIREMENTS

1. **INSURANCE OBLIGATION**. During the Term of this Cooperative Purchasing Master Agreement, Contractor shall possess and maintain in full force and effect, at Contractor's sole expense, the following insurance coverages:

    a. COMMERCIAL GENERAL LIABILITY INSURANCE. Commercial general liability insurance (and, if necessary, commercial umbrella liability insurance) covering bodily injury, property damage, products/completed operations, personal injury, and advertising injury liability on an 'occurrence form' that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) under the most recent version of form CG 00 01 in the amount of not less than $2,000,000 per occurrence and $4,000,000 general aggregate. This coverage shall include blanket contractual liability coverage. This coverage shall include a cross-liability clause or separation of insured condition.

    b. WORKERS' COMPENSATION INSURANCE. Contractor shall comply with applicable Workers' Compensation or Industrial Accident insurance providing benefits as required by law.

    c. EMPLOYERS' LIABILITY (STOP GAP) INSURANCE. Employers' liability insurance (and, if necessary, commercial umbrella liability insurance) with limits not less than $1,000,000 each accident for bodily injury by accident, $1,000,000 each employee for bodily injury by disease, and $1,000,000 bodily injury by disease policy limit.

    The insurance coverage limits set forth herein are the minimum. Contractor's insurance coverage shall be no less than the minimum amounts specified. Coverage in the amounts of these minimum limits, however, shall not be construed to relieve Contractor from liability in excess of such limits. Contractor waives all rights against the State of Washington for the recovery of damages to the extent such damages are covered by any insurance required herein.

2. **INSURANCE CARRIER RATING**. Coverages provided by Contractor must be underwritten by an insurance company deemed acceptable to the State of Washington's Office of Risk Management. Insurance coverage shall be provided by companies authorized to do business within the State of Washington and rated A- Class VII or better in the most recently published edition of Best's Insurance Rating. Enterprise Services reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

3. **ADDITIONAL INSURED**. Commercial General Liability, Commercial Automobile Liability, and Pollution Liability Insurance shall include the State of Washington and all authorized Purchasers (and their agents, officers, and employees) as Additional Insureds evidenced by copy of the Additional Insured Endorsement attached to the Certificate of Insurance on such insurance policies.

4. **CERTIFICATE OF INSURANCE**. Prior to execution of the Cooperative Purchasing Master Agreement, Contractor shall furnish to Enterprise Services, as evidence of the insurance coverage required by this Cooperative Purchasing Master Agreement, a certificate of insurance satisfactory to Enterprise Services that insurance, in the above-stated kinds and minimum amounts, has been secured. In addition, no less than ten (10) days prior to coverage expiration, Contractor shall furnish to Enterprise Services an updated or renewed certificate of insurance, satisfactory to

Enterprise Services, that insurance, in the above-stated kinds and minimum amounts, has been secured. Failure to maintain or provide proof of insurance, as required, will result in contract cancellation. **All policies and certificates of insurance shall include the Cooperative Purchasing Master Agreement number stated on the cover of this Cooperative Purchasing Master Agreement**. . All certificates of Insurance and any related insurance documents shall be delivered to Enterprise Services by U.S. mail, postage prepaid, or sent via email, and shall be sent to the address or email address set forth below or to such other address or email address as Enterprise Services ma

US Mail: Contracts & Procurement – Cooperative Purchasing Master Agreement Insurance Certificate
Master Contract No. 00318 – Public Safety Communications Products, Services and Solutions
Attn: Team Cypress
Washington Dept. of Enterprise Services
PO Box 41411
Olympia, WA 98504-141

Email: DESContractsTeamCypress@des.wa.gov

Note: For Email notice, the Email Subject line must state:
Cooperative Purchasing Master Agreement Insurance Certificate – Master Contract No. 00318 – Public Safety Communications Products, Services and Solutions

5. **PRIMARY COVERAGE**. Contractor's insurance shall apply as primary and shall not seek contribution from any insurance or self-insurance maintained by, or provided to, the additional insureds listed above including, at a minimum, the State of Washington and/or any Purchaser. All insurance or self-insurance of the State of Washington and/or Purchasers shall be excess of any insurance provided by Contractor or subcontractors.

6. **SUBCONTRACTORS**. Contractor shall include all subcontractors as insureds under all required insurance policies. Alternatively, prior to utilizing any subcontractor, Contractor shall cause any such subcontractor to provide insurance that complies with all applicable requirements of the insurance set forth herein and shall furnish separate Certificates of Insurance and endorsements for each subcontractor. Each subcontractor must comply fully with all insurance requirements stated herein. Failure of any subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

7. **WAIVER OF SUBROGATION**. Contractor waives all rights of subrogation against the State of Washington and any Purchaser for the recovery of damages to the extent such damages are or would be covered by the insurance specified herein.

8. **NOTICE OF CHANGE OR CANCELLATION**. There shall be no cancellation, material change, exhaustion of aggregate limits, or intent not to renew insurance coverage, either in whole or in part, without at least sixty (60) days prior written Legal Notice by Contractor to Enterprise Services. Failure to provide such notice, as required, shall constitute default by Contractor. Any such written notice shall include the Cooperative Purchasing Master Agreement number stated on the cover of this Cooperative Purchasing Master Agreement.

9. **EXTENDED REPORTING PERIOD**. If any required insurance coverage is on a claims-made basis (rather than occurrence), Contractor shall maintain such coverage for a period of no less than three (3) years following expiration or termination of the Cooperative Purchasing Master Agreement.

Sabre Executed - 00318 NVP-MA-Sabre-Final Clean-20210805

Final Audit Report 2021-08-06

Created:	2021-08-05
By:	Neva Peckham (neva.peckham@des.wa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAN5oTSw83T3bsxYPYDbfFkQvdnPjFUPPA

"Sabre Executed - 00318 NVP-MA-Sabre-Final Clean-20210805 " History

Document digitally presigned by Phillip Haigler (plhaigler@sabreindustries.com)
2021-08-05 - 6:18:13 PM GMT- IP address: 198.238.242.30

Document created by Neva Peckham (neva.peckham@des.wa.gov)
2021-08-05 - 6:23:13 PM GMT- IP address: 198.238.242.30

Document emailed to Elena McGrew (elena.mcgrew@des.wa.gov) for signature
2021-08-05 - 6:23:57 PM GMT

Email viewed by Elena McGrew (elena.mcgrew@des.wa.gov)
2021-08-06 - 5:07:43 AM GMT- IP address: 104.47.64.254

Document e-signed by Elena McGrew (elena.mcgrew@des.wa.gov)
Signature Date: 2021-08-06 - 5:10:49 AM GMT - Time Source: server- IP address: 198.238.242.30

Agreement completed.
2021-08-06 - 5:10:49 AM GMT

Adobe Sign

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. E.**

Meeting Date: 02/12/2025

Department Head: Fernando Corona, Security Administrator, Administration, Information Technology

Submitted By: Fernando Corona, Information Technology Manager, Administration, Information Technology

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the authorization to purchase fabrication of a shelter for the essential protection of communication and radio repeater equipment as part of radio service for first responders. **(Fernando Corona, IT Manager)**

SUMMARY:

The Information Technology Division is seeking approval to begin the planning and construction of a 16-by-17-foot concrete shelter. The shelter will be procured through the National Association of State Procurement Officials ("NASPO") State Contract with Sabre Industries, who has provided a quote for the planning, design, and construction of the 16 by 17-foot shelter at a total cost of $336,917.10. The shelter will include a power generator, ventilation and air conditioning (HVAC) system, six network racks, door access control, lighting, and other items necessary to safeguard the radio repeater and networking equipment.

The entire process, including planning, design, and construction, will take 34 weeks. To make sure the shelter is ready by October, we would like to ask for approval to place the order as soon as possible to accommodate the scheduled installation of the new radio repeater produced by the Yuma Regional Communication System (YRCS) and planned for installation in the fiscal year 2026

We are seeking approval to utilize $39,000.00 in Arizona Department of Emergency and Military Affairs Border Security Force ("AZ DEMA BSF") Grant funds and $297,917.10 from the fiscal year 2026 general funds, as the project is anticipated to be completed by October 2026. The shelter will provide essential protection for communication equipment, including the radio repeater, critical for improving radio communications for San Luis Public Safety first responders. The shelter procurement will be made through the National Association of State Procurement Officials ("NASPO") State Contract with Sabre Industries, which has provided a quote for the necessary structure at $336,917.10.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE $39,000.00 FROM THE AZ DEMA BSF GRANT FUNDS AND THAT $297,917.10 BE BUDGETED AND APPROVED FROM THE FISCAL YEAR 2026 BUDGET TO PURCHASE THE COMMUNICATIONS SHELTER, AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Fiscal Year 2026
CITY/STATE/FEDERAL FUNDS:	STATE GRANT AND CITY

TOTAL:	$336,917.10
BUDGETED AMOUNT:	$336,917.10
AVAILABLE AMOUNT TO TRANSFER:	NA
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	250-181-90000

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

Seeking approval to utilize $39,000 in AZ DEMA BSF Grant funds and $297,917.10 from FY26 general funds.

Attachments

Proposal

1709210327_NASPO Public Safety Communications Products, Services and Solutions AZ Participating Addendum - Sabre-STATE_Cotract

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January 20, 2025

Fernando Corona
City of San Luis, AZ
1090 E. Union St., PO Box 1170
San Luis, AZ 85349
(928) 341-8579
Email: fcorona@sanluisaz.gov

Quote No: **24-0222 Rev 2**
Size: 16'0" x 27'0" Concrete Shelter
Project: Modular Data Center – San Luis, AZ

Cellxion is pleased to present the following specification:

Building Size:
- Exterior: 16'-0" W x 27'-0" L x 10'-2" H
- Roof overhang: 2"
- Interior: 14'-11" W x 25-11" L x 9'-0" H
- Est. Weight: ~78,000lbs (empty weight)

Design Loading:
- Floor Load: 300psf
- Roof Load: 150psf
- Walls: 150 mph
- Seismic Design Category: Per site requirement

Construction Type:
- Floor: 5 ¾" lightweight concrete, waffle-type construction
- Walls: 4" solid lightweight concrete; 2 – Hour Fire-rated Construction per UBC
- Roof: solid lightweight concrete, 4" at eaves and 5" at ridge, gable design
- Step-joint floor perimeter design
- 5000 psi lightweight concrete
- Reinforcing steel #4 & #6 bars; 60,000 psi (Grade 60 ASTM-615)
- Meets bullet resistance UL 752 levels 1, 2, 3 & 6 for 4" concrete
- Walls: washed exposed aggregate and sealed exterior finish
- Roof: troweled surface, sealed and liquid applied roofing membrane
- Walls: R-13
- Ceiling:R-19

Interior Finish:
- Walls: white high-density polyethylene (NRP) bonded to 7/16" plywood
- Floor: covered with 1/8" x 12" x 12" commercial tile with 4" base cove
- Ceiling: white high-density polyethylene (NRP) bonded to 7/16" plywood

Entry:
- One (1) 3670, insulated, primed & painted, steel door and door frame
- One (1) Von Duprin 99EO 26D 3F exit device
- One (1) HES 9600 HES010415 9600-12/24-630-LBM electric strike

- One (1) card reader, HID 6005BGB00
- One (1) lockset construction core, Best, MAG-LA or equivalent (CX p/n 504501)
- Two (2) keys, construction operation, Best, MAG-LA, or equivalent (CX p/n 504108)
- One (1) 6" lockset pick guard, Precision, 1625-6" or equivalent (CX p/n 504518)
- One (1) hydraulic door closer, Sargent, #1104 or equivalent (CX p/n 504100)
- One (1) set door weather-stripping
- One (1) set anti-friction bearing door hinges, non-removable pin
- One (1) door drip cap
- One (1) 6" door hold latch
- One (1) door canopy, 54", metal

Electrical:

- One (1) loadcenter, 42 position, 200 amp, 120/240v, single phase, 200amp main breaker, Square D with breakers as required
- One (1) disconnect, 200amp, NEMA1, fused, Square D, D224NR or equivalent.
- One (1) ATS, 200amp, 120/240v, single phase, NEMA1, ASCO or equivalent
- One (1) surge arrestor, Transtector, SAD/MOV, 120TMR, 1101-808-01
- One (1) surge arrestor, Transtector, MOV only, 120TR, 1101-808-MM01
- One (1) sleeved service entry, sized as required
- Six (6) duplex receptacles, 125v, 20 amp, NEMA 5-20R, Leviton, CR20V-BU or equivalent (CX p/n 430034) – wall mounted
- Four (4) quad receptacles, 125v, 20 amp, NEMA 5-20R, Leviton, CR20V-BU or equivalent (CX p/n 430034) – cable tray mounted
- One (1) exterior GFCI receptacle, 125v, 20 amp, NEMA 5-20R, Cooper VGF20V or equivalent in weatherproof box & cover
- Four (4) rectifier drops
- Conduit, wiring, j-boxes, connectors, as required

Lighting:

- Twelve (12) interior LED light fixture, 2 bulb, 4 ft., with wrap-around lens cover
- One (1) exterior light fixture, LED w/photocell
- One (1) emergency/exit signs LED dual bulb with battery backup
- One (1) interior light switches, 120v, 15 amp, 3-way
- One (1) exterior light switches, 120v, 15 amp, 3-way

HVAC:

- Two (2) wall mounted HVAC units, 60,000 BTU, 5kw heat strip, 11EER, R410A refrigerant, Bard, 11EER, W60AY-A05XPXXXJ or equivalent
- One (1) controller, Bard, MC4002-A or equivalent
- HVAC supply and return grilles

Alarms:

- All alarm conductors pulled and wired to terminal block, punched down and labeled
- One (1) 4'x8'x ¾" Telco Board
- One (1) alarm block, Siemon, S66M1-50 or equivalent (CX p/n 430075 & (6) 430089)
- One (1) high temperature, Dayton, 1UHH2 or equivalent (CX p/n 460101)
- One (1) low temperature, Dayton, 1UHH2 or equivalent (CX p/n 460101)
- One (1) door intrusion alarm
- Two (2) smoke detectors, ionization, 120VAC with battery backup
- One (1) AC power fail alarm
- Two (2) hvac fail alarms
- Two (2) TVSS alarms

Cable Entry & Cable Ladder:

- One (1) waveguide, 6 port (2x3) with sealing caps
- Fifty (50) linear feet of 1 ½" x 12", gold chromate, tubular cable ladder with hangers and hardware
- One (1) 4" diameter PVC telco penetration

Grounding:

- #2 green insulated stranded copper wire halo connected to interior master ground bar (single point R56 with 12" gap minimum)
- One (1) ¼" x 4" x 16" copper ground bar, tinned, interior
- One (1) ¼" x 4" x 16" copper ground bar, tinned, exterior
- All metallic components to be grounded to halo with #6 green insulated stranded copper wire (i.e., electrical distribution box, door frame, equipment racks, etc)
- Cable ladder – bond sections together with #2 green stranded copper. Run #2 green stranded copper from the closest point of the cable runway to the MGB
- Door to be grounded to door frame with ½" braided copper strap
- Four (4) schedule 40 PVC sleeves 1", installed at 45 degrees through wall for ground exits

Miscellaneous:

- Three (3) set of PE sealed drawings
- One (1) wall pocket tray for files
- Four (4) 19" equipment racks, 2 post
- Furnish all anchorage connection brackets and lifting lugs as required to offload and secure shelter to customer supplied foundation
- Shelter operations and maintenance manual
- Building will meet all Federal, State and Local Codes

Pricing (Concrete):

Site Name	Qty	Price Each	NASPO Discount	Total
16'0" x 27'0" Concrete	1	$226,314.00	$15,842.00	$210,472.00
Est Shelter Freight to San Luis, AZ	1	$37,692.00		$37,692.00
Est Shelter Tie Down (does not include crane)	1	$14,375.00		$14,375.00
45kW LP Kohler Generator (20-24 Week Lead)	1	$44,375.00	$3,145.00	$41,785.00
Taxes	1	$32,870.49		$32,870.49
Total				**$336,917.10**

*Please note the freight quote, if provided, is preliminary and is subject to change based on any alternations to the designs as well as the actual time of shipment. Sabre Industries makes no representations or warranties regarding the preliminary freight quotes and shall not be liable for Buyer's reliance on the preliminary freight quotes. We will provide the final freight quote just prior to the products scheduled shipment. Price does not include transloading of the shelter or any specialized equipment to get to the site if there are site access issues. Clear access must be provided for safe and adequate operation, free from all obstruction for transport and site installation.

All purchase orders shall be made payable to: Sabre Industries – 5031 Hazel Jones Road – Bossier City, LA 71111 – (318) 213-2900 - and emailed to CXPurchaseOrders@sabreindustries.com

Bid Notes:

1) This quotation does NOT include any state, federal, or local sales, use, excise taxes, contractors or any other taxes not specifically detailed in this proposal.
2) Quotation is valid for thirty days.
3) Offload and setup not included unless specifically quoted above.
4) Clear access must be provided for safe and adequate operation, free from all obstruction for transport and site installation. Installation charges, if required, are based on average costs and allows for a maximum 4hour offload. Weather and site conditions may adversely affect offload time. Any additional charges incurred after 4 hours will be invoiced separately, as will locality surcharges.
5) Terms: Net 30 days after delivery or 30 days from building completion date, whichever is first and pending prior credit approval. Past due invoices are subject to late fees billable at a rate of 1-1/2% per month.
6) In the event of construction delays or any other delays in delivery not due to Supplier, Buyer shall notify Supplier in writing to postpone and delay the delivery of any Products which have been manufactured by Supplier. In the event Buyer is unable to accept delivery at the scheduled dates, Buyer shall store completed Products at Supplier's facility under a Bill and Hold arrangement. Under a Bill and Hold arrangement, Supplier may store the finished Products for up to thirty (30) days free of storage charge, subject to space availability and confirmation at time of request by Buyer. After thirty (30) days, Supplier may charge Buyer storage fee at a price agreed upon by both Parties. Under a Bill and Hold arrangement, Supplier shall invoice Products at completion of fabrication, regardless of delivery status. Buyer understands and agrees that title and risk of ownership will pass to Buyer under a Bill and Hold arrangement, and the invoice will be paid according to normal payment terms noted elsewhere in this agreement. It is further understood that regarding risk of loss, Supplier will maintain custodial obligations for the Products, including responsibility for damage to the Products while at Supplier's facility.
7) The prices include only the material, labor and services explicitly stated in this written proposal.
8) The bidder retains the option to decline the project without occurring any penalties in the event that a mutually acceptable contract cannot be reached.

Delivery:

Approval drawings to be submitted 14 weeks after award of contract; shelter delivery will be 20-22 weeks after receipt of approved drawings. Unless arrangements are made in advance, fabrication commences upon receipt of signed approval drawings. *Note that State Approvals may impact the delivery time frame. Sabre does not accept any responsibility for any delays caused by obtaining final approvals and inspections.*

Our proposal is based on the Sabre Terms and Conditions, which are attached.

Thank you for considering Sabre for your requirements. If we can be of further assistance or service, please feel free to give us a call.

Sincerely,

Clay McGee

Clay McGee
Vice President/General Manager – Building Systems
Sabre Industries, Inc.

Note:
For any questions regarding this quotation, please contact:
James Harrison
318-465-3115
jharrison@sabreindustries.com

Ben Williams
513-312-1303
benwilliams@sabreindustries.com

SABRE INDUSTRIES, INC STANDARD TERMS AND CONDITIONS

OVERVIEW: The written offer to the Buyer named ("**Buyer**") in the written proposal ("**Proposal**") by Sabre Industries, INC ("**Sabre**") that describes the tubular products ("**Products**") and/or services ("**Services**") to be provided by Sabre, the prices for the same, the anticipated delivery or fabrication date and such additional information as may be included in the Proposal are made subject exclusively to these standard terms and conditions ("**Standard Terms and Conditions**") stated herein and are valid for acceptance by Buyer in writing within thirty (30) days of the date of the Proposal. All prices and clerical errors are subject to change and/or correction without notice. The Products to be furnished and/or Services to be accomplished as a result of the Proposal are limited strictly to the Products and/or Services outlined in the Proposal. **BUYER'S SUBMISSION OF A PURCHASE ORDER OR OTHER SIMILAR DOCUMENT IN RESPONSE TO THE PROPOSAL IS CONCLUSIVE ASSENT TO AND ACCEPTANCE OF THESE STANDARD TERMS AND CONDITIONS UNLESS SPECIFIC PROVISIONS ARE OBJECTED TO IN WRITING BY**
BUYER AND ACCEPTED IN WRITING BY SABRE. The provisions of the Proposal and these Standard Terms and Conditions shall constitute the entire contract and agreement between Buyer and Sabre ("**Agreement**").

PRICES AND FEES: The prices and/or fees for Products and Services are set forth in the Proposal. Unless Buyer shall have provided Sabre with a valid and effective tax exemption certificate or satisfactory evidence of same, all federal, state and local taxes (other than those based upon Sabre's net income) imposed upon Sabre's Products or Services performed hereunder shall be paid by Buyer. Payment is due within thirty (30) days after the date of Sabre's invoice. Past due amounts are subject to an interest charge of the lower of one and one-half per cent (1-1/2%) per month or the highest rate permitted by law plus all reasonable fees and expenses of collection, including attorney's fees. Time is of the essence with respect to payments to Sabre.

DELIVERY: All Products will be delivered F.O.B. Sabre's facility unless delivery is specified to be F.O.B. destination, in which case Buyer will pay the cost of transportation and insurance. Buyer must make careful inspection of Products when received. Buyer must note on the bill of lading any claim that the shipment is not complete or that the Products are damaged in any other way, or not in all respects in proper condition prior to off-loading and shall make all claims pertaining to the shipment to Sabre on the bill of lading or such claims will be declined. Sabre is not liable for downtime suffered by Buyer because of delayed delivery. Title, ownership, risk of loss, risk of material obsolescence as well as risk of material market value decline shall pass to the Buyer upon delivery. If Buyer delays shipment, Sabre shall invoice Buyer for the Products on the date shipment would have otherwise occurred, however, as an accommodation to Buyer, Sabre will maintain insurance coverage against the risk of loss for property damage on all Products being stored by Sabre as an accommodation to Buyer. In the event of construction delays or any other delays in delivery not due to Sabre, Buyer shall notify Sabre in writing to postpone and delay the delivery of any Products which have been manufactured by Sabre. In the event Buyer is unable to accept delivery at the scheduled dates, Buyer shall store completed Products at Sabre's facility under a Bill and Hold arrangement. Under a Bill and Hold arrangement, Sabre may store the finished Products for up to thirty (30) days free of storage charge, subject to space availability and confirmation at time of request by Buyer. After thirty (30) days, Sabre may charge Buyer storage fee at a price agreed upon by both Parties. Under a Bill and Hold arrangement, Sabre shall invoice Products at completion of fabrication, regardless of delivery status. Buyer understands and agrees that title and risk of ownership will pass to Buyer under a Bill and Hold arrangement, and the invoice will be paid according to normal payment terms noted elsewhere in this agreement. It is further understood that regarding risk of loss, Sabre will maintain custodial obligations for the Products, including responsibility for damage to the Products while at Sabre's facility.

DELAYS: Sabre shall not be liable for any delay or failure to perform its obligations due to any cause beyond its reasonable control, including, without limitation, lack of cooperation or assistance by Buyer, labor difficulties, fire, accident, act of the public enemy, war, public disturbances, sabotage, transportation delay, shortage of material, energy, or machinery, or act of God, government or the judiciary or any disruption caused by a third party that materially impairs Sabre's performance hereunder. If a delay has occurred, Sabre shall notify Buyer of such delay and submit to Buyer a new schedule based on the impact of said delays. Sabre shall not be responsible for liquidated damages or crew downtime incurred for any reason.

EXCLUSIVE WARRANTY AND EXCLUSIVE REMEDY:
Products. Sabre's exclusive limited warranty relating to the Products is that the Products, under normal use and service and when properly maintained, will conform to Sabre's specifications in all material respects and shall be free of material defects in materials and workmanship when delivered. Sabre reserves the right to change or modify the design or construction of any of its Products and to substitute material equal to or superior to that originally specified. The warranty period is one (1) year from date of delivery of the Products. In the event Sabre agrees that the Products do not conform to this exclusive warranty, Buyer's exclusive remedy shall be, at Sabre's option and expense, the following: (i) Sabre shall correct any material defect or (ii) Sabre shall furnish a replacement Product.
Services. With respect to Services, Sabre's exclusive warranty is that the Services shall be performed in a workmanlike fashion. In the event Sabre breaches this warranty, Buyer's exclusive remedy shall be, at Sabre's option and expense:
(i) Sabre shall correct such Services within ninety (90) days of the performance of the Services; or (ii) Sabre shall refund the price paid for the applicable portion of the Services.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND OF ANY OTHER TYPE, WHETHER EXPRESS OR IMPLIED. IT SHALL BE THE BUYER'S SOLE RESPONSIBILITY TO VERIFY THAT THE PRODUCTS MEET THE SUITABILITY AND USABILITY REQUIREMENTS OF THE INTENDED APPLICATION OF BUYER.

LIMITATION OF LIABILITY: IN NO EVENT SHALL SABRE BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR REVENUE OR DOWNTIME EVEN IF SABRE HAS BEEN ADVISED OF THE POSSIBILITY OF THE FOREGOING. IN NO EVENT SHALL SABRE'S LIABILITY ON ANY CLAIMS FOR DAMAGES ARISING OUT OF OR CONNECTED WITH THE PRODUCTS AND/OR SERVICES OR OTHERWISE EXCEED THE LESSER OF BUYER'S DIRECT DAMAGES OR THE PRICE PAID BY BUYER FOR THE PRODUCTS AND/OR SERVICES.

BUYER RESPONSIBILITIES: Buyer represents and warrants to Sabre that Buyer possesses all necessary expertise to properly select, install and/or use the Products or that Buyer has secured the services of a competent professional with respect to the foregoing. Buyer agrees to be responsible for all claims, losses, expenses, fines, penalties, damages, demands, judgments, actions, causes of action, suits and liability caused by Buyer's improper selection, use, installation or dealings with the Products. Unless otherwise stated in the Proposal, the prices in the Proposal do not include antennas, transmission lines, jumpers, ground kits, hangars and hardware.

INDEMNIFICATION: To the fullest extent allowed by law, each party will indemnify, defend and hold the other party and its respective parents, subsidiaries, affiliates, directors, officers, partners, stockholders, associates, employees and agents (collectively, "**Indemnitees**") harmless from and against all claims, losses, expenses, fines, penalties, damages, demands, judgments, actions, causes of action, suits and liability claimed by a third party for personal injury, death or damage to tangible property (collectively, "**Liabilities**") proximately caused by the party from which indemnification is sought ("**Indemnitor**") provided the Indemnitees give the Indemnitor prompt written notice of any of the foregoing and provide full cooperation and assistance to the Indemnitor in the investigation and defense of such claim and grants the Indemnitor exclusive control of the defense and settlement thereof. No indemnification will be requested by or provided to a party whose actions are a contributing cause, in whole or in part, to the Liabilities.

LAW; ARBITRATION OF DISPUTES. This Agreement shall be governed by the laws of the State of Texas, excluding its conflicts of laws provisions. The parties agree that any controversy or claim (whether such controversy or claim is based upon or sounds in statute, contract, tort or otherwise) arising out of or relating to the Products and/or Services, any performance or dealings between the parties, or any dispute arising out of the interpretation or application of these Standard Terms and Conditions or any dealings between the parties and/or their respective directors, managers, partners, officers, employees, representatives or agents, which the parties are not able to resolve, will be settled exclusively by arbitration in Fort Worth, Texas by a single arbitrator pursuant to the American Arbitration Association's Commercial Arbitration Rules. Discovery will be permitted in accordance with the Federal Rules of Civil Procedure of the United States. The prevailing party will be entitled to recover reasonable attorneys' fees, costs and necessary disbursements incurred in addition to any other relief to which such party may be entitled.

NOTICES: All notices, requests, demands, claims and other communications hereunder will be in writing. Each party agrees to promptly provide written notice of any suspected breach of these Standard Terms and Conditions, the specifics of any claim of breach or for damages and to provide the other with a reasonable opportunity to investigate and cure any curable matter. In order to bring an action against Sabre for damages, Buyer must give notice to Sabre of any claim for damages within six (6) months of the date the claim arises. No claim of breach of these Standard Terms and Conditions shall be made by Buyer unless and until all uncontested amounts are paid to Sabre.

WAIVER: Any waiver of any breach of these Standard Terms and Conditions shall not be effective unless set forth in a writing signed by an officer of the waiving party.

ENTIRE AGREEMENT: These Standard Terms and Conditions constitute the entire agreement between the parties and may only be modified by a written instrument executed by an authorized officer of both parties. Neither Sabre nor Buyer shall be bound by any oral agreement or representation, irrespective of when made. Buyer agrees that the use of Buyer's preprinted forms, such as Buyer's purchase orders, are for convenience only and allterms and conditions stated thereon are void and of no effect.

NASPO ValuePoint

PARTICIPATING ADDENDUM

PUBLIC SAFETY COMMUNICATIONS PRODUCTS, SERVICE AND SOLUTIONS

Lead by the State of **Washington**

Master Agreement #: 00318 State of Arizona Contract #CTR069967

Contractor: **Sabre Communications Corporation**

Participating Entity: **STATE OF ARIZONA**

The following products or services are included in this contract portfolio:

Sabre Communications Corporation has been awarded the following categories/sub-category/solutions. Detail regarding available services, warranty, software options along with products and pricing are available on the NASPO ValuePoint webpage.

11.2 Equipment Shelter: Concrete
12.4 Towers: Guyed
12.5 Towers: Guyed, Light
12.6 Towers: Lattice
12.7 Towers: Lattice, Light
12.8 Towers: Monopole

Master Agreement Terms and Conditions:

1. Scope: This addendum covers the *Public Safety Communications Products, Services and Solutions* led by the State of Washington for use by state agencies and other entities located in the Participating State *[or State Entity]* authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.

2. Participation: This NASPO ValuePoint Master Agreement may be used by the State of Arizona, and its departments, agencies, boards, commissions, universities, and other entities authorized to use statewide contracts in the State of Arizona. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official. State of Arizona Agencies, Boards and Commissions engaging in Design or Construction activities need to comply with A.R.S. 41-791.01 and SP044 of the Arizona State Procurement Office.

3. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Phillip Haigler
Address:	7101 Southbridge Drive Sioux City, IA 51111
Telephone:	(850) 225 - 9614
Fax:	
Email:	plhaigler@sabreindustries.com

Participating Entity

Name:	John Red Horse
Address:	1802 W. Jackson St., #100 Phoenix, AZ 85007
Telephone:	602-695-6602
Fax:	
Email:	john.redhorse@azdoa.gov

4. Participating Entity Modifications Or Additions To The Master Agreement

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

[___] No changes to the terms and conditions of the Master Agreement are required.

[___X] The following changes are modifying or supplementing the Master Agreement terms and conditions.

Notwithstanding any provision of the Agreement ("the Agreement") to the contrary, Contractor ("Contractor") agrees to abide the following terms and provisions that are required for contracts with the State Procurement Office ("the Department"), an agency of the State of Arizona:

1. No Indemnification. Notwithstanding any provision of the Agreement to the contrary, the Department is not authorized to indemnify the Contractor.

To the fullest extent allowed by law, each Party will indemnify, defend and hold the other Party and its respective parents, subsidiaries, affiliates, directors, officers, partners, stockholders, associates, employees and agents harmless from and against all third party claims, losses, expenses, fines, penalties, damages, demands, judgments, actions, causes of action, suits and liability arising out of or in connection with any injury, damage, or death caused by the negligence or willful misconduct of the Indemnifying Party or its agents, employees, or representatives in the course of performing the obligations set forth in this this Agreement.

Indemnification provided in this agreement shall only be proportionate to the degree of negligence or willful misconduct of the indemnifying party. The indemnifying party shall not be liable for any damages or losses that are not directly caused by its negligence or willful misconduct.

2. Availability of Funds. Every payment obligation of the Department under this Agreement is conditioned upon the availability of funds appropriated and allocated for the payment of such obligation. If funds are not appropriated, allocated and available or if the appropriation is changed by the legislature resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated by the Department or any other agency of the State of Arizona at the end of the period for which funds are available. No liability shall accrue to the Department or any other agency of the State of Arizona in the event this provision is exercised, and neither the Department nor any other agency of the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph. In the event of cancellation, charges on uncompleted Goods or Services shall not exceed Contractor's cost at the end of the notice period following termination. Contractor's cost shall include direct and indirect costs, including materials, labor and overhead, but shall not include any profit on work performed to date on uncompleted Goods or Services. Charges for all completed Goods or Services shall be the selling price as stated in the Purchase Order or most recent change order.

3. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain any and all Data and other "records" relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

A.R.S. § 35-214. Inspection and audit of contract provisions

A. Except as provided in subsection C, in all contracts and subcontracts for the furnishing of goods, equipment, labor, materials or services to the state, or any of its agencies, boards, commissions or departments, there shall be a provision that all books, accounts, reports, files and other records relating to the contract shall be subject at all reasonable times to inspection and audit by the state for five years after completion of the contract. The contract provision shall also require that such records be produced at such state offices as designated by the state in the contract.

B. Nothing in subsection A shall preclude a more stringent audit requirement agreed to by the parties in any state contract, and no rule of procedure shall limit the authority of the state to exercise its rights under this section.

C. This section does not apply to contracts or subcontracts for the furnishing of goods, equipment, materials or services to any agency, board, commission or department of this state by another agency, board, commission or department of this state or a political subdivision of this state.

A.R.S. § 35-215. Influencing, obstructing or impairing audit; classification

A person who, with intent to defraud, or deceive, improperly influences, obstructs or impairs an audit being conducted or about to be conducted in relation to any contract or subcontract with the state is guilty of a class 5 felony.

4. Non-Discrimination. The Contractor shall comply with State Executive Order Nos. 2023-09, 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

5. Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any Subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

6. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547.

A.R.S. § 41-2547. Right to inspect plant

The state may at reasonable times inspect the part of the plant or place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by this state.

Inspection at Facility – Contractor's proposed schedule and price does not contemplate any disruptive or additional holding and supervisory conditions caused by inspections from Department or Department's representative at Contractor's facility during the manufacturing process. For confidentiality, safety and scheduling reasons, Contractor, at its sole discretion, reserves the right to approve the presence or supervision of Department or Department's representative at Contractor's facility during any phase of the manufacturing process and may require Department or its representative to sign a Non-Disclosure Agreement prior to entering Contractor's premises.

7. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the signature block to the Contract submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the

Procurement Officer stated in the Contract, or listed on the State's eProcurement system. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other; an amendment to the Contract shall not be necessary.

8. Federal Immigration and Nationality Act. Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, Contractor shall flow down this requirement to all Subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and Subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor or any Subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default and suspension or debarment of the contractor.

9. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.

10. Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.

11. Certifications Required by State Law.

    11.1. If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 *et seq*. and will refrain from any such boycott for the duration of this Contract.

    11.2. Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

12. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt of Materials or Services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

13. Applicable Taxes

    13.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

    13.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are

the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

13.3. Tax Indemnification. Contractor and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all Subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

13.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

14. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern Materials or Services supplied by third parties to the Contractor, toward fulfillment of this Contract.

15. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

A.R.S. § 38-511. Cancellation of political subdivision and state contracts; definition

A. The state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

B. Leases of state trust land for terms longer than ten years cancelled under this section shall respect those rights given to mortgagees of the lessee by section 37-289 and other lawful provisions of the lease.

C. The cancellation under this section by the state or its political subdivisions shall be effective when written notice from the governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time.

D. The cancellation under this section by any department or agency of the state or its political subdivisions shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

E. In addition to the right to cancel a contract as provided in subsection A of this section, the state, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract.

F. Notice of this section shall be included in every contract to which the state, its political subdivisions, or any of the departments or agencies of either is a party.

G. For purposes of this section, "political subdivisions" do not include entities formed or operating under title 48, chapter 11, 12, 13, 17, 18, 19 or 22.

16. Contract Claims. All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

17. Arbitration. The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (A.R.S. Title 41).

A.R.S. § 12-1518. State and political subdivisions; use of arbitration

A. In the discretion of any state agency, board or commission or any political subdivision of this state, the services of the American arbitration association, or any other similar body, may be used as provided by this article. Any agreement to make use of arbitration shall be made either at the time of entering into a contract or by written mutual agreement at a subsequent time prior to the filing of any civil action.

B. Notwithstanding subsection A of this section, a state agency, board or commission shall include an agreement to make use of arbitration in all contracts which are subject to mandatory arbitration pursuant to rules adopted under section 12-133.

C. Notwithstanding subsection A or B of this section, a state agency, board or commission shall include an agreement to make use of arbitration as provided in this article in public works contracts if the amount in controversy is less than one hundred thousand dollars.

18. Subcontractors: All contactors, dealers, and resellers authorized in the State of *Arizona* as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

19. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

20. Attachment "A". Boycott of Israel Pursuant to A.R.S. § 35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Materials or Services from Israel."

21. Attachment "B". Pursuant to A.R.S. § 35-394, written certification is required to show that the company entering into a contract with a public entity does not use the forced labor, or use any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor or any goods or services produced by the forced labor, of ethnic Uyghurs in the People's Republic of China.

22. Liability Limitation

22.1. Limit. Subject to the provisos that follow below and unless stated otherwise in the Special Terms and Conditions, State's and Contractor's respective liability arising from or related to the Contract is limited to one (1) time the purchase price of the specific Materials or Services giving rise to the claim whether based in contract, tort, warranty or other theory of recovery. This limitation of liability applies to all arbitration decisions, settlements, judgments, losses, damages, costs, expenses, attorney's fees, remedies, or any other form of compensation.

22.2. Provisos. - To the fullest extent permitted by applicable law, and notwithstanding any other provisions in this Agreement, neither Party shall not be liable to the other Party under any theory of recovery, whether based in contract, tort, warranty, or other theory of recovery for any loss of profits, revenue, business opportunity, interest, or goodwill, or any indirect or consequential damages, incidental, special, exemplary, or punitive damages, whether or not foreseeable, arising out of or in connection with this Agreement.

23. Bill and Hold: In the event of construction delays or any other delays in delivery not due to Contractor, the Department shall notify Contractor in writing to postpone and delay the delivery of any Products which have been manufactured by Contractor. In the event the Department is unable to accept delivery at the scheduled dates, the Department shall store completed Products at Contractor's facility under a Bill and Hold arrangement. Under a Bill and Hold arrangement, Contractor may store the finished Products for up to thirty (30) days free of storage charge, subject to space availability and confirmation at time of request by the Department. After thirty (30) days, Contractor may charge the Department storage fee at a price agreed upon by both Parties. Under a Bill and Hold arrangement, Contractor shall invoice Products at completion of fabrication, regardless of delivery status. The Department understands and agrees that title and risk of ownership will pass to the Department under a Bill and Hold arrangement, and the invoice will

be paid according to normal payment terms noted elsewhere in this Agreement. It is further understood that regarding risk of loss, Contractor will maintain custodial obligations for the Products, including responsibility for damage to the Products while at Contractor's facility.

24. Termination for Default: Contractor may suspend all work or terminate this Agreement for cause if Department fails to pay Contractor any undisputed amount due as set forth in this Agreement, and such failure continues for fifteen (15) days following due date.

25. Confidentiality: Neither Party may not, without the other Party's prior written consent, disclose the terms and conditions of this Agreement and any information exchanged between the Parties pursuant to or in connection with this Agreement ("Confidential Information") to any third party, except (i) to the extent such disclosure is required under applicable law or order of a court or other governmental authority; (ii) to either Party's affiliates' employees, agents, representatives and professional advisers; (iii) to any third party, including a bank or other lending agency and its professional advisers, to the extent necessary for arranging for financing; or (iv) to the extent such disclosure is necessary to allow either Party to perform its obligations under this Agreement. If either Party desires to make a disclosure of any Confidential Information to any third party, it shall consult with and advise the other Party reasonably in advance of such disclosure and the parties will work together in good faith relative to any such actual or potential disclosure.

26. Intellectual Property Ownership: Under no circumstances shall this Agreement or any Purchase Order grant a Party any ownership rights in the patents, copyrights, trademarks, or trade secrets ("Intellectual Property") of the other Party, whether the Intellectual Property is in existence on the Effective Date of the Agreement or developed or acquired thereafter. Any Intellectual Property shall remain the sole and exclusive property of each respective Party. Nevertheless, both Department and Contractor hereby grant a limited license to the other Party relative to any Intellectual Property implicated by this Agreement for the limited purpose of completing the obligations imposed by this Agreement. Only the Parties' officers, directors and/or employees with a "need to know" shall have access to such Intellectual Property. This limited license shall be terminated when the obligations imposed on the Parties by this Agreement are completed or the Agreement is otherwise terminated. Under no circumstances shall a Party distribute, share or discuss any of the other Party's Intellectual Property with any third-party without the written consent of the other Party. Notwithstanding anything set forth herein, Department shall retain royalty-free, perpetual rights to use the Goods for their intended purpose but shall not copy, re-manufacture or reverse engineer the Goods.

27. Termination for Convenience: The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all Subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, Data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive

just and equitable compensation for work in progress, work completed and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.

28. Insurance: Additional Insured and Waiver of Subrogation.

a. All policies shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

b. All policies shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

29. Business Automobile Liability:

Bodily Injury and Property Damage for any owned, hired, and/or non- owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) $1,000,000

a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.

b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

30. The Contract is a mandatory statewide contract (per A.A.C. R2-7-607) for multiple purchases, projects, or assignments, and a cooperative contract (per A.R.S. § 41-2632 and A.A.C. R2-7-1002(B)) that can be purchased against by some or all Eligible Agencies and any Co-Op Buyers that elect to participate. Even if only one Eligible Agency needs or elects to purchase against the Contract, it is to be construed as being a cooperative contract hereunder.

30.1 Contractor shall verify if an ordering entity is a current Co-Op Buyer before selling Materials to or providing Services for them under the Contract. The current list of Co-Op Buyers is available on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting

30.2 Contractor shall sell to Co-Op Buyers at the same price and on the same lead times and other terms and conditions under which it sells to Eligible Agencies, with the sole exception of any legitimately additional costs for extraordinary shipping or delivery requirements if the Co-Op Buyer is having Materials delivered or installed or Services performed at locations not contemplated in the contracted pricing (e.g. delivery to a location outside Arizona).

30.3 Contractor shall pay State an administrative fee against all Contract sales to Co-Op Buyers, as provided for under A.R.S. § 41-2633. The fee rate prior to January 1, 2024, is one (1%) percent. Rates are set in accordance with SPO Technical Bulletin (TB) 007, available on the SPO website, which may be revised at the State's sole discretion as part of Arizona state procurement policy. For convenience (though note that this link may change over time) TB 007 may be found here:

https://spo.az.gov/suppliers/usage-reporting

Failure to remit the administrative fees is a material breach of contract, and will entitle the State to its remedies under Contract Terms and Conditions Section 8 and its right to terminate for default under Section 9. Method of calculation, payment procedures, and other details are provided on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting

30.4 Contractor shall submit to State a quarterly usage report documenting all Contract sales to both Eligible Agencies and Co-Op Buyers, itemized separately. Contractor shall further itemize divisions, groups or areas within a given Eligible Agency if they place Orders independently of each other. Failure to submit the report is a material breach of contract, and will entitle the State to its remedies under Contract Terms and Conditions Section 8 and its right to terminate for default under Section 9. Contractor shall submit the report using the forms and following the instructions on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting

30.5 Contractor shall acknowledge each Order from Eligible Agencies within one (1) business day after receipt by either: (a) "approving" the Order electronically in the State's eProcurement System, which will indicate Contractor's unqualified acceptance of the Order as-issued; or (b) "rejecting" the Order electronically in the State's eProcurement System, with a concurrent explanation by email to relevant originator as to the reason for rejecting it. By way of reminder, the only grounds on which the Contractor may reject or refuse an Order are those set out in subparagraph 3.11.3 [Orders are Obligatory]. Unless and until Contractor has approved the Order in the State's eProcurement System, it will have no effect under the Contract and will not oblige either State or Contractor. If the relevant Eligible Agency explicitly instructs at the time that a verbal acceptance is sufficient because of urgency or other unusual circumstances and Contractor duly gives its verbal acceptance, then Contractor will be deemed to have accepted

the Order immediately upon commencing performance, provided that, Contractor must follow-up its verbal acceptance by accepting the Purchase Order electronically in the State's eProcurement System within three (3) business days. Contractor shall thereafter be barred from subsequently rejecting the Order in the State's eProcurement System and if it does so the rejection will be void.

30.6 Contractor shall acknowledge each Order from Co-Op Buyers in conformance with each Co-Op Buyer's instructions given at the time of ordering or in any supplemental participating agreement Contractor might have with them. Orders from Co-Op Buyers create no obligation on State's part, since they are entirely between the Co-Op Buyer and Contractor. That notwithstanding, Contractor's obligation under the Contract is to service Co-Op Buyers commercially as though they were with an Eligible Agency, and Contractor's refusal to do so would be a material breach of the Contract.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity:	Contractor:
State of Arizona	Sabre Industries, Inc.
Signature:	Signature:
Name: John Red Horse	Name: Brian D. Newberg
Title: Sr. Manager – Technology, SPO	Title: President
Date: 2/7/2024	Date: 2-7-2024

[Additional signatures may be added if required by the Participating Entity]

For questions on executing a participating addendum, please contact:

NASPO ValuePoint

Cooperative Development Coordinator:	Ted Fosket
Telephone:	(907) 723-3360
Email:	tfosket@naspovaluepoint.org

Please email fully executed PDF copy of this document to PA@naspovaluepoint.org .

	Sabre NASPO AZ participating addendum	Arizona Department of Administration State Procurement Office

Attachment – Boycott of Israel Disclosure

Please note that if <u>any</u> of the following apply to this Solicitation, Contract, or Contractor, then the Offeror <u>shall</u> select the "Exempt Solicitation, Contract, or Contractor" option below:

- The Solicitation or Contract has an estimated value of less than $100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; or
- Contractor is a non-profit organization.

Pursuant to A.R.S. § 35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Materials or Services from Israel."

Under A.R.S. § 35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
(a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.
(b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
…
5. "Public entity": (a) Means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State. (b) Includes the universities under the jurisdiction of the Arizona board of regents and community college districts as defined in section 15-1401.

The certification below does <u>not</u> include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. *See* A.R.S. § 35-393.03.

In compliance with A.R.S. § 35-393 *et seq*., all Offerors must select one of the following:

☒ The Company submitting this Offer **<u>does not</u>** participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. § 35-393 *et seq*. I understand that my entire response will become a public record in accordance with A.A.C. R2-7-C317;

☐ The Company submitting this Offer **<u>does</u>** participate in a boycott of Israel as described in A.R.S. § 35-393 *et seq*.; or

☐ **Exempt Solicitation, Contract, or Contractor.** Indicate which of the following statements applies to this Contract (may be more than one):

- ☐ Solicitation or Contract has an estimated value of less than $100,000;
- ☐ Contractor is a sole proprietorship;
- ☐ Contractor has fewer than ten (10) employees; or
- ☐ Contractor is a non-profit organization.

Sabre Industries, Inc.	
Company name	Signature of person authorized to sign
7101 Southbridge Drive	Brian D. Newberg, President
Address	Printed name and Title
Sioux City, IA 51111	bdnewberg@sabreindustries.com (712) 253-9027
City, State, ZIP	Contact email address / Contact phone number

	Forced Labor of Ethnic Uyghurs Ban		
	Sabre NASPO AZ Participating Addendum	PAGE 1 OF 1	State of Arizona State Procurement Office

Forced Labor of Ethnic Uyghurs Ban

Please note that if <u>any</u> of the following apply to the Contractor, then the Contractor <u>shall</u> select the "Exempt Contractor" option below:

- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. § 35-394, written certification is required to show that the company entering into a contract with a public entity does not use the forced labor, or use any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor or any goods or services produced by the forced labor, of ethnic Uyghurs in the People's Republic of China.

Under A.R.S. § 35-394:

1. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
2. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

In compliance with A.R.S. § 35-394, all Contractors must select one of the following:

☒ The Company **<u>does not</u>** use, and agrees not to use during the term of the contract, any of the following:

- Forced labor of ethnic Uyghurs in the People's Republic of China;
- Any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or
- Any Contractors, Subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

☐ The Company **<u>does</u>** participate in the use of Forced Uyghurs Labor as described in A.R.S. § 35-394.

☐ **Exempt Contractor: Select all statements that** apply to the Contractor:

- ☐ Contractor is a sole proprietorship;
- ☐ Contractor has fewer than ten (10) employees; and/or
- ☐ Contractor is a non-profit organization.

Sabre Industries, Inc.	
Company name	Signature of person authorized to sign
7101 Southbridge Drive	Brian D. Newberg
Address	Printed name and Title
Sioux City, IA 51111	bdnewberg@sabreindustries.com 712-454-7100
City, State, ZIP	Contact email address Contact phone number

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. F.**

Meeting Date: 02/12/2025
Department Head: Sonia Cornelio, City Clerk, City Clerk's Office
Submitted By: Sonia Cornelio, City Clerk, City Clerk's Office
Action Requested: Motion
Public Hearing

ITEM:

Public Hearing followed by discussion and possible action on any and all matters regarding the recommendation of a Special Event Liquor License Application to the Arizona Department of Liquor Licenses and Control to authorize the San Luis FRONTERA Rotary Club to sell alcohol at the Rotary Royale Casino Night on April 11, 2025. **(Marcos Ramirez, San Luis FRONTERA Rotary Club)**

A. Staff and/or Applicant presentation
B. Open Public Hearing
C. Call to the public on this item
D. Close Public Hearing
E. Action on Special Event Liquor License Application to the Arizona Department of Liquor Licenses & Control

SUMMARY:

The San Luis FRONTERA Rotary Club wishes to sell alcohol at the Rotary Royale Casino Night on Friday, April 11, 2025, from 5:00 p.m. to 12:00 a.m. at Jardin de Eventos Okasiones.

RECOMMENDATION / SUGGESTED MOTION:

A. STAFF AND/OR APPLICANT PRESENTATION
B. MAYOR NIEVES RIEDEL TO OPEN THE PUBLIC HEARING
C. MAYOR NIEVES RIEDEL TO CALL THE PUBLIC ON THIS ITEM
D. MAYOR NIEVES RIEDEL TO CLOSE THE PUBLIC HEARING
C. I MOVE TO RECOMMEND APPROVAL TO THE ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL FOR THE SPECIAL EVENT LIQUOR LICENSE APPLICATION SUBMITTED BY
THE SAN LUIS FRONTERA ROTARY CLUB, AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	NO
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

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

N/A

Attachments

Application

RECEIVED

JAN 29 2025

CITY CLERK'S OFFICE

CSR:
Amount:

SPECIAL EVENT LICENSE
APPLICATION FEE $25.00 PER DAY

Arizona Department of Liquor Licenses and Control
800 W. Washington St. 5th Floor Phoenix, AZ 85007
(602) 542-5141

DLLC USE ONLY
Job #:
Date Accepted:
CSR:
License #:

Application MUST be submitted to the Department of Liquor 10 days prior to the event.

SECTION 1 **Applicant must be a member of a qualifying nonprofit organization, political party, or Government entity and authorized by an Officer, Director, or Chairperson of the Organization.**

1. Applicant: RAMIREZ (Last) MARCOS (First) (Middle)
(Must be an Officer/Member of the Non Profit Entity)
2. Applicant's mailing address: PO BOX 13926 (Street) SAN LUIS (City) ARIZONA (State) 85349 (Zip)
3. Applicants home/cell phone: 928-285-3532 Applicant's business phone: _____
4. Applicant's email address: MARCOSRAMIREZ5550@GMAIL.COM
5. Special Event Name: ROTARY ROYALE CASINO NIGHT
6. Name of Non-Profit Organization, Candidate or Political Party/Gov.: SAN LUIS FRONTERA ROTARY CLUB
7. Non-Profit/IRS Tax Exempt Number: 86-0734186
8. Arizona Corporation Commission File #: 23077310 If out of State please specify: _____
(Attach letter of good standing)
9. Event Location Name: JARDIN DE EVENTOS OKASIONES
10. Event Address: 780 N CESAR CHAVEZ STREET, SAN LUIS, ARIZONA 85349

Dates and Hours of Event - Days must be consecutive and may not exceed 10 consecutive days.

****SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY****

Days	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	04/11/2025	FRIDAY	5:00 PM	12:00 AM
DAY 2:				
DAY 3:				
DAY 4:				
DAY 5:				
DAY 6:				
DAY 7:				
DAY 8:				
DAY 9:				
DAY10:				

Individuals requiring ADA accommodations please call (602)542-2999

SECTION 2 What type of security and control measures will you take to prevent violations of liquor laws at this event?
(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

_____ Number of Police 4 Number of Security Personnel ☑ Fencing ☐ Barriers

Must explain security measures: EVENT LOCATION IS FENCED IN. HAS 1 MAIN DOOR AND 1 BACKDOOR

SECURITY WILL BE LOCATED AT ENTRANCE AND EXIT.

SECTION 3 What is the purpose of this event?

☑ **On-site consumption** ☐ **Off-site (auction/wine/distilled spirits pull)** ☐ **Both**

How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Check one of the following boxes. (R-19-318)

A) ☑ Special Event being held on an **unlicensed** premises will require approval and signature by the Local Governing Body on page 3. (If checked move to section 4)

B) ☐ Will this event be held on a currently licensed premises and within the already approved and licensed area? **(Must attach a letter from the licensed premises with an explanation of the option checked below)**

Name of Business	License Number	Phone (Include Area Code)

☐ Place license in non-use - *Special Event Licensee selling all alcohol without retailer involvement* **Must attach letter from the location suspending license for duration of special event**

☐ Dispense and serve all spirituous liquors under retailer's license – *Business operates normally, minimum of 25% of gross revenue from alcohol sales is donated to licensee*

☐ Dispense and serve all spirituous liquors under special event - *The special event licensee is in charge of selling alcohol that was purchased or donated by the special event licensee. The retailers existing alcohol inventory must be separated from any alcohol used during the special event.* **Must attach letter from the location suspending license for duration of special event**

☐ Split premise between special event and retail location - *Both the special event licensee and the retailer will conduct sales of alcohol. (These sales will be done in separate areas. If alcohol is donated or purchased by the special event licensee it must be in a separate area than the alcohol that is dispensed by the licensed retailer.)*

☐ **Off Sale only - *Wine/Distilled Spirits Pull, Live or Silent Auctions*** – *Retailer will still be permitted to conduct all normal sale and service of alcohol.*

SECTION 4

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?

☐ **Yes** ☑ **No** If yes, attach letter of explanation.

2. How many special event days have been issued to this organization during the calendar year? 0

3. Is the Organization using the services of a Special Event Contractor? *(A licensee can utilize the services of a special event contractor who may purchase and sell alcohol on behalf of the licensee. If no special event contractor is listed, the licensee is responsible for the sales and service of alcohol.)*

☐ **Yes** ☑ **No** If yes, please provide the Name of the Special Event Contractor: _____

4. Is the organization using the services of a series 6, 7, 11, or 12 licensee to manage the sale or service of alcohol? (Licensees who hold a series 6, 7, 11, or 12 license are automatically qualified to be the special event contractor)

☐ **Yes** ☑ **No** if yes, please provide the Name of Licensee: _____ License #: _____

5. List the name of the Individual or Organization that will receive revenues, **MUST EQUAL 100 PERCENT.**

Attach additional sheet if necessary.

Name: SAN LUIS FRONTERA ROTARY CLUB Percentage: 100%

Address: PO BOX 13926 (Street) SAN LUIS (City) ARIZONA (State) 85349 (Zip)

Name: _____ Percentage: _____

Address: _____ (Street) _____ (City) _____ (State) _____ (Zip)

Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

NO ALCOHOLIC BEVERAGES SHALL LEAVE A SPECIAL EVENT UNLESS THEY ARE IN AUCTION WINE OR DISTILLED SPIRITS PULL SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE.

SECTION 5 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. Please attach a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.

ATTACH DIAGRAM

If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local governing body before submitting to the Department of Liquor Licenses and Control. *Please contact the local governing board for additional information.*

APPLICANT SIGNATURE

Declaration:

I, (Print Name) MARCOS RAMIREZ, declare under penalty of perjury that I am authorized to submit this application. I have read the contents of this application, and to the best of my knowledge believe all statements made on this application to be true, correct and complete.

_____
Signature

LOCAL GOVERNING BODY

Date Received: _____

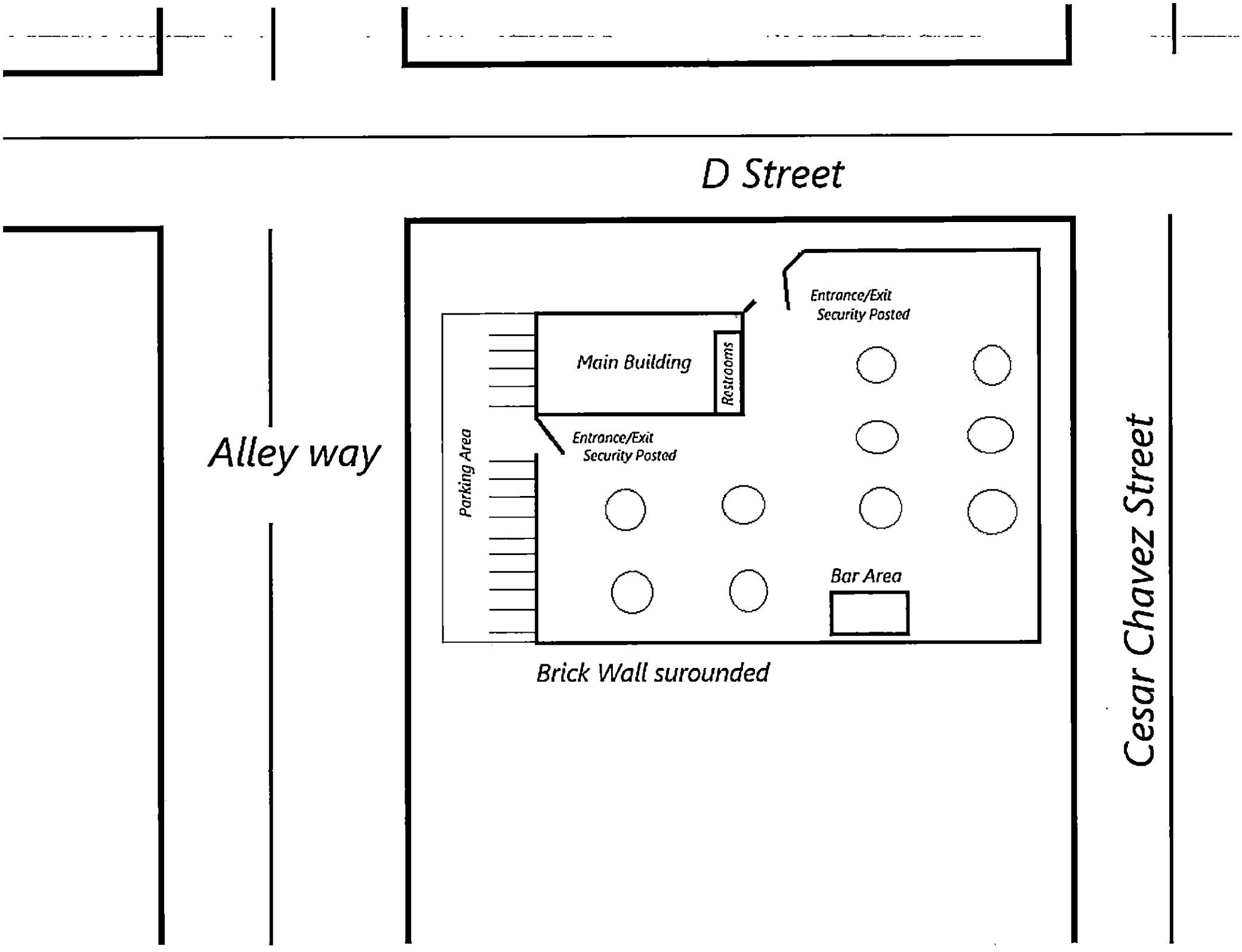
I, _____ (Government Official) _____ (Title) recommend ☐APPROVAL ☐ DISAPPROVAL

On behalf of _____ (City, Town, County), _____ Signature, _____ Date, _____ Phone

The local governing body (city, town or municipality where the fair/festival will take place) may require additional applications to be completed and submitted. Please check with local government as to how far in advance they require these applications to be submitted. Additional licensing fees may also be required before approval may be granted.

AZDLLC USE ONLY

☐APPROVAL ☐ DISAPPROVAL BY: _____ DATE: _____


D Street
Alley way
Cesar Chavez Street
Main Building
Restrooms
Entrance/Exit
Security Posted
Entrance/Exit
Security Posted
Parking Area
Bar Area
Brick Wall surounded

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 1/24/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Crystal Gleason	
Hylant Group Inc 811 Madison Ave Toledo OH 43604	PHONE (A/C, No, Ext): 419-259-2710	FAX (A/C, No): 419-255-7557
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Westchester Surplus Lines Insurance Company	10172
Insured All Active US Rotary Clubs & Districts San Luis Frontera Rotary Club, Rotary District 5500 Attn: Risk Management Dept. 1560 Sherman Avenue Evanston, IL 60201-3698	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR X Liquor Liability Included GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:	Y		G73578917003	7/1/2024	7/1/2025	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 500,000 $ $ 2,000,000 $ 4,000,000 $ 4,000,000
A	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY X HIRED AUTOS ONLY SCHEDULED AUTOS X NON-OWNED AUTOS ONLY	Y		G73578917003	7/1/2024	7/1/2025	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $			Not applicable			EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [ ] N/A If yes, describe under DESCRIPTION OF OPERATIONS below			Not applicable			[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is included as an additional insured where required by written contract or permit subject to the terms and conditions of the general liability policy, but only to the extent bodily injury or property damage is cause in whole or in part by the acts or omissions of the insured.

CERTIFICATE HOLDER

Jardin de Eventos Okasiones
780 N Cesar Chavez Street
San Luis, Arizona 85349
Casino Night Fundraiser held on 04/11/2025.
Alcohol will be sold

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Judy K. Wilson

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Arizona Corporation Commission - RECEIVED: 4/2/2024
Arizona Corporation Commission - FILED: 4/2/2024

24040212245798

2024 ANNUAL REPORT

ENTITY INFORMATION

ENTITY NAME: SAN LUIS FRONTERA ROTARY CLUB, INC.
ENTITY ID: 23077310
ENTITY TYPE: Domestic Nonprofit Corporation
CHARACTER OF BUSINESS: Any legal purpose
AUTHORIZED SHARES:
ISSUED SHARES:

STATUTORY AGENT INFORMATION

STATUTORY AGENT NAME: BENESCH, SHADLE & WHITE, PLC
PHYSICAL ADDRESS: 833 E. PLAZA CIRCLE STE 100, YUMA, AZ 85365
MAILING ADDRESS:

KNOWN PLACE OF BUSINESS

412 HENRY CHAVEZ CT., SAN LUIS, AZ 85349

PRINCIPAL OFFICE ADDRESS

PRINCIPAL INFORMATION

Director: Juan Manuel Guerrero - PO Box 3960, SOMERTON, AZ, 85350, USA - - Date of Taking Office: 06/30/2022

Incorporator: MARIO SIXTO JAUREGUI - 412 HENRY CHAVEZ CT., P.O. BOX 159, SAN LUIS, AZ, 85349, USA - - Date of Taking Office:

President: Juan Manuel Guerrero - PO Box 3960, SOMERTON, AZ, 85350, USA - - Date of Taking Office: 06/30/2022

Secretary: Marcos Ramirez - 269 E. Aquila St., SAN LUIS, AZ, 85349, USA - - Date of Taking Office: 07/01/2021

Treasurer: Georgina Gonzalez - 1385 E. San Pedro St., SAN LUIS, AZ, 85349, USA - - Date of Taking Office: 07/01/2021

SIGNATURE

Secretary: Marcos Ramirez - 04/02/2024

Form 990-N

Electronic Notice (e-Postcard)

OMB No. 1545-2085

Department of the Treasury
Internal Revenue Service

for Tax-Exempt Organization not Required to File Form 990 or 990-EZ

2023

Open to Public Inspection

A For the 2023 Calendar year, or tax year beginning 2023-07-01 and ending 2024-06-30

B Check if available
- ☐ Terminated for Business
- ☑ Gross receipts are normally $50,000 or less

C Name of Organization: SAN LUIS FRONTERA ROTARY CLUB
P O Box 13926, San Luis, AZ, US, 85349

D Employee Identification Number: 86-0734186

E Website:

F Name of Principal Officer: Juan Guerrero
P O Box 3960, Somerton, AZ, US, 85365

Privacy Act and Paperwork Reduction Act Notice: We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

The organization is not required to provide information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of the Form 990-N is covered in code section 6104.

The time needed to complete and file this form and related schedules will vary depending on the individual circumstances. The estimated average times is 15 minutes.

Note: This image is provided for your records only. Do Not mail this page to the IRS. The IRS will not accept this filing via paper. You must file your Form 990-N (e-Postcard) electronically.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. G.**

Meeting Date: 02/12/2025

Department Head: Nigel Reynoso, Chief of Police, Police Department

Submitted By: Michelle Boucher, Police Administrator, Police Department

Action Requested: Motion
Order

ITEM:

Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2025-01. 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. **(Damian Miller, Police Lieutenant)**

SUMMARY:

The City of San Luis Police Department has been awarded $630,000.00 for overtime and $30,000.00 for mileage under the Fiscal Year 2024 Operation Stonegarden Program Award Number 24-AZDOHS-OPSG-240431-01. The grant performance period is February 1, 2025, through March 31, 2026. The total awarded grant-funded amount is $660,000.00

The adoption of this order will support the United States Border Patrol's mission by allowing police officers the ability to prevent or stop the ingress of drugs, the smuggling of undocumented persons, and the nexus to terrorism.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT ORDER NO. 2025-01 APPROVING THE INTERGOVERNMENTAL AGREEMENT AND GRANT AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	Federal
TOTAL:	Yes
BUDGETED AMOUNT:	$586,546
AVAILABLE AMOUNT TO TRANSFER:	See fiscal Impact Statement
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	See fiscal Impact Statement
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):	

The City of San Luis budgeted in FY 2025 for this item, and we currently have remaining $586,546 for use this year. The San Luis Police Department will receive $660,000 in overtime and mileage as reimbursements. The remaining non-budgeted balance will carry over to FY 2026.

Finance will transfer budget from account 250-181-50010 to the accounts below to ensure funds are tracked in the correct account.

Account numbers:
250-181-50010.194 Special Revenue-Public Safety, Police Department-Overtime DOHS OPSG 240431-01
250-181-70005.190 Special Revenue-Public Safety, Police Department-Gas/Oil DOHS OPSG 240431-01

Attachments

Order No. 2025-01

Subrecipient Agreement

Budget Detail

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Order

No. 2025-01

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 the funds including that these funds shall not be used to supplant other funding of the San Luis Police Department.

NOW, THEREFORE, BE IT ORDERED 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 24-AZDOHS-OPSG-240431-01" 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 _____ day of February 2025.

_____
Nieves Reidel, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney

SUBRECIPIENT AGREEMENT
OPERATION STONEGARDEN GRANT PROGRAM
OVERTIME-MILEAGE

24-AZDOHS-OPSG-240431-01
(Enter Subrecipient Agreement number above (e.g., 240XXX-XX)

Between

The Arizona Department of Homeland Security
And
San Luis Police Department

(Enter the name of the Subrecipient Agency above)

UEI Number R89HW83KSNT8
(Enter the UEI number above)

WHEREAS, ARS 41-4254 makes AZDOHS responsible for administering the funds covered by this agreement ("Agreement"), the parties hereby agree to the following terms:

1. **Purpose of Agreement** This Agreement is to specify the rights and responsibilities of AZDOHS in administering the distribution of homeland security grant funds to Subrecipient, and to specify the rights and responsibilities of Subrecipient as the recipient of these funds.

2. **Period of Performance** This Agreement shall become effective on **February 1, 2025 and shall terminate on March 31, 2026** (the "Period of Performance"). The obligations of the Subrecipient as described herein will survive termination of this agreement.

3. **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 **$** 660,000.00 (as may have been modified by the award letter).
(Enter funded award amount above)

4. **Financing and Fiscal Responsibility** Under US Department of Homeland Security ("USDHS") grant EMW-2024-SS-05080 and Catalog of Federal Domestic Assistance ("CFDA") #97.067, AZDOHS shall provide up to **$** 660,000.00 to Subrecipient under this Agreement.
Payment to Subrecipient must be on a reimbursement basis only, conditioned upon Subrecipient providing AZDOHS with proof of payment and applicable, accurate and complete reimbursement documents, as deemed necessary by AZDOHS. A list of acceptable documentation is at www.azdohs.gov. Payments are contingent on Subrecipient performing all its obligations under this Agreement. Subrecipient may use the funds provided under this Agreement only as provided in the application and award documentation. If Subrecipient does not complete all its obligations, Subrecipient must immediately reimburse all previously-provided funds to AZDOHS. If Subrecipient completes its obligations at a lower than the budgeted cost, the amount reimbursed to Subrecipient will be only the amount actually spent by Subrecipient in accordance with the approved application. For any expenditure disallowed after or otherwise by AZDOHS, or the State or Federal government, Subrecipient must immediately reimburse such funds to AZDOHS.

5. **Reporting Requirements** Subrecipient must submit quarterly programmatic reports to AZDOHS as follows:

   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)

   Subrecipient must use the Quarterly Programmatic Report form (https://azdohs.gov/grant-program-forms) for these reports. Subrecipient must provide detailed information on the status of completion of the planned activities in the approved application satisfactory to AZDOHS in its sole discretion. Failure to adequately provide such information will result in the Quarterly Programmatic Report being rejected by AZDOHS and resubmission will be required. If the program has been fully completed so that there will be no further updates, then the quarterly report for the quarter in which the program was completed will be the final report; the report should be marked as "final" and must include all pertinent information regarding the program as determined solely by AZDOHS.

   Final Quarterly Programmatic Report: The final quarterly programmatic report is due no more than **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).

6. **Reimbursements** Subrecipient must provide AZDOHS with requests for reimbursement as frequently as monthly but not less than quarterly; submissions must be made via US Mail, delivery service (FedEx, UPS, etc.) or in person; **submissions via fax or by any electronic means will not be accepted**. Reimbursement requests shall be submitted with the Reimbursement Form provided by AZDOHS staff. AZDOHS has the right to require Subrecipient to provide any documentation and/or information AZDOHS deems necessary to process submissions.

   Reimbursement requests are only required when expenses have been incurred. The Subrecipient shall submit a final reimbursement request, marked as such, 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 **45** calendar days after the end of the period of performance. Requests for reimbursement received by AZDOHS later than 45 calendar days after the end of the period of performance will not be paid.

   Subrecipients will only be reimbursed for expenses that have been obligated, expended and received within the authorized Period of Performance as identified in Paragraph 2 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 (e.g. cell phone service) will be deemed unallowable and will not be reimbursed.

7. **Environmental Planning and Historic Preservation** Subrecipient **must** comply with Federal, State and Local environmental and historical preservation (EHP) regulations, laws and Executive Orders as applicable. *See* https://www.fema.gov/media-library-data/1533321728657-592e122ade85743d1760fd4747241776/GPD_EHP_Policy_Final_Amendment_GPD_final_508.pdf and https://azdohs.gov/environmental-and-historic-preservation-ehp. Subrecipients proposing programs with potential environmental impact **must** participate in the USDHS/Federal Emergency Management Agency (FEMA) EHP review process. Subrecipient **must** complete the EHP review

process before funds will be released by AZDOHS. If Subrecipient engages in ground disturbing activities, Subrecipient must monitor ground disturbance. If archeological resources are discovered, Subrecipient must immediately (a) cease construction and (b) notify FEMA, AZDOHS, and the Arizona State Historic Preservation Office. AZDOHS/DHS/FEMA **will not fund or reimburse** projects that are initiated without the required EHP review.

8. **Procurement (including Noncompetitive Procurement)** Subrecipient must comply with its procurement rules/policies, all Federal procurement rules/policies, and all Arizona Procurement Code provisions and rules, the most restrictive of which will apply. Subrecipient **must not** enter into a noncompetitive procurement unless AZDOHS grants **prior written approval** via the Noncompetitive Procurement Request form at https://azdohs.gov/grant-program -forms.

9. **Property Control** Subrecipient must safeguard and maintain control and accountability for all property/equipment purchased under this Agreement, and Subrecipient must assure that it is used only for purposed authorized under this Agreement and maintained as provided in 2 CFR 200.313. Such property/equipment shall be used by Subrecipient in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal grant funds. Subrecipient must immediately investigate and report to AZDOHS any loss, damage, or theft. Subrecipient must replace any property/equipment lost, damaged or stolen at Subrecipient's expense, and must immediately submit an updated Property Control Form (https://azdohs.gov/grant-program-forms) to AZDOHS.

   "Nonexpendable Property/Equipment" is property that has a continuing use, is not consumed in use, has an expected life of one year or more, costs $5,000 or more per unit, and does not become a fixture or lose its identity as a component of other equipment/systems, while a "Capital Asset" is personal or real property or a fixture costing $5,000 or more per unit with an expected life of one year or more. Subrecipient is solely responsible for the proper maintenance of all Nonexpendable Property/Equipment and Capital Assets acquired under this Agreement Subrecipient must take a physical inventory of all such Nonexpendable Property/Equipment and Capital Assets and reconcile the results with the Property Control Form at least once every two years. Subrecipient must maintain a control system to prevent loss, damage, or theft of such Nonexpendable Property/Equipment and Capital Assets, and Subrecipient must immediately report any loss, damage, or theft to AZDOHS. 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, if applicable, 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.

   When Subrecipient is no longer using Nonexpendable Property/Equipment and/or Capital Assets acquired under this Agreement on the program, Subrecipient must immediately submit an updated Property Control Form to AZDOHS, and any disposition must be in compliance with AZDOHS Disposition Guidance (https://azdohs.gov/grant-program-forms) and 2 CFR Part 200, including specifically 2 CFR 200.313. If Subrecipient seeks disposition of such Nonexpendable Property/Equipment or Capital Assets for any reason other than theft, destruction, or loss, Subrecipient must submit an Equipment Disposition Request Form (https://azdohs.gov/grant-program-forms) to AZDOHS and receive approval from AZDOHS prior to disposition. Subrecipient must update the Property Control Form and provide a copy to AZDOHS within 45 calendar days after disposition. Per 2 CFR 200.333(c), Subrecipient must retain all records relating to such Nonexpendable Property/Equipment and Capital Assets for 3 years after disposition.

10. **Training and Exercise** All training and/or exercise events must be included in Subrecipient's application. Alternate/additional training/exercise requests must be approved in advance by AZDOHS. Subrecipient must submit a Project Modification Request Form (https://azdohs.gov/grant-program-forms) for review and approval by AZDOHS prior to scheduling alternate/additional training/exercise events. For those projects that are managed by DEMA, alternate/additional training requests must be approved in advance by DEMA and AZDOHS using the Pre-approval form (https://dema.az.gov/emergency-management/preparedness/training). All exercises must comply with FEMA Homeland Security Exercise and Evaluation Program (https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep; "HSEEP") guidance. Subrecipient will (a) Submit an exercise summary and attendance/sign-in roster; and (b) Email the After Action Report/Improvement Plan to the local County Emergency Manager, AZDOHS, and the DEMA Exercise Branch, within 90 days of completion of an exercise or as prescribed by HSEEP.

11. **Consultants/Trainers/Training Providers** Invoices for consultants/trainers/training providers must include: a description of services; dates of services; number of hours for services performed; rate charged; and the total cost of services. Rates must be within the prevailing rates; must be consistent with Subrecipient's procurement policies and 2 CFR Part 200; and shall not exceed **$650** per day per consultant/trainer/training provider unless AZDOHS grants prior written approval. This includes internal personnel hired on backfill/overtime to deliver training. Subrecipient will not be reimbursed costs other than travel, lodging, meals, and incidentals on travel days for consultants/trainers/training providers, at rates not to exceed State rates, and itemized receipts are required. See Travel Costs below, at Paragraph 12.

12. **Travel Costs** All grant funds expended for travel, lodging, meals and incidentals are subject to the standards of Subrecipient's policies and procedures, and the State of Arizona Accounting Manual (https://gao.az.gov/publications/saam), which Subrecipient must apply uniformly to both Federally financed and its other activities. AZDOHS will reimburse at the most restrictive allowability and rates. At no time will Subrecipient's reimbursements exceed the State rates established by the Arizona Department of Administration: https://gao.az.gov/travel.

13. **Contractors/Subcontractors** Subrecipient may enter into written subcontract(s) in accordance with 2 CFR Part 200 and the NOFO. No subcontract that the Subrecipient enters into relieves Subrecipient of any responsibilities under this Agreement. Subrecipient must give AZDOHS immediate notice in writing of any action filed or claim made against Subrecipient by any subcontractor or vendor.

14. **Allowable Costs** The allowability of costs incurred under this Agreement shall be determined by AZDOHS in its sole discretion and in accordance with the general principles and standards set forth in the CFR, FEMA Authorized Equipment List (https://www.fema.gov/grants/tools/authorized-equipment-list), and guidance documents (i.e. NOFO, Preparedness Grants Manual, Information Bulletins). Subrecipient's use of grant funds for indirect costs must be in accordance with 2 CFR Part 200 and the NOFO. Subrecipient must apply to AZDOHS for its written approval of indirect costs prior to expenditure. Subrecipient may not expend grant funds for Management and Administrative costs for administering such funds without prior written approval of AZDOHS.

15. **Amendments** Any change in this Agreement including but not limited to the Description of Services, Period of Performance 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. Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the Subrecipient's reimbursement, 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.

16. Audit/Monitoring

a. Subrecipient must comply with the record-keeping and other requirements of ARS 35-214 and 35-215, and shall ensure that its contractors and subcontractors at all tiers also comply.

b. Under 31 USC 7501-7507and 2 CFR 200.501, Subrecipient will be subject to audit per 2 CFR Part 200, if Subrecipient expended $750,000 or more in Federal awards in its previous fiscal year. If Subrecipient has met or exceeded this threshold, Subrecipient must submit to AZDOHS a copy of Subrecipient's single audit or program specific audit report for the previous fiscal year (and for subsequent fiscal years that fall within the Period of Performance) annually, within 9 months of Subrecipient's fiscal year end. Subrecipients not subject to this requirement must submit to AZDOHS via audits@azdohs.gov a statement that they do not meet the threshold and therefore do not have to complete a single audit or program specific audit.

c. Failure of Subrecipient to comply with any requirements resulting from an audit will suspend reimbursement by AZDOHS to Subrecipient and Subrecipient will not be eligible for any new award, until Subrecipient is in complete compliance.

AZDOHS will monitor Subrecipient to ensure that program goals, objectives, performance requirements, timelines, planned objectives, budgets, and all other related program criteria are being met. Subrecipient must comply with applicable provisions governing USDHS access to records, accounts, documents, information, facilities, and staff and must require any contractors, successors, transferees, and assignees to comply with these same provisions. Subrecipient must cooperate with any review or investigation conducted by USDHS and/or AZDOHS. Subrecipient must give USDHS and AZDOHS access to and the right to 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 deemed necessary by USDHS or AZDOHS. Subrecipient must submit timely, complete, and accurate reports to the appropriate USDHS and AZDOHS officials and maintain appropriate backup documentation. Subrecipient must comply with all reporting, data collection, and evaluation requirements prescribed by law or in program guidance.

17. Notice of Funding Opportunity (NOFO) Subrecipient must comply with the Notice of Funding Opportunity (NOFO). The terms of the NOFO are hereby incorporated into this Agreement.

18. National Incident Management System Subrecipient must remain in compliance with National Incident Management System implementation initiatives as provided in the NOFO.

19. Communications Equipment All Land Mobile Radio equipment purchased must comply with: (a) P25 (Project 25) standards (https://www.cisa.gov/safecom); (b) SAFECOM Guidance (https://www.cisa.gov/safecom); (c) Land Mobile Radio Minimum Equipment Standards as approved by the Statewide Interoperability Executive Committee (https://www.azdps.gov/services/government/swic); and (d) Arizona's State Interoperable Priority Programming Guide (https://www.azdps.gov/services/government/swic).

20. Nonsupplanting Agreement Subrecipient must not use funds received under this Agreement to supplant Federal, State, Tribal or Local funds or other resources, and may be required to document this. If a position created by this Agreement is filled from within, the resulting vacancy

must be filled within 30 days, and if not, Subrecipient must stop charging the grant for the new position; upon filling the vacancy, Subrecipient may resume charging for the position. A cost allocable to a particular Federal award provided for in 2 CFR 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 award(s), or any other reason. However, Subrecipient from may shift costs allowable under two or more Federal awards if allowed by Federal statute, regulation, or the terms of the Federal award(s).

21. E-Verify Subrecipient must comply 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 ARS 23-214(A) and ARS 41-4401. A breach of this obligation is a material breach of this Agreement and Subrecipient may be subject to penalties to be determined at AZDOHS's discretion, up to and including termination of this Agreement. AZDOHS will have the right to inspect the papers of any Subrecipient employee who works on this Agreement, and to those of any employee of any contractor or subcontractor retained through Subrecipient.

22. Research and Development Subrecipient may not use funds obtained under this Agreement for research/development.

23. Funds Management Subrecipient must maintain funds received under this Agreement in separate accounts and cannot mix these funds with funds from other sources. Subrecipient must manage funds according to all applicable Federal regulations, including 2 CFR Part 200 and specifically 2 CFR 200.302. Subrecipient must maintain the following business systems:

- Financial Management
- Procurement
- Personnel
- Property
- Travel

To be adequate, a business system must be 1) complete and in writing; and 2) consistently followed – Subrecipient must apply it in all circumstances, regardless of funding source.

24. Reporting of Matters Related to Recipient Integrity and Performance If the total of Subrecipient's currently active grants, cooperative agreements, and procurement contracts from all Federal assistance offices exceeds $10,000,000 at any time during the Period of Performance, Subrecipient must comply with Appendix XII to 2 CFR Part 200.

25. Nondiscrimination Subrecipient must comply with the following that apply to this Federally-funded program:

a. 29 USC 794, which bars discrimination against qualified handicapped individuals solely by reason of the handicap;

b. 42 USC 2000d *et seq.*, 6 CFR Part 21, and 44 CFR Part 7, which bar discrimination on grounds of race, color, or national origin (which requires Subrecipient to take reasonable steps to provide accommodation to persons with Limited English Proficiency; Subrecipient must refer to the USDHS Guidance at *https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited* and the resources at *http://www.lep.gov*);

c. All State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including but not limited to Arizona Executive Order 2009-9

(https://azgovernor.gov/governor/executive-order/2020-09) and 42 USC 12101-12213 (which bar discriminating on the basis of disability;

d. 42 USC 6101 *et seq.*, which prohibits discrimination on the basis of age;

e. The equal treatment policies and requirements contained in 6 CFR Part 19 and other applicable statutes, regulations, and guidance governing faith-based organizations;

f. 20 USC 1681 *et seq.* and 6 CFR Part 17 and 44 CFR Part 19, which bars discrimination on the basis of sex; and

g. 42 USC 3601 *et seq.* and 24 CFR Part 100, which prohibit discrimination in the sale, rental, financing, and advertising of dwellings, or in the provision of related services, on the basis of race, color, national origin, religion, disability, familial status, and sex.

26. Intellectual Property Subrecipient must affix the copyright notices required by 17 USC 401 and 402 and include an acknowledgement of Government sponsorship (including award number) to any work first produced under this Agreement. Unless otherwise provided by law, Subrecipient is subject to 35 USC 200-212 and 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 CFR Part 401, including specifically 37 CFR 401.14. Subrecipient must obtain USDHS's approval prior to using the USDHS seal(s), logos, crests or reproductions of flags or likenesses of USDHS agency officials. Subrecipient agrees that USDHS and AZDOHS have a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use: (a) the copyright in any work developed under an award or sub-award; and (b) any rights of copyright to which Subrecipient purchases ownership with Federal support. Subrecipient must acknowledge its use of Federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing programs funded in whole or in part with Federal funds. Subrecipient must not advertise or publish information for commercial benefit concerning this Agreement without the prior written approval of AZDOHS.

27. Activities Conducted Abroad Subrecipient must ensure that program activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

28. Federal Debt Status Subrecipient must not be delinquent on any Federal obligations, including but not limited to payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 (https://fiscal.treasury.gov/files/dms/circ-a129-upd-0113.pdf).

29. Required Use of American Iron, Steel, Manufactured Products, and Construction Materials Subrecipients must comply with the Office of Management and Budget (OMB), Memorandum M-22-11 (https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf), which provides Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure.

30. Compliance with Certain Federal Statutes, Regulations, and Requirements

a. Subrecipient must comply with the 31 USC 3729-3733, which prohibits the submission of false or fraudulent claims for payment to the Federal government; 31 USC 3801-3812 detail the remedies for false or fraudulent claims made.

b. Subrecipient must comply with 42 USC 6201 *et seq.*, which contain policies relating to energy efficiency that are defined in the State energy conservation plan issued

c. Subrecipient must comply with the drug-free workplace requirements in 2 CFR Part 3001 and 41 USC 8101-8106.

d. Subrecipient is prohibited from acquiring certain Chinese and Russian telecommunications equipment, systems, and services as provided in FEMA Policy #405-143-1(https://www.fema.gov/sites/default/files/documents/fema_policy-405-143-1-prohibition-covered-services-equipment-gpd.pdf) ; 2 C.F.R. sections 200.216, 200.327, 200.471 and Appendix II to 2 C.F.R. Part 200; 48 CFR 4.2100 *et seq*.; 48 CFR 52.204-25; 48 CFR 52.212-3; 48 C.F.R. 204.2100 *et seq*.; and 48 C.F.R. 252.204-7018 1.

e. If grant funds are used for construction, Subrecipient and its contractors and subcontractors at all tiers must comply with the Davis-Bacon Act (40 USC 3141 *et seq*.). Subrecipients must obtain AZDOHS' written approval before using Homeland Security Grant Program ("HSGP") funds for construction/renovation per https://www.dol.gov/whd/govcontracts/dbra.htm.

f. Subrecipient must maintain insurance coverage as provided in 2 CFR 200.310. Subrecipient must provide at least the equivalent insurance coverage for real property and equipment acquired or improved under this Agreement as provided to property owned by Subrecipient.

g. Subrecipient must comply with 42 USC 6962, including procuring only items designated in the Environmental Protection Agency ("EPA") guidelines at 40 CFR Part 247 as containing the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

h. Subrecipient must comply with all Federal whistleblower protections, including 41 USC 4712.

i. Subrecipient must comply with the PATRIOT Act, P.L. 107-56), including 18 USC 175-175c.

j. Subrecipient must comply with the System for Award Management and Universal Identifier Requirements in 2 CFR, Appendix A to Part 25.

k. Subrecipient must comply with the Trafficking Victims Protection Act, 22 USC 7101 *et seq*., as required by 2 CFR 175.15.

l. Subrecipient must comply with US Executive Order 13224 (https://www.state.gov/executive-order-13224/) and all US laws that prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism.

m. Subrecipient must comply with the requirements on Reporting Subawards and Executive Compensation in Appendix A to 2 CFR Part 170.

n. Subrecipient is subject to the debarment and suspension regulations in US Executive Order 12549 (https://www.archives.gov/federal-register/codification/executive-order/12549.html) and US Executive Order 12689 (https://www.gadoe.org/School-Improvement/Teacher-and-Leader-Effectiveness/Documents/Title%20II,%20Part%20A%20Documents/Guidance/WHEO%2012689%20Debarment%20and%20Suspension.pdf) and 2 CFR Part 180 and 2 CFR Part 3000. These restrict Federal awards, subawards, and contracts with parties debarred, suspended, or otherwise excluded from or ineligible for Federal programs or activities.

o. If Subrecipient collects Personally Identifiable Information ("PII"), it must have a publically-available written policy stating its standards for the usage and maintenance of PII. PII is any information that permits the identity of an individual to be directly or indirectly inferred,

including information linked or linkable to that individual. Subrecipient must follow USDHS guidance (https://www.dhs.gov/publication/privacy-impact-assessment-guidance).

p. Subrecipient must complete either the Standard Form 424B Assurances - Non-Construction Programs (https://omb.report/icr/202011-0560-005CF), or Standard Form 424D Assurances - Construction Programs (https://omb.report/icr/200906-4040-008), as applicable. The USDHS financial assistance office ("USDHS FAO") may determine that certain assurances in these documents may not apply, or may require additional assurances; Subrecipient must contact the USDHS FAO with any questions. Subrecipient must follow the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 and 2 CFR Part 3002. By entering into this Agreement, Subrecipient and its executives, as defined in 2 CFR 170.315, certify that Subrecipient's policies comply with 2 CFR Part 200, all applicable Federal laws, and applicable guidance.

q. Subrecipient must comply with the National Environmental Policy Act ("NEPA") 42 USC 4321 *et seq.*, and Council on Environmental Quality regulations (40 CFR Parts 1500-1508) regarding NEPA.

r. Subrecipient must comply with 31 USC 1352, and may not use funds provided under this Agreement to pay any person to influence or attempt to influence an officer or employee of any government agency, Member of Congress, officer or employee of Congress, or an employee of a Member of Congress, relating in any way to a Federal award or contract.

s. In accordance with 15 USC 2201 *et seq.* and 15 USC 2225a in particular, Subrecipient 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.

t. Subrecipient must comply with the International Air Transportation Fair Competitive Practices Act of 1974, 49 USC 40118, and the interpretative guidelines in Comptroller General Decision B-138942 (https://www.gao.gov/products/b-138942).

u. Subrecipient law enforcement agencies must comply with the requirements of section 12(c) of E.O. 14074. Recipient State, Tribal, local, or territorial law enforcement agencies are also encouraged to adopt and enforce policies consistent with E.O. 14074 to support safe and effective policing.

31. Applicability of Terms of this Agreement to Tribes If a term in this Agreement does not apply to Indian Tribes, or there is a Federal law or regulation exempting Indian Tribes, if Subrecipient is an Indian Tribe, this Agreement does not change or alter the inapplicability of such requirements.

32. Cancellation for Conflict of Interest AZDOHS may, by written notice to Subrecipient, immediately cancel this Agreement without penalty or further obligation pursuant to ARS 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement for AZDOHS is an employee or agent of Subrecipient in any capacity, or a consultant to Subrecipient with respect to this Agreement's subject matter. Cancellation shall be effective when Subrecipient receives AZDOHS' written notice, unless the notice specifies a later time.

33. Assignment and Delegation Subrecipient may not assign any rights hereunder without an express written agreement signed by authorized representatives of both parties.

34. Third Party Antitrust Violations 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 fulfilling this Agreement.

35. Availability of Funds AZDOHS' payment obligations under this Agreement are conditioned on the availability of funds appropriated or allocated for this purpose, per ARS 35-154. If funds are not allocated and available, AZDOHS may terminate this Agreement at the end of the period for which funds are available. No liability shall accrue to AZDOHS in the event this provision is exercised, and 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 Subrecipient in the execution of this Agreement.

36. Force Majeure If either party 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.

37. Dispute Resolution In the event of a dispute regarding this Agreement, written notice must be provided to the other party within 30 calendar days of the relevant events. Any claim made by or against AZDOHS relating to this Agreement shall be resolved through the administrative claims process. The parties agree to resolve all disputes relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by ARS 12-1518 except as may be required by other applicable statutes. The forum for any dispute arising out of this Agreement shall be Maricopa County, Arizona.

38. Governing Law and Interpretation of This Agreement This Agreement is governed by the laws of the State of Arizona, without regard to its conflict of laws provisions. This Agreement is the parties' complete agreement and replaces the parties' prior and contemporaneous agreements, representations, and understandings pertaining to its subject matter, whether oral or written. No course of dealings or usage of the trade supplements or explains any terms. A party's failure to insist on strict performance of any term is not a waiver of that term, even if the party accepting or acquiescing in the nonconforming performance knows the nature of the performance and fails to object. If any new legislation, laws, ordinances, or rules affect this Agreement, this Agreement automatically incorporates the terms of such legislation, laws, ordinances, or rules. Any term of this Agreement that is declared contrary to any current or future law, order, regulation, or rule, or that is otherwise invalid, shall be deemed stricken without impairing the validity of the remainder of this Agreement. 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 other terms, Subrecipient will be notified of the changes in writing; once notification is made, any subsequent request for funds by Subrecipient will constitute Subrecipient's acceptance of the changes and will incorporate the changes into this Agreement. Except as expressly provided in this Paragraph, any amendment to or extension of this Agreement may be made only in a writing signed by authorized representatives of both parties. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

39. Licensing Unless otherwise exempted by law, Subrecipient must obtain and maintain all licenses, permits, and authority necessary to perform its obligations under this Agreement.

40. Sectarian Requests Funds disbursed under this Agreement may not be used for any sectarian purpose or activity, including worship or instruction in violation of the US or Arizona Constitutions.

41. Closed-Captioning of Public Service Announcements Any television public service announcement funded in whole or in part by this Agreement must include closed captioning.

42. 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 to any person (including death) or property damage, but only to the extent 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 and AZDOHS are self-insured per ARS 41-621. If Subrecipient utilizes contractor(s) and/or 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 Arizona Department of Homeland Security and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter, "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.

43. Termination Each party has the right to terminate this Agreement if the other party fails to comply with this Agreement. A party invoking the right to terminate shall provide written 30 day advance notice of all reasons for the termination. If Subrecipient chooses to terminate this Agreement before all deliverables have been delivered, AZDOHS has the right to recover all reimbursements made to Subrecipient. On termination, AZDOHS may procure, on terms that it deems appropriate, materials or services to replace those that otherwise would have been provided by Subrecipient, and Subrecipient will be liable to AZDOHS for all excess costs incurred by AZDOHS in procuring such materials or services. Subrecipient must continue to perform this Agreement until the date of termination, as directed in the termination notice. If AZDOHS reasonably believes Subrecipient does not intend to, or is unable to fully perform this Agreement, AZDOHS may demand in writing that Subrecipient give written assurance of its intent and ability to perform. If Subrecipient fails to provide written assurance within the time specified in the demand, AZDOHS may terminate this Agreement.

44. Paragraph Headings Paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the interpretation of this Agreement.

45. 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.

46. Authority to Execute This Agreement The person executing this Agreement on behalf of Subrecipient represents and warrants that he/she is duly authorized to do so.

47. Transfer of Funds Prohibition Subrecipient may not transfer funds between programs (*e.g.*, State Homeland Security Program, Urban Area Security Initiative, Operation Stonegarden).

48. Parties This Agreement is for the benefit of AZDOHS and Subrecipient as the only parties to this Agreement, and to their respective successors, assigns, executors and legal representatives. Except as expressly provided in this Agreement, nothing in this Agreement confers on any person other than the parties and their respective successors and assigns, any rights, remedies, obligations, or liabilities.

49. Respective Responsibilities Except as expressly provided in this Agreement, each party agrees that, to the extent authorized by law, it will be responsible for its own acts or omissions and the results thereof and will not be responsible for the acts or omissions of the other party and the results thereof. In the event that either party becomes aware of any claim made by or expected from a claimant against a party to this Agreement, which claim relates to the subject matter of this Agreement, that party will immediately notify the other party, and the parties will share all information regarding such matter and cooperate with each other in addressing the matter. The parties are independent contractors, and nothing contained in this Agreement will create the relationship of partnership, joint venture, agency, or employment between the parties or any of their employees, officers, agents, or contractors. Each party hereby agrees to perform any further acts and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

50. Publicity Neither party shall use or mention in any publicity, advertising, promotional materials or news release the name or service mark(s) of the other party without the prior written consent of that party.

51. Notices All communications by either party to 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
1802 West Jackson, #117
Phoenix, AZ 85007

Subrecipient must address all notices relative to this Agreement to the appropriate AZDOHS staff; contact information is at www.azdohs.gov.

AZDOHS shall address all notices relative to this Agreement to:

Chief of Police, Nigel Reynoso
Enter Title, First & Last Name Above
The City of San Luis
Enter Agency Name Above
1030 E Union Street/ PO Box 3720
Enter Mailing Address Above
San Luis, AZ 85349
Enter City, State, ZIP Above

IN WITNESS WHEREOF, the parties hereto agree to execute this Agreement.

FOR AND BEHALF OF THE	**FOR AND BEHALF OF THE**
The City of San Luis	Arizona Department of Homeland Security
Enter Agency Name Above	
Authorized Signature Above	Susan Dzbanko, Deputy Director
Jenny Torres, Acting City Manager	
Print Name & Title Above	
Enter Date Above	Date

(Complete and mail two original documents to the Arizona Department of Homeland Security.)

FFY 2024 Operation Stonegarden Grant Program
Overtime/ERE/Mileage - Budget Detail
Agency: San Luis Police Department
Subrecipient Agreement #: 240431-01

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. Subrecipient agrees to the funding shown here:

OVERTIME	ERE	MILEAGE	TOTAL AWARD
$514,033.94	$115,966.06	$ 30,000.00	
			$ 660,000.00

Project Point of Contact

Print Name | Signature | Date

AZDOHS Staff: **Kim Brooks**

Print Name | Signature | Date

This form is to be signed and returned.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. H.**

Meeting Date: 02/12/2025

Department Head: Nigel Reynoso, Chief of Police, Police Department

Submitted By: Michelle Boucher, Police Administrator, Police Department

Action Requested: Motion
Order

ITEM:

Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2025-02. 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.
(Damian Miller, Police Lieutenant)

SUMMARY:

The City of San Luis Police Department has been awarded $83,000.00 for Equipment under the Fiscal Year 2024 Operation Stonegarden Program Award Number 24-AZDOHS-OPSG-240431-02. The grant performance period is February 1, 2025, through March 31, 2026. The total awarded grant-funded amount is $83,000.00

The adoption of this order will support the United States Border Patrol's mission by allowing police officers the ability to prevent or stop the ingress of drugs, the smuggling of undocumented persons, and the nexus to terrorism.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT ORDER NO. 2025-02 APPROVING THE INTERGOVERNMENTAL AGREEMENT AND GRANT, AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	Federal
TOTAL:	Yes
BUDGETED AMOUNT:	$83,000
AVAILABLE AMOUNT TO TRANSFER:	See fiscal Impact Statement
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	See fiscal Impact Statement
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):	

The San Luis Police Department will receive $83,000 in equipment reimbursements. All funds will be expended and reimbursed during FY26.

Account number:
250-181-44000.194.194 Special Revenue-Public Safety, Police Department-Grant DOHS OPSG 240431-02

Attachments

Order No. 2025-02

Subrecipient Agreement

Budget Detail

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Order

No. 2025-02

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 the funds including that these funds shall not be used to supplant other funding of the San Luis Police Department.

NOW, THEREFORE, BE IT ORDERED 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 24-AZDOHS-OPSG-240431-02" and the grant application titled "OPSG Equipment" 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 _____ day of February 2025.

_____
Nieves Reidel, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney

SUBRECIPIENT AGREEMENT
OPERATION STONEGARDEN GRANT PROGRAM
EQUIPMENT

24-AZDOHS-OPSG- 240431-02
(Enter Subrecipient Agreement number above (e.g., 240XXX-XX)

Between

The Arizona Department of Homeland Security
And
San Luis Police Department
(Enter the name of the Subrecipient Agency above)

UEI Number R89HW83KSNT8
(Enter the UEI number above)

WHEREAS, ARS 41-4254 makes AZDOHS responsible for administering the funds covered by this agreement ("Agreement"), the parties hereby agree to the following terms:

1. **Purpose of Agreement** This Agreement is to specify the rights and responsibilities of AZDOHS in administering the distribution of homeland security grant funds to Subrecipient, and to specify the rights and responsibilities of Subrecipient as the recipient of these funds.

2. **Period of Performance** This Agreement shall become effective on **February 1, 2025 and shall terminate on March 31, 2026** (the "Period of Performance"). The obligations of the Subrecipient as described herein will survive termination of this agreement.

3. **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 $ 83,000 (as may have been modified by the award letter).
(Enter funded award amount above)

4. **Financing and Fiscal Responsibility** Under US Department of Homeland Security ("USDHS") grant EMW-2024-SS-05080 and Catalog of Federal Domestic Assistance ("CFDA") #97.067, AZDOHS shall provide up to $ 83,000 to Subrecipient under this Agreement.
Payment to Subrecipient must be on a reimbursement basis only, conditioned upon Subrecipient providing AZDOHS with proof of payment and applicable, accurate and complete reimbursement documents, as deemed necessary by AZDOHS. A list of acceptable documentation is at www.azdohs.gov. Payments are contingent on Subrecipient performing all its obligations under this Agreement. Subrecipient may use the funds provided under this Agreement only as provided in the application and award documentation. If Subrecipient does not complete all its obligations, Subrecipient must immediately reimburse all previously-provided funds to AZDOHS. If Subrecipient completes its obligations at a lower than the budgeted cost, the amount reimbursed to Subrecipient will be only the amount actually spent by Subrecipient in accordance with the approved application. For any expenditure disallowed after or otherwise by AZDOHS, or the State or Federal government, Subrecipient must immediately reimburse such funds to AZDOHS.

5. **Reporting Requirements** Subrecipient must submit quarterly programmatic reports to AZDOHS as follows:

   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)

   Subrecipient must use the Quarterly Programmatic Report form (https://azdohs.gov/grant-program-forms) for these reports. Subrecipient must provide detailed information on the status of completion of the planned activities in the approved application satisfactory to AZDOHS in its sole discretion. Failure to adequately provide such information will result in the Quarterly Programmatic Report being rejected by AZDOHS and resubmission will be required. If the program has been fully completed so that there will be no further updates, then the quarterly report for the quarter in which the program was completed will be the final report; the report should be marked as "final" and must include all pertinent information regarding the program as determined solely by AZDOHS.

   Final Quarterly Programmatic Report: The final quarterly programmatic report is due no more than **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).

6. **Reimbursements** Subrecipient must provide AZDOHS with requests for reimbursement as frequently as monthly but not less than quarterly; submissions must be made via US Mail, delivery service (FedEx, UPS, etc.) or in person; **submissions via fax or by any electronic means will not be accepted**. Reimbursement requests shall be submitted with the Reimbursement Form provided by AZDOHS staff. AZDOHS has the right to require Subrecipient to provide any documentation and/or information AZDOHS deems necessary to process submissions.

   Reimbursement requests are only required when expenses have been incurred. The Subrecipient shall submit a final reimbursement request, marked as such, 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 **45** calendar days after the end of the period of performance. Requests for reimbursement received by AZDOHS later than 45 calendar days after the end of the period of performance will not be paid.

   Subrecipients will only be reimbursed for expenses that have been obligated, expended and received within the authorized Period of Performance as identified in Paragraph 2 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 (e.g. cell phone service) will be deemed unallowable and will not be reimbursed.

7. **Environmental Planning and Historic Preservation** Subrecipient **must** comply with Federal, State and Local environmental and historical preservation (EHP) regulations, laws and Executive Orders as applicable. *See* https://www.fema.gov/media-library-data/1533321728657-592e122ade85743d1760fd4747241776/GPD_EHP_Policy_Final_Amendment_GPD_final_508.pdf and https://azdohs.gov/environmental-and-historic-preservation-ehp. Subrecipients proposing programs with potential environmental impact **must** participate in the USDHS/Federal Emergency Management Agency (FEMA) EHP review process. Subrecipient **must** complete the EHP review

process before funds will be released by AZDOHS. If Subrecipient engages in ground disturbing activities, Subrecipient must monitor ground disturbance. If archeological resources are discovered, Subrecipient must immediately (a) cease construction and (b) notify FEMA, AZDOHS, and the Arizona State Historic Preservation Office. AZDOHS/DHS/FEMA **will not fund or reimburse** projects that are initiated without the required EHP review.

8. **Procurement (including Noncompetitive Procurement)** Subrecipient must comply with its procurement rules/policies, all Federal procurement rules/policies, and all Arizona Procurement Code provisions and rules, the most restrictive of which will apply. Subrecipient **must not** enter into a noncompetitive procurement unless AZDOHS grants **prior written approval** via the Noncompetitive Procurement Request form at https://azdohs.gov/grant-program -forms.

9. **Property Control** Subrecipient must safeguard and maintain control and accountability for all property/equipment purchased under this Agreement, and Subrecipient must assure that it is used only for purposed authorized under this Agreement and maintained as provided in 2 CFR 200.313. Such property/equipment shall be used by Subrecipient in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal grant funds. Subrecipient must immediately investigate and report to AZDOHS any loss, damage, or theft. Subrecipient must replace any property/equipment lost, damaged or stolen at Subrecipient's expense, and must immediately submit an updated Property Control Form (https://azdohs.gov/grant-program-forms) to AZDOHS.

   "Nonexpendable Property/Equipment" is property that has a continuing use, is not consumed in use, has an expected life of one year or more, costs $5,000 or more per unit, and does not become a fixture or lose its identity as a component of other equipment/systems, while a "Capital Asset" is personal or real property or a fixture costing $5,000 or more per unit with an expected life of one year or more. Subrecipient is solely responsible for the proper maintenance of all Nonexpendable Property/Equipment and Capital Assets acquired under this Agreement Subrecipient must take a physical inventory of all such Nonexpendable Property/Equipment and Capital Assets and reconcile the results with the Property Control Form at least once every two years. Subrecipient must maintain a control system to prevent loss, damage, or theft of such Nonexpendable Property/Equipment and Capital Assets, and Subrecipient must immediately report any loss, damage, or theft to AZDOHS. 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, if applicable, 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.

   When Subrecipient is no longer using Nonexpendable Property/Equipment and/or Capital Assets acquired under this Agreement on the program, Subrecipient must immediately submit an updated Property Control Form to AZDOHS, and any disposition must be in compliance with AZDOHS Disposition Guidance (https://azdohs.gov/grant-program-forms) and 2 CFR Part 200, including specifically 2 CFR 200.313. If Subrecipient seeks disposition of such Nonexpendable Property/Equipment or Capital Assets for any reason other than theft, destruction, or loss, Subrecipient must submit an Equipment Disposition Request Form (https://azdohs.gov/grant-program-forms) to AZDOHS and receive approval from AZDOHS prior to disposition. Subrecipient must update the Property Control Form and provide a copy to AZDOHS within 45 calendar days after disposition. Per 2 CFR 200.333(c), Subrecipient must retain all records relating to such Nonexpendable Property/Equipment and Capital Assets for 3 years after disposition.

10. **Training and Exercise** All training and/or exercise events must be included in Subrecipient's application. Alternate/additional training/exercise requests must be approved in advance by AZDOHS. Subrecipient must submit a Project Modification Request Form (https://azdohs.gov/grant-program-forms) for review and approval by AZDOHS prior to scheduling alternate/additional training/exercise events. For those projects that are managed by DEMA, alternate/additional training requests must be approved in advance by DEMA and AZDOHS using the Pre-approval form (https://dema.az.gov/emergency-management/preparedness/training). All exercises must comply with FEMA Homeland Security Exercise and Evaluation Program (https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep; "HSEEP") guidance. Subrecipient will (a) Submit an exercise summary and attendance/sign-in roster; and (b) Email the After Action Report/Improvement Plan to the local County Emergency Manager, AZDOHS, and the DEMA Exercise Branch, within 90 days of completion of an exercise or as prescribed by HSEEP.

11. **Consultants/Trainers/Training Providers** Invoices for consultants/trainers/training providers must include: a description of services; dates of services; number of hours for services performed; rate charged; and the total cost of services. Rates must be within the prevailing rates; must be consistent with Subrecipient's procurement policies and 2 CFR Part 200; and shall not exceed **$650** per day per consultant/trainer/training provider unless AZDOHS grants prior written approval. This includes internal personnel hired on backfill/overtime to deliver training. Subrecipient will not be reimbursed costs other than travel, lodging, meals, and incidentals on travel days for consultants/trainers/training providers, at rates not to exceed State rates, and itemized receipts are required. See Travel Costs below, at Paragraph 12.

12. **Travel Costs** All grant funds expended for travel, lodging, meals and incidentals are subject to the standards of Subrecipient's policies and procedures, and the State of Arizona Accounting Manual (https://gao.az.gov/publications/saam), which Subrecipient must apply uniformly to both Federally financed and its other activities. AZDOHS will reimburse at the most restrictive allowability and rates. At no time will Subrecipient's reimbursements exceed the State rates established by the Arizona Department of Administration: https://gao.az.gov/travel.

13. **Contractors/Subcontractors** Subrecipient may enter into written subcontract(s) in accordance with 2 CFR Part 200 and the NOFO. No subcontract that the Subrecipient enters into relieves Subrecipient of any responsibilities under this Agreement. Subrecipient must give AZDOHS immediate notice in writing of any action filed or claim made against Subrecipient by any subcontractor or vendor.

14. **Allowable Costs** The allowability of costs incurred under this Agreement shall be determined by AZDOHS in its sole discretion and in accordance with the general principles and standards set forth in the CFR, FEMA Authorized Equipment List (https://www.fema.gov/grants/tools/authorized-equipment-list), and guidance documents (i.e. NOFO, Preparedness Grants Manual, Information Bulletins). Subrecipient's use of grant funds for indirect costs must be in accordance with 2 CFR Part 200 and the NOFO. Subrecipient must apply to AZDOHS for its written approval of indirect costs prior to expenditure. Subrecipient may not expend grant funds for Management and Administrative costs for administering such funds without prior written approval of AZDOHS.

15. **Amendments** Any change in this Agreement including but not limited to the Description of Services, Period of Performance 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. Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the Subrecipient's reimbursement, 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.

16. Audit/Monitoring

a. Subrecipient must comply with the record-keeping and other requirements of ARS 35-214 and 35-215, and shall ensure that its contractors and subcontractors at all tiers also comply.

b. Under 31 USC 7501-7507and 2 CFR 200.501, Subrecipient will be subject to audit per 2 CFR Part 200, if Subrecipient expended $750,000 or more in Federal awards in its previous fiscal year. If Subrecipient has met or exceeded this threshold, Subrecipient must submit to AZDOHS a copy of Subrecipient's single audit or program specific audit report for the previous fiscal year (and for subsequent fiscal years that fall within the Period of Performance) annually, within 9 months of Subrecipient's fiscal year end. Subrecipients not subject to this requirement must submit to AZDOHS via audits@azdohs.gov a statement that they do not meet the threshold and therefore do not have to complete a single audit or program specific audit.

c. Failure of Subrecipient to comply with any requirements resulting from an audit will suspend reimbursement by AZDOHS to Subrecipient and Subrecipient will not be eligible for any new award, until Subrecipient is in complete compliance.

AZDOHS will monitor Subrecipient to ensure that program goals, objectives, performance requirements, timelines, planned objectives, budgets, and all other related program criteria are being met. Subrecipient must comply with applicable provisions governing USDHS access to records, accounts, documents, information, facilities, and staff and must require any contractors, successors, transferees, and assignees to comply with these same provisions. Subrecipient must cooperate with any review or investigation conducted by USDHS and/or AZDOHS. Subrecipient must give USDHS and AZDOHS access to and the right to 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 deemed necessary by USDHS or AZDOHS. Subrecipient must submit timely, complete, and accurate reports to the appropriate USDHS and AZDOHS officials and maintain appropriate backup documentation. Subrecipient must comply with all reporting, data collection, and evaluation requirements prescribed by law or in program guidance.

17. Notice of Funding Opportunity (NOFO) Subrecipient must comply with the Notice of Funding Opportunity (NOFO). The terms of the NOFO are hereby incorporated into this Agreement.

18. National Incident Management System Subrecipient must remain in compliance with National Incident Management System implementation initiatives as provided in the NOFO.

19. Communications Equipment All Land Mobile Radio equipment purchased must comply with: (a) P25 (Project 25) standards (https://www.cisa.gov/safecom); (b) SAFECOM Guidance (https://www.cisa.gov/safecom); (c) Land Mobile Radio Minimum Equipment Standards as approved by the Statewide Interoperability Executive Committee (https://www.azdps.gov/services/government/swic); and (d) Arizona's State Interoperable Priority Programming Guide (https://www.azdps.gov/services/government/swic).

20. Nonsupplanting Agreement Subrecipient must not use funds received under this Agreement to supplant Federal, State, Tribal or Local funds or other resources, and may be required to document this. If a position created by this Agreement is filled from within, the resulting vacancy

must be filled within 30 days, and if not, Subrecipient must stop charging the grant for the new position; upon filling the vacancy, Subrecipient may resume charging for the position. A cost allocable to a particular Federal award provided for in 2 CFR 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 award(s), or any other reason. However, Subrecipient from may shift costs allowable under two or more Federal awards if allowed by Federal statute, regulation, or the terms of the Federal award(s).

21. E-Verify Subrecipient must comply 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 ARS 23-214(A) and ARS 41-4401. A breach of this obligation is a material breach of this Agreement and Subrecipient may be subject to penalties to be determined at AZDOHS's discretion, up to and including termination of this Agreement. AZDOHS will have the right to inspect the papers of any Subrecipient employee who works on this Agreement, and to those of any employee of any contractor or subcontractor retained through Subrecipient.

22. Research and Development Subrecipient may not use funds obtained under this Agreement for research/development.

23. Funds Management Subrecipient must maintain funds received under this Agreement in separate accounts and cannot mix these funds with funds from other sources. Subrecipient must manage funds according to all applicable Federal regulations, including 2 CFR Part 200 and specifically 2 CFR 200.302. Subrecipient must maintain the following business systems:

- Financial Management
- Procurement
- Personnel
- Property
- Travel

To be adequate, a business system must be 1) complete and in writing; and 2) consistently followed – Subrecipient must apply it in all circumstances, regardless of funding source.

24. Reporting of Matters Related to Recipient Integrity and Performance If the total of Subrecipient's currently active grants, cooperative agreements, and procurement contracts from all Federal assistance offices exceeds $10,000,000 at any time during the Period of Performance, Subrecipient must comply with Appendix XII to 2 CFR Part 200.

25. Nondiscrimination Subrecipient must comply with the following that apply to this Federally-funded program:

a. 29 USC 794, which bars discrimination against qualified handicapped individuals solely by reason of the handicap;

b. 42 USC 2000d *et seq.*, 6 CFR Part 21, and 44 CFR Part 7, which bar discrimination on grounds of race, color, or national origin (which requires Subrecipient to take reasonable steps to provide accommodation to persons with Limited English Proficiency; Subrecipient must refer to the USDHS Guidance at *https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited* and the resources at *http://www.lep.gov*);

c. All State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including but not limited to Arizona Executive Order 2009-9

(https://azgovernor.gov/governor/executive-order/2020-09) and 42 USC 12101-12213 (which bar discriminating on the basis of disability;

d. 42 USC 6101 *et seq.*, which prohibits discrimination on the basis of age;

e. The equal treatment policies and requirements contained in 6 CFR Part 19 and other applicable statutes, regulations, and guidance governing faith-based organizations;

f. 20 USC 1681 *et seq.* and 6 CFR Part 17 and 44 CFR Part 19, which bars discrimination on the basis of sex; and

g. 42 USC 3601 *et seq.* and 24 CFR Part 100, which prohibit discrimination in the sale, rental, financing, and advertising of dwellings, or in the provision of related services, on the basis of race, color, national origin, religion, disability, familial status, and sex.

26. Intellectual Property Subrecipient must affix the copyright notices required by 17 USC 401 and 402 and include an acknowledgement of Government sponsorship (including award number) to any work first produced under this Agreement. Unless otherwise provided by law, Subrecipient is subject to 35 USC 200-212 and 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 CFR Part 401, including specifically 37 CFR 401.14. Subrecipient must obtain USDHS's approval prior to using the USDHS seal(s), logos, crests or reproductions of flags or likenesses of USDHS agency officials. Subrecipient agrees that USDHS and AZDOHS have a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use: (a) the copyright in any work developed under an award or sub-award; and (b) any rights of copyright to which Subrecipient purchases ownership with Federal support. Subrecipient must acknowledge its use of Federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing programs funded in whole or in part with Federal funds. Subrecipient must not advertise or publish information for commercial benefit concerning this Agreement without the prior written approval of AZDOHS.

27. Activities Conducted Abroad Subrecipient must ensure that program activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

28. Federal Debt Status Subrecipient must not be delinquent on any Federal obligations, including but not limited to payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 (https://fiscal.treasury.gov/files/dms/circ-a129-upd-0113.pdf).

29. Required Use of American Iron, Steel, Manufactured Products, and Construction Materials Subrecipients must comply with the Office of Management and Budget (OMB), Memorandum M-22-11 (https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf), which provides Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure.

30. Compliance with Certain Federal Statutes, Regulations, and Requirements

a. Subrecipient must comply with the 31 USC 3729-3733, which prohibits the submission of false or fraudulent claims for payment to the Federal government; 31 USC 3801-3812 detail the remedies for false or fraudulent claims made.

b. Subrecipient must comply with 42 USC 6201 *et seq.*, which contain policies relating to energy efficiency that are defined in the State energy conservation plan issued

c. Subrecipient must comply with the drug-free workplace requirements in 2 CFR Part 3001 and 41 USC 8101-8106.

d. Subrecipient is prohibited from acquiring certain Chinese and Russian telecommunications equipment, systems, and services as provided in FEMA Policy #405-143-1(https://www.fema.gov/sites/default/files/documents/fema_policy-405-143-1-prohibition-covered-services-equipment-gpd.pdf) ; 2 C.F.R. sections 200.216, 200.327, 200.471 and Appendix II to 2 C.F.R. Part 200; 48 CFR 4.2100 *et seq*.; 48 CFR 52.204-25; 48 CFR 52.212-3; 48 C.F.R. 204.2100 *et seq*.; and 48 C.F.R. 252.204-7018 1.

e. If grant funds are used for construction, Subrecipient and its contractors and subcontractors at all tiers must comply with the Davis-Bacon Act (40 USC 3141 *et seq*.). Subrecipients must obtain AZDOHS' written approval before using Homeland Security Grant Program ("HSGP") funds for construction/renovation per https://www.dol.gov/whd/govcontracts/dbra.htm.

f. Subrecipient must maintain insurance coverage as provided in 2 CFR 200.310. Subrecipient must provide at least the equivalent insurance coverage for real property and equipment acquired or improved under this Agreement as provided to property owned by Subrecipient.

g. Subrecipient must comply with 42 USC 6962, including procuring only items designated in the Environmental Protection Agency ("EPA") guidelines at 40 CFR Part 247 as containing the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

h. Subrecipient must comply with all Federal whistleblower protections, including 41 USC 4712.

i. Subrecipient must comply with the PATRIOT Act, P.L. 107-56), including 18 USC 175-175c.

j. Subrecipient must comply with the System for Award Management and Universal Identifier Requirements in 2 CFR, Appendix A to Part 25.

k. Subrecipient must comply with the Trafficking Victims Protection Act, 22 USC 7101 *et seq*., as required by 2 CFR 175.15.

l. Subrecipient must comply with US Executive Order 13224 (https://www.state.gov/executive-order-13224/) and all US laws that prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism.

m. Subrecipient must comply with the requirements on Reporting Subawards and Executive Compensation in Appendix A to 2 CFR Part 170.

n. Subrecipient is subject to the debarment and suspension regulations in US Executive Order 12549 (https://www.archives.gov/federal-register/codification/executive-order/12549.html) and US Executive Order 12689 (https://www.gadoe.org/School-Improvement/Teacher-and-Leader-Effectiveness/Documents/Title%20II,%20Part%20A%20Documents/Guidance/WHEO%2012689%20Debarment%20and%20Suspension.pdf) and 2 CFR Part 180 and 2 CFR Part 3000. These restrict Federal awards, subawards, and contracts with parties debarred, suspended, or otherwise excluded from or ineligible for Federal programs or activities.

o. If Subrecipient collects Personally Identifiable Information ("PII"), it must have a publically-available written policy stating its standards for the usage and maintenance of PII. PII is any information that permits the identity of an individual to be directly or indirectly inferred,

including information linked or linkable to that individual. Subrecipient must follow USDHS guidance (https://www.dhs.gov/publication/privacy-impact-assessment-guidance).

p. Subrecipient must complete either the Standard Form 424B Assurances - Non-Construction Programs (https://omb.report/icr/202011-0560-005CF), or Standard Form 424D Assurances - Construction Programs (https://omb.report/icr/200906-4040-008), as applicable. The USDHS financial assistance office ("USDHS FAO") may determine that certain assurances in these documents may not apply, or may require additional assurances; Subrecipient must contact the USDHS FAO with any questions. Subrecipient must follow the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 and 2 CFR Part 3002. By entering into this Agreement, Subrecipient and its executives, as defined in 2 CFR 170.315, certify that Subrecipient's policies comply with 2 CFR Part 200, all applicable Federal laws, and applicable guidance.

q. Subrecipient must comply with the National Environmental Policy Act ("NEPA") 42 USC 4321 *et seq.*, and Council on Environmental Quality regulations (40 CFR Parts 1500-1508) regarding NEPA.

r. Subrecipient must comply with 31 USC 1352, and may not use funds provided under this Agreement to pay any person to influence or attempt to influence an officer or employee of any government agency, Member of Congress, officer or employee of Congress, or an employee of a Member of Congress, relating in any way to a Federal award or contract.

s. In accordance with 15 USC 2201 *et seq.* and 15 USC 2225a in particular, Subrecipient 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.

t. Subrecipient must comply with the International Air Transportation Fair Competitive Practices Act of 1974, 49 USC 40118, and the interpretative guidelines in Comptroller General Decision B-138942 (https://www.gao.gov/products/b-138942).

u. Subrecipient law enforcement agencies must comply with the requirements of section 12(c) of E.O. 14074. Recipient State, Tribal, local, or territorial law enforcement agencies are also encouraged to adopt and enforce policies consistent with E.O. 14074 to support safe and effective policing.

31. Applicability of Terms of this Agreement to Tribes If a term in this Agreement does not apply to Indian Tribes, or there is a Federal law or regulation exempting Indian Tribes, if Subrecipient is an Indian Tribe, this Agreement does not change or alter the inapplicability of such requirements.

32. Cancellation for Conflict of Interest AZDOHS may, by written notice to Subrecipient, immediately cancel this Agreement without penalty or further obligation pursuant to ARS 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement for AZDOHS is an employee or agent of Subrecipient in any capacity, or a consultant to Subrecipient with respect to this Agreement's subject matter. Cancellation shall be effective when Subrecipient receives AZDOHS' written notice, unless the notice specifies a later time.

33. Assignment and Delegation Subrecipient may not assign any rights hereunder without an express written agreement signed by authorized representatives of both parties.

34. Third Party Antitrust Violations 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 fulfilling this Agreement.

35. Availability of Funds AZDOHS' payment obligations under this Agreement are conditioned on the availability of funds appropriated or allocated for this purpose, per ARS 35-154. If funds are not allocated and available, AZDOHS may terminate this Agreement at the end of the period for which funds are available. No liability shall accrue to AZDOHS in the event this provision is exercised, and 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 Subrecipient in the execution of this Agreement.

36. Force Majeure If either party 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.

37. Dispute Resolution In the event of a dispute regarding this Agreement, written notice must be provided to the other party within 30 calendar days of the relevant events. Any claim made by or against AZDOHS relating to this Agreement shall be resolved through the administrative claims process. The parties agree to resolve all disputes relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by ARS 12-1518 except as may be required by other applicable statutes. The forum for any dispute arising out of this Agreement shall be Maricopa County, Arizona.

38. Governing Law and Interpretation of This Agreement This Agreement is governed by the laws of the State of Arizona, without regard to its conflict of laws provisions. This Agreement is the parties' complete agreement and replaces the parties' prior and contemporaneous agreements, representations, and understandings pertaining to its subject matter, whether oral or written. No course of dealings or usage of the trade supplements or explains any terms. A party's failure to insist on strict performance of any term is not a waiver of that term, even if the party accepting or acquiescing in the nonconforming performance knows the nature of the performance and fails to object. If any new legislation, laws, ordinances, or rules affect this Agreement, this Agreement automatically incorporates the terms of such legislation, laws, ordinances, or rules. Any term of this Agreement that is declared contrary to any current or future law, order, regulation, or rule, or that is otherwise invalid, shall be deemed stricken without impairing the validity of the remainder of this Agreement. 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 other terms, Subrecipient will be notified of the changes in writing; once notification is made, any subsequent request for funds by Subrecipient will constitute Subrecipient's acceptance of the changes and will incorporate the changes into this Agreement. Except as expressly provided in this Paragraph, any amendment to or extension of this Agreement may be made only in a writing signed by authorized representatives of both parties. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

39. Licensing Unless otherwise exempted by law, Subrecipient must obtain and maintain all licenses, permits, and authority necessary to perform its obligations under this Agreement.

40. Sectarian Requests Funds disbursed under this Agreement may not be used for any sectarian purpose or activity, including worship or instruction in violation of the US or Arizona Constitutions.

41. Closed-Captioning of Public Service Announcements Any television public service announcement funded in whole or in part by this Agreement must include closed captioning.

42. 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 to any person (including death) or property damage, but only to the extent 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 and AZDOHS are self-insured per ARS 41-621. If Subrecipient utilizes contractor(s) and/or 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 Arizona Department of Homeland Security and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter, "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.

43. Termination Each party has the right to terminate this Agreement if the other party fails to comply with this Agreement. A party invoking the right to terminate shall provide written 30 day advance notice of all reasons for the termination. If Subrecipient chooses to terminate this Agreement before all deliverables have been delivered, AZDOHS has the right to recover all reimbursements made to Subrecipient. On termination, AZDOHS may procure, on terms that it deems appropriate, materials or services to replace those that otherwise would have been provided by Subrecipient, and Subrecipient will be liable to AZDOHS for all excess costs incurred by AZDOHS in procuring such materials or services. Subrecipient must continue to perform this Agreement until the date of termination, as directed in the termination notice. If AZDOHS reasonably believes Subrecipient does not intend to, or is unable to fully perform this Agreement, AZDOHS may demand in writing that Subrecipient give written assurance of its intent and ability to perform. If Subrecipient fails to provide written assurance within the time specified in the demand, AZDOHS may terminate this Agreement.

44. Paragraph Headings Paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the interpretation of this Agreement.

45. 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.

46. Authority to Execute This Agreement The person executing this Agreement on behalf of Subrecipient represents and warrants that he/she is duly authorized to do so.

47. Transfer of Funds Prohibition Subrecipient may not transfer funds between programs (*e.g.*, State Homeland Security Program, Urban Area Security Initiative, Operation Stonegarden).

48. Parties This Agreement is for the benefit of AZDOHS and Subrecipient as the only parties to this Agreement, and to their respective successors, assigns, executors and legal representatives. Except as expressly provided in this Agreement, nothing in this Agreement confers on any person other than the parties and their respective successors and assigns, any rights, remedies, obligations, or liabilities.

49. Respective Responsibilities Except as expressly provided in this Agreement, each party agrees that, to the extent authorized by law, it will be responsible for its own acts or omissions and the results thereof and will not be responsible for the acts or omissions of the other party and the results thereof. In the event that either party becomes aware of any claim made by or expected from a claimant against a party to this Agreement, which claim relates to the subject matter of this Agreement, that party will immediately notify the other party, and the parties will share all information regarding such matter and cooperate with each other in addressing the matter. The parties are independent contractors, and nothing contained in this Agreement will create the relationship of partnership, joint venture, agency, or employment between the parties or any of their employees, officers, agents, or contractors. Each party hereby agrees to perform any further acts and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

50. Publicity Neither party shall use or mention in any publicity, advertising, promotional materials or news release the name or service mark(s) of the other party without the prior written consent of that party.

51. Notices All communications by either party to 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
1802 West Jackson, #117
Phoenix, AZ 85007

Subrecipient must address all notices relative to this Agreement to the appropriate AZDOHS staff; contact information is at www.azdohs.gov.

AZDOHS shall address all notices relative to this Agreement to:

Chief of Police, Nigel Reynoso
Enter Title, First & Last Name Above
The City of San Luis
Enter Agency Name Above
1030 E Union Street/ PO Box 3720
Enter Mailing Address Above
San Luis, AZ 85349
Enter City, State, ZIP Above

IN WITNESS WHEREOF, the parties hereto agree to execute this Agreement.

FOR AND BEHALF OF THE	**FOR AND BEHALF OF THE**
The City of San Luis	Arizona Department of Homeland Security
Enter Agency Name Above	
Authorized Signature Above	Susan Dzbanko, Deputy Director
Jenny Torres, Acting City Manager	
Print Name & Title Above	
Enter Date Above	Date

(Complete and mail two original documents to the Arizona Department of Homeland Security.)

FFY 2024 Operation Stonegarden Grant Program
Budget Detail - Equipment
Agency: San Luis Police Department
Subrecipient Agreement #: 240431-02

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	AEL	QUANTITY	COST/UNIT	TOTAL COST	TOTAL AWARD
4x4 OPSG Vehicle w/Police Equipment	12VE-00-MISS	1	$83,000	$83,000	
					$83,000

AZDOHS Staff: **Kim Brooks**

Print Name | Signature | Date

Project Point of Contact:

Print Name | Signature | Date

This form is to be signed and returned.

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. I.**

Meeting Date: 02/12/2025

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Resolution

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2353. A resolution of the Mayor and City Council of the City of San Luis, Arizona, reducing the City Council Members' pay by fifty percent and amending the City of San Luis Personnel Policies to remove City Council Members from dental and vision care coverage paid by the city; establishing an effective date; repealing any conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

This item proposes to reduce the City Council Members' pay by fifty percent (50%) and remove the City Council Members' dental and vision care benefits paid by the city.

Under Arizona Constitution Article 4, Part 2, Section 17, these changes will not take place until those elected to City Council in the 2026 election take their oaths of office. (The Constitutional section is attached). This constitutional provision, as applied to City Councils, is intended to ensure that all City Council Members "doing, in substance, the same work, should at all times receive the same salaries." (See the penultimate paragraph in Arizona Attorney General Opinion No.I 90-135 dated October 22, 1990, attached).

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2353.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	Reduction in Cost to the City starting January 1, 2027
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):

If passed there will be a reduction in costs to the city starting January 1, 2027.

Attachments

Resolution No. 2353
Arizona Constitution Provision
Ariz AG Opinion

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

No. 2353

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, REDUCING THE CITY COUNCIL MEMBERS' PAY BY FIFTY PERCENT AND AMENDING THE CITY OF SAN LUIS PERSONNEL POLICIES TO REMOVE CITY COUNCIL MEMBERS FROM DENTAL AND VISION CARE COVERAGE PAID BY THE CITY; ESTABLISHING AN EFFECTIVE DATE; REPEALING ANY CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, by resolution or ordinance, A.R.S. § 9-232.01 allows city councils to prescribe salaries for the mayor and council members for the performance of official duties; and

WHEREAS, the San Luis City Code § 2.05.240 states: "The compensation of elective officers of the city shall be fixed from time to time by resolution of the Council;" and

WHEREAS, the last time the Council passed a resolution on its salary was June 24, 2014, through Resolution No.1062; and

WHEREAS, the Council desires to reduce its salary;

WHEREAS, the Council passed Resolution No. 750 adopting the City of San Luis Personnel Policies dated July 1, 2008; and

WHEREAS, the Council desires to remove city-paid benefits for dental and vision care for the City Council.

WHEREAS, under Arizona Constitution Article 4, Part 2, Section 17, as interpreted by the case of Davis v. Hale, 96 Ariz 219, 225, 393 P.2d 912, 916 (1964), the compensation of a Council Member cannot be increased or diminished before the next election so that that Council Members doing in substance, the same work, should at all times receive the same salaries.

NOW THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1: The monthly salary to be paid to the Mayor, the Vice Mayor, and Members of the San Luis City Council shall be reduced fifty percent (50%) from the salary set by Resolution 1062 to be as follows:

The Office of the Mayor shall be paid the sum of $875.00 per month.
The Office of the Vice Mayor shall be paid the sum of $650 per month.
The Office of Council Member shall be paid the sum of $450 per month.

Section 2 The City of San Luis Personnel Policies Section **HR-4-13(D).** is amended and restated to read:

(1) As listed in HR-4-13(A), the City Council Members may participate in the City of San Luis' qualifying health care medical insurance plan. If they choose to participate in the qualifying health care dental and vision insurance plans if the premiums are paid by the City Council Members and at no cost to the city.
(2) As listed in HR-4-13(B), the City Council Members may participate in supplemental insurance plans or other qualifying insurance plans if the premiums are paid by the City Council Members and at no cost to the city.

Section 2: The City of San Luis Personnel Policies Section **HR-4-14(A)** is amended and restated to read:

A. Eligibility.

1. City Council Members are treated in subsection (3). All city employees, except those employees listed in subsection (2), and their eligible dependents may participate in the health benefit plan, if they comply with the contractual requirements of the selected health benefit plan. An eligible employee may enroll in a health benefit plan at any time within the first 30 days of employment or during an open enrollment period specified by the Plan. An eligible employee may submit an application for enrollment within 31 days of a family status event.
2. The following categories of employees are not eligible to participate in the health benefit plan:
   a. An employee who works fewer than 31 hours per week;
   b. An employee in a temporary, emergency, or seasonal position.
3. City Council Members and their eligible dependents may participate in qualifying health care plan for Medical Insurance, if they comply with the contractual requirements of the selected health benefit plan. A Council Member may enroll in a health benefit plan at any time within the first 30 days of their oath of office or during an open enrollment period specified by the Plan. A Council Member may submit an

application for enrollment within 31 days of a family status event. City Council Members may choose to participate in the qualifying health care dental and vision insurance plans if the premiums are paid by the City Council Members and at no cost to the city.

Section 3: This Resolution shall take effect on January 1, 2027, provided the Mayor and City Council Members elected in the 2026 election have taken their oaths of office.

Section 4: If a conflict arises between the provisions of this Resolution and any other ordinance, resolution, order, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this Resolution shall govern.

Section 5: If any section, subsection, paragraph, sentence clause, phrase, or portion of this Resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or controlling legislation, such decision or law shall not affect the validity of the remaining portion of this Resolution.

Section 6: The City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Resolution.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ____ day of February 2025.

City of San Luis, Arizona

_____
Nieves Riedel, Mayor

Attest:

_____
Sonia Cornelio, City Clerk

Approved As to Form

_____
Kay Marion Macuil, City Attorney

A.R.S. Const. Art. 4 Pt. 2 § 17

§ 17. Extra compensation prohibited; increase or decrease of compensation during term of office

Currentness

Section 17. The legislature shall never grant any extra compensation to any public officer, agent, servant or contractor, after the services shall have been rendered or the contract entered into, nor shall the compensation of any public officer, other than a justice of the peace, be increased or diminished during his term of office; provided, however, that when any legislative increase or decrease in compensation of the members of any court or the clerk thereof, or of any board or commission composed of two or more officers or persons whose respective terms of office are not coterminous, has heretofore or shall hereafter become effective as to any member or clerk of such court, or any member of such board or commission, it shall be effective from such date as to each thereof.

Credits

Amendment approved by election Nov. 4, 1930, eff. Dec. 1, 1930; election Sept. 29, 1953, eff. Oct. 31, 1953.

A. R. S. Const Art. 4 Pt. 2 § 17, AZ CONST Art. 4 Pt. 2 § 17
Current through legislation of the Second Regular Session of the Fifty-Sixth Legislature (2024), and includes Election Results from the November 5, 2024 General Election.

End of Document

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Editor's and Revisor's Notes (1)

HISTORICAL NOTES

The governor, on December 1, 1930, proclaimed that the amendment of this section, as proposed by Laws 1929, Ch. 71, § 1, filed March 16, 1929, had been approved by a majority of the electors in the November 4, 1930 general election and had become law.

The governor, on October 31, 1953, proclaimed that the amendment of this section, as proposed by Laws 1953, S.C.R. No. 4, § 1, filed March 28, 1953, had been approved by a majority of the electors in the September 29, 1953 special election and had become law.

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Validity

There are no Validity results for this citation.

Bill Drafts

There are no Bill Drafts for this citation.

Legislative History Materials

There are no Legislative History Materials for this citation.

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1990 Ariz. Op. Atty. Gen. 150 (Ariz.A.G.), Ariz. Op. Atty. Gen. No. I90-094, 1990 WL 484106

Office of the Attorney General

State of Arizona

I90-094 (R90-135)

October 22, 1990

***1** The Honorable Bob Denny
Arizona State Senator
State Capitol—Senate Wing
Phoenix, Arizona 85007

Dear Senator Denny:
You asked whether article 4, part 2, section 17 of the Arizona Constitution permits a sitting member of a city council to receive a salary increase approved prior to the beginning of a new term.

Article 4, part 2, section 17 in relevant part provides:
nor shall the compensation of any public officer, other than a justice of the peace, be increased or diminished during his term of office; ...

Accordingly, on its face, Article 4, part 2, section 17 permits a sitting city council member to receive a salary increase at the beginning of a new term.

Also, we conclude that city council members who are in the middle of their terms may receive an increase of salary if the following provisions of article 4, part 2, section 17 apply:
provided, however, that when any legislative increase or decrease in compensation of the members of any court or the clerk thereof, or of any board or commission composed of two or more officers or persons whose respective terms of office are not coterminous, has heretofore or shall hereafter become effective as to any member or clerk of such court, or any member of such board or commission, it shall be effective from such date as to each thereof.

The Arizona Supreme Court has said that this constitutional provision added in 1930 was adopted "for the express purpose of insuring that all members of a court, board, or commission composed of more than one person, who were doing in substance, the same work, should at all times receive the same salaries." County of Maricopa v. Rodgers, 52 Ariz. 19, 25, 78 P.2d 989, 991–992 (1938). The provisions of article 4, part 2, section 17 have been applied to the acts of a city council. See Davis v. Hale, 96 Ariz. 219, 225, 393 P.2d 912, 916 (1964).

Therefore, we conclude that a city council member may receive a salary increase in the middle of the council member's term, provided the increase meets the conditions of article 4, part 2, section 17 of the Arizona Constitution, or at the beginning of a new term.
Very truly yours,

BOB CORBIN

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Attorney General

1990 Ariz. Op. Atty. Gen. 150 (Ariz.A.G.), Ariz. Op. Atty. Gen. No. I90-094, 1990 WL 484106

End of Document

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AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. J.**

Meeting Date: 02/12/2025

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Resolution

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2352. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing the Acting City Manager to release the June 22, 2022, lien on land (approved by Resolution No. 2222) upon the adequate substitute assurances for Los Mezquites Subdivision. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

Background - Infrastructure to be Determined

On December 21, 2021, the City Council approved Resolution 2204 authorizing a Development Agreement with Riedel Holdings, LLC (the "Developer") for Los Mezquites Subdivision ("Mezquites"). Under Section 2.2 of that agreement, the Developer agreed to improvements and infrastructure needed as determined at the discretion of the city's Public Works Director ("Public Works"). Mezquites is being constructed in phases of 5 units ("Units").

Summary of Pledgehold Agreement - Land as Assurance for Infrastructure

On June 22, 2022, the City Council approved a Pledgehold Agreement through Resolution No. 2222. At the time of the Pledgehold Agreement, the Developer was finishing Unit 1. The Pledgehold Agreement allowed for construction to proceed to Unit 2. In exchange, the city had land as collateral (Los Mezquites, Unit 4, about 74.8 acres) to construct and serve as an assurance for the following infrastructure under Section 9 of the Pledgehold.

Assurance for a Lift Station

Public Works determined that a wastewater lift station was necessary to serve all five Mezquites Units in addition to Von Verde private lands and state lands to the south. The lift station is known as the Los Mezquites/Von Verde Lift Station ("Lift Station"), located on Avenue D between County 23½ Street and County 24th Street.

Assurance for a Lift Station Warranty

The developer installed the Lift Station. Under San Luis City Code Section 17.-5, Subdivision Regulations 6.5, there is a two-year warranty requirement for infrastructure dedicated to the city for maintenance. The Lift Station warranty expires on or about October 25, 2025. Under the San Luis City Code 17.5 Subdivision Regulations Section 6.2, 10% of the 100% assurance is retained for infrastructure warranty periods. The city requires 10% of the cost of the Lift Station when substituting assurances for the land.

Lift Station Related Infrastructure - Odor Control with 10% of the cost retained for the Two-Year Warranty

It is time for the Developer to install the odor control component of the Lift Station because recently built

residences are near the Lift Station. The Odor Control is still pending. As of the writing of this agenda item, it has not been ordered. Once installed, a two-year warranty period will start. For the warranty period, the city retains 10% of the cost of the Odor Control component.

Assurance for Los Mezquites Unit 2

The Pledgehold Agreement assures the city that the Developer will build Los Mezquites Unit 2. Unit 1 is completed, and the warranty period has elapsed. All that remains is the warranty period for Unit 2, which will expire on or about October 25, 2025. A separate assurance in the form of a letter of credit was provided for Unit 2. Drafts were made on the letter of credit as the work was completed. The city retains 10% of the letter of credit for the remainder of the warranty period. No substitution of assurance is required for this warranty.

Assurance for Road and Intersection Improvements, including a Traffic Signal Light at Avenue E and County 24th Street (with a two-year warranty on the equipment)

The Pledgehold Agreement assures the construction of the intersection improvements and a traffic signal light at the intersection of Avenue E and County 24th Street. This requirement was taken from the result of a traffic study for Mezquites that was in place at the time of the Pledgehold Agreement. Under the Pledgehold Agreement, the city obtained possession of the right-of-way needed for the road intersection improvements by condemnation on December 5, 2023 (after negotiations failed in the year 2022).

Assurance for Road and Intersection Improvements, including a Traffic Signal Light at Avenue E and County 23rd ½ Street (with a two-year warranty on the equipment)

The Pledgehold Agreement assures construction of the intersection improvements and a traffic signal light at the intersection of Avenue E and County 23rd ½ Street. This requirement was taken from the same traffic study for Mezquites. Under the Pledgehold Agreement, the city obtained possession of the right-of-way needed for the road intersection improvements, which had been completed by condemnation on March 16, 2021, and December 5, 2023. For the March 16, 2021, condemnation, the Developer has reimbursed the City.

Release of Lien (Pledgehold) - This Agenda Item

The pledgehold, which is also a lien, on Unit 4 land may be released with substitute assurances for the above-listed items. The Developer recently provided a performance bond as a substitute. However, staff will be working with the bond company, so they clearly understand that the bond covers the above list. Resolution No. 2352, before the City Council in this agenda item, authorizes the Acting City Manager to release the hold on the land (Unit 4) once the understanding with the bond company is in hand. The Public Works Director and the City Engineer are reviewing the Developer's Cost Estimates and that all items in the Pledgehold Agreement are covered. The San Luis City Code Section 17.05, Subdivision Regulation 6.2, requires that the City Attorney provide a final review of the performance bond in that it provides adequate assurance.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2352 AUTHORIZING THE ACTING CITY MANAGER TO RELEASE THE LIEN UPON COMPLETION OF STAFF REVIEW AND APPROVAL.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	See fiscal impact statement
CITY/STATE/FEDERAL FUNDS:	See fiscal impact statement
TOTAL:	See fiscal impact statement
BUDGETED AMOUNT:	See fiscal impact statement

AVAILABLE AMOUNT TO TRANSFER: See fiscal impact statement

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: See fiscal impact statement

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

There is no fiscal impact, and releasing the pledgehold for substitute assurance does not cost the city money.

Attachments

Resolution No. 2352

2021-12-21 Resolution 2204

2022-06-22 Resolution 222 Pledgehold

Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

No. 2352

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA AUTHORIZING THE ACTING CITY MANAGER TO RELEASE THE JUNE 22, 2022, LIEN ON LAND (APPROVED BY RESOLUTION NO. 2222) UPON THE ADEQUATE SUBSTITUTE ASSURANCES FOR LOS MEZQUITES SUBDIVISION.

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

Section 1: The Acting City Manager Jenny Torres is authorized and directed to execute a release of lien for the Pledgehold approved by Resolution No. 2222 for and on behalf of the City of San Luis upon the determination of the City Attorney that adequate substitute assurances are in place.

Section 2: City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this resolution.

Section 3: If a conflict arises between this resolution and any other ordinance, resolution, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this resolution shall govern.

Section 4: If any section, subsection, sentence, clause phrase, or a portion of this resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this resolution.

[Intentionally left blank, signature page follows.]

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ___ day of February 2025.

_____
Tadeo Azael De La Hoya,
Vice Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney

2021-47097 RESOLUTION
12/22/2021 09:51:20 AM Pages: 13 Fees: $15.00
Requested By:CITY OF SAN LUIS
Recorded By: arios
Robyn Stallworth Pouquette County Recorder, YUMA County AZ

WHEN RECORDED MAIL TO:

CITY OF SAN LUIS
ATTN: CITY CLERK
P.O. BOX 1170
SAN LUIS, ARIZONA 85349

The above area is to be reserved for recording information

****

CAPTION HEADING:

Resolution
Resolution No. 2204
Riedel Holdings, L.L.C.
Los Mezquites Development Agreement

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

NO. 2204

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA AUTHORIZING AND DIRECTING THE ENTERING INTO A DEVELOPMENT AGREEMENT DEVELOPMENT BETWEEN THE CITY OF SAN LUIS, ARIZONA AND RIEDEL HOLDINGS, AZ LLC.

WHEREAS, Nieves Riedel, Riedel Holdings, L.L.C.; Owner, desires to enter into a development agreement for Los Mezquites project to be located in San Luis, Arizona; and

WHEREAS, A.R.S. § 9-500.05 grants power to a municipality to enter into development agreements; and

WHEREAS, the parties desire to enter into such agreement; and

WHEREAS, the applicant and the city staff agreed to all matters in the City's proposed development agreement; and

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 development agreement proposed by the staff of the City of San Luis, Arizona attached hereto as Exhibit "A", is hereby approved;

PASSED AND ADOPTED by the Mayor and City Council of the City of San Luis, Arizona, this 21st day of December 2021.

APPROVED:

Africa Luna-Carrasco, Vice-Mayor

ATTEST:

for Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil, City Attorney

LOS MEZQUITES DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "**Agreement**") is entered into as of 21st day of December, 2021 ("**Effective Date**") by and between the City of San Luis an Arizona municipal corporation (the "**City**") and Riedel Holdings, AZ LLC, (the "**Owner**"). This Agreement is entered into pursuant to City Resolution Number 2204.

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, Owner, owns real property located in the municipal limits of the City which is legally described on Exhibit 1 (the **"Property")** and is currently being developed for a commercial shopping center ("**Shopping Center**") and residential housing ("**Housing**"), and

C. WHEREAS, Owner has applied for a rezoning and lot split in order to develop the aforementioned Shopping Center and Housing Projects;

D. WHEREAS, A.R.S. § 9-500.05 provides, in part, that a development agreement can provide for the permitted uses of land; the density and intensity of uses; reservation or dedication of land for public purposes; conditions, terms, restrictions and requirements for public infrastructure; conditions, terms, restrictions and requirements relating to the governing body's intent to form a special taxing district pursuant to title 48; and any other matters relating to the development of the property; and

E. WHEREAS, the City and Owner desire to enter into an agreement to provide for the rezoning and the splitting of land and provide for the lands future development; and

F. WHEREAS, the City's governing body has authorized execution of this Agreement by Resolution No. 2204;

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

DEFINITIONS

The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise:

Agreement shall mean this development agreement.

City shall mean and refer to the City of San Luis, an Arizona municipal corporation, and any successor public body or entity.

Owner shall mean and refer to Riedel Holdings LLC, and any successor in ownership.

Property as used in this Agreement shall mean and refer to all of the real Property, which is legally described in Exhibit 1.

ARTICLE 1. DEVELOPMENT PLAN

1.1. Duration of Development Agreement. The term of this Agreement shall be for a period of five (5) years from date of execution.

1.2 Failure of Timely Performance. In the event that either party hereto fails to perform any of its obligations which are set forth in or contemplated by this Agreement in a timely manner, and should such failure not otherwise be excused by agreement of the parties or by the terms of this Agreement, such failure shall be considered to be a breach of this Agreement and the nonbreaching party shall have their respective remedies set forth in Section 5.3 of this Agreement.

1.3.Review Process. The City acknowledges the necessity for expeditious review by the City of all plans and other materials ("**Submitted Materials**") submitted by the Owner to the City hereunder or under any zoning procedure, permit procedure, or other governmental procedure pertaining to the development of the Property and agrees to use its reasonable efforts accomplish such an expeditious review of the Submitted Materials whenever possible.

ARTICLE 2. SPECIAL PROVISIONS FOR DEVELOPMENT

2.1 Dedication of Right of Way. At present time Owners shall dedicate appropriate right-of-way to the City along County 23 ½ Street and Avenue D ½ alignments in accordance with the updated standards for right-of-way as provided by Public Works Department. Dedication of right of way on County 24th shall be 62 feet from center of alignment and 130 feet within 300 feet of the intersection. Dedication of said right-of-way shall occur at such time and in such manner as required by the City in its sole discretion.

2.2 Development of Improvements. At such time that any lot created by City Lot Split Case Number 2021-0387 or any lot within the Rezoning Case No. 2021-0693 is developed, public improvements, including but not limited to streets, roads, retention basins, utility extensions, utility mains, including pumping stations, lift stations, force mains, traffic signalization, and other off-site public improvements will be made pursuant to City standards as may be required by the Public Works Director of City in his sole discretion. The location of such improvements and/or its development is not confined to the lot being developed, but rather may be located on any portion of the entire Property (Exhibit 1) that is the subject of this agreement. Owner agrees to make such

dedications of property as may be needed or necessary for such development in the discretion of the Public Works Director. Such dedications and the development of such improvements as described above shall be a condition of the issuance of any building permit(s) or other use permit(s) for the development of any such lot or portion of such lot.

2.3 Street Lights. At such time that any lot created by City Lot Split Case Number 2021-0387 or any lot within Rezoning Case No. 2021-0693 is developed, the Public Works Director may require, in his sole discretion, that the development of street lights in the public right-of-way is needed or desired, the development of such street lighting in the manner and at the locations as may be determined by the Public Works Director, in his sole discretion, shall be a condition of the issuance of building permit(s) or other use permit(s) for the development of any such lot.

2.4 Residential Development. Developer is requesting Rezoning Case No. 2021-0693 to change Assessor Parcel Number 227-11-004 and portion of parcel 227-11-005 to Medium Density Residential (R1-6) to allow for single-family development. At such time as any portion of the property is developed with single family homes, the development will be of lots no less in size of 6,000 square feet, amending the lot size requirement and removing the minimum home size on Resolution No. 933.

2.5 Traffic Light Contribution. Any development of the property, or portion thereof, and/or the approval of any subdivision plat, be conditioned upon payment to the city the sum of $260.00 per acre, or any portion of an acre, as a proportionate contribution for a traffic signal at the intersection of County 24th Street and Avenue E.

2.6 Waste Water Treatment Plant. Developer agrees to execute, record, and deliver such agreements, easements, and/or covenants conditions and restrictions that run with the land which is the subject of this development agreement for the benefit of the City of San Luis that will allow the real property of Developer that is the subject of this agreement to be used for fumes or odors from its wastewater treatment operations located at 358 N. Avenue D, and to waive any claims for any damages that might arise from wastewater treatment operations, whatsoever, and agree to indemnify and hold the City of San Luis and its officers, agents, and employees harmless from any and all claims, whatsoever, known or unknown, emanating from wastewater treatment operations including, but not limited to, claims arising from fumes or odors.

2.7 Land Dedication for Park. Owner wishes to donate to the City, and City agrees to accept from Owner, certain land within the Property, containing 5 gross acres of buildable land in addition to the open space requirement. Owner agrees to convey to the City by executing a Deed, free and clear of all liens and encumbrances.

2.8 Covenants Conditions and Restrictions. For any lot developed or to be developed as other than residential development, Owner shall record a covenant, condition and restriction to run with the land prohibiting the development and use of the property as a school, public or private, of any kind nature, or description.

2.9 Special Taxing Districts. Owner agrees to agree to the formation of a street lighting improvement district, a community facilities district and any enhanced municipal district needed.

2.10 Regulations. The terms of this Agreement are in addition to City codes, rules, fees, and regulations that are applicable to this action.

2.11 Buffer. Developer agrees to build an 8 foot cmu wall along the entire property line along the Detention Center and the East Waste Water Treatment Plant. Including as a buffer, a 30 feet wide green area and the residential street, totaling 82 feet.

ARTICLE 3. INDEMNIFICATION

3.1. Owner agrees to defend, indemnity and hold harmless City, its officers, officials and employees ("**Indemnified Group**") for liability from and against claims, damages, losses and expenses of any nature whatsoever (including but not limited to reasonable attorney fees, court costs, the costs of appellate proceedings, and all claim adjusting and handling expense), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to work or services in the performance of this Agreement by any subcontractor or anyone directly or indirectly employed by or contracting with the Owner or a subcontractor or anyone for whose acts any of them may be liable.

3.2. If any claim, action or proceeding is brought against the Indemnified Group, by reason of any event that is the subject of this agreement, Owner (at its sole cost and expense) shall pay, resist or defend such claim or action on behalf of the Indemnified Group by the attorney of the Owner, or if covered by insurance, Owner's insurer, all of which must be approved by City, which approval shall not be unreasonably withheld or delayed. The City shall cooperate with all reasonable efforts in the handling and defense of such claim. Notwithstanding the foregoing, the City may engage its own attorney to defend or assist in its defense, and the Owner shall pay the reasonable costs and expenses thereof.

3.3. Any settlement of claims must fully release and discharge the Indemnified Group from any liability for such claims. The release and discharge shall be in writing and shall be subject to approval by the City, which approval shall not be unreasonably withheld or delayed. If Owner neglects or refuses to defend any of the Indemnified Group as required by this Agreement, any recovery or judgment against the Indemnified Group for a claim covered by this Agreement shall conclusively establish Owner's liability to the Indemnified Group in connection with such recovery or judgment. If the City desires to settle such dispute, the City shall be entitled to settle such dispute in good faith and Owner shall be liable for the amount of such settlement, and all expenses in connection with such settlement.

3.4. The indemnity provisions of this Agreement shall survive the termination of this Agreement.

ARTICLE 4. MEDIATION AND DEFAULT

4.1. Representatives. To further the cooperation of the parties in implementing this Agreement, the City and Owner each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Owner. The initial representative for the City (the "**City Representative**") shall be the City Manager, and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the "**Developer Representative**"). The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement and the development of the Property.

4.2. Mediation. In the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, either party may request the presiding judge of the Superior Court of Yuma County to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

4.3. Default. Failure or unreasonable delay be any party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any party, the non-defaulting party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance and the right to perform the obligation(s) of which the defaulting party is in default and to immediately seek reimbursement from the defaulting party of all sums expended in order to cure such default, together with interest on all such sums from the date said sums are expended by the non-defaulting party for the purpose of curing the default to the date such sums are paid in full.

ARTICLE 5. CONFLICT OF INTEREST; REPRESENTATIVES NOT INDIVIDUALLY LIABLE

5.1. Conflict of Interest. Pursuant to Arizona law, rules and regulations, no member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or

the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This agreement is subject to the provisions of A.R.S. §38-511.

5.2. No Personal Liability. No member, official or employee of the City shall be personally liable to Owner, or any successor or assignee, (a) in the event of any default or breach by the City, (b) for any amount which may become due to the Owner or its successor or assign, or (c) pursuant to any obligation of the City under the terms of this Agreement.

ARTICLE 6. MISCELLANOUS PROVISIONS

6.1. Notices. All notices and communications provided for herein, or given in connection herewith, shall be validly made if in writing and delivered personally or sent by registered or certified United States Postal Service mail, return receipt requested, postage prepaid to:

If to the City:
City Manager
City of San Luis
P.O. Box 1170
1090 E. Union Street
San Luis, Arizona 85349

If to the Owner:
Nieves Riedel, Riedel Holdings, L.L.C.
1964 E. Cesar Chavez Blvd., Suite 1
P O Box 1649
San Luis, Arizona 85349

or to such other addresses as either party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective. Notices given by mail shall be deemed delivered 72 hours following deposit in the United States Postal Service in the manner set forth above.

6.2. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Agreement.

6.3. 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.

6.4. 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 Owner 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 Owner 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 Owner represents to the City that by entering into this Agreement, the Owner has bound the Property and all persons and entities having any legal or equitable interest therein to the terms of the Agreement.

6.5. 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.

6.6. 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.

6.7. Governing Law. The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement. The parties agree that 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.

6.8. 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 Owner execute such agreement, amendment, or cancellation, as required by A.R.S. § 9-500.05.

6.9. 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.

6.10. Notice of Conveyance or Assignment. The Owner 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.

6.11. No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.

6.12. No Agency Created. Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the parties.

6.13. 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 Owner, 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 Owner or successor, or under any obligation under the terms of this Agreement.

6.14. Employment Eligibility, E-Verify

1. The Owner warrants his compliance with all federal immigration laws and regulations that relate to its employees and its compliance with A.R.S. § 23214, subsection A.
2. A breach of a warranty under paragraph 1 shall be deemed a material breach of the Agreement that is subject to penalties up to and including termination of the contract.
3. That the City retains the legal right to inspect the papers of any contractor or subcontractor employee who work on the Agreement to ensure that the contractor or subcontractor is complying with the warranty under paragraph 1.

6.15. Time is of the Essence. Time is of the essence of this agreement.

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

THE CITY OF SAN LUIS,
an Arizona municipal corporation

By: _____
Vice Mayor

KMM

ATTEST:

By: _____, Deputy City Clerk
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

THE OWNER, Riedel Holding, L.L.C.

By: _____
Its: President

STATE OF ARIZONA)
) ss.
County of Yuma)

The foregoing instrument was acknowledged before me this 21st day of December 2021, by Africa Luna-Carrasco, Vice-Mayor of the City of San Luis, Arizona, a municipal corporation.

Angelica Cifuentes
Notary Public

My Commission Expires: 05-11-2023

Angelica Cifuentes
Notary Public - Arizona
Yuma County
Commission Number 562004
My Comm. Exp. 5/11/2023

STATE OF ARIZONA)
) ss.
County of Yuma)

The foregoing instrument was acknowledged before me this 22ND day of DECEMBER 2021, by NIEVES RIEDEL, on behalf of Riedel Holdings L.L.C., an Arizona Limited Liability Corporation.

Janet Taylor
Notary Public

My Commission Expires: 09/28/2025

Janet Taylor
Notary Public - Arizona
Yuma County
Commission Number 613060
My Comm. Exp. 9/28/2025

Exhibit 1

Los Mezquites Development Agreement

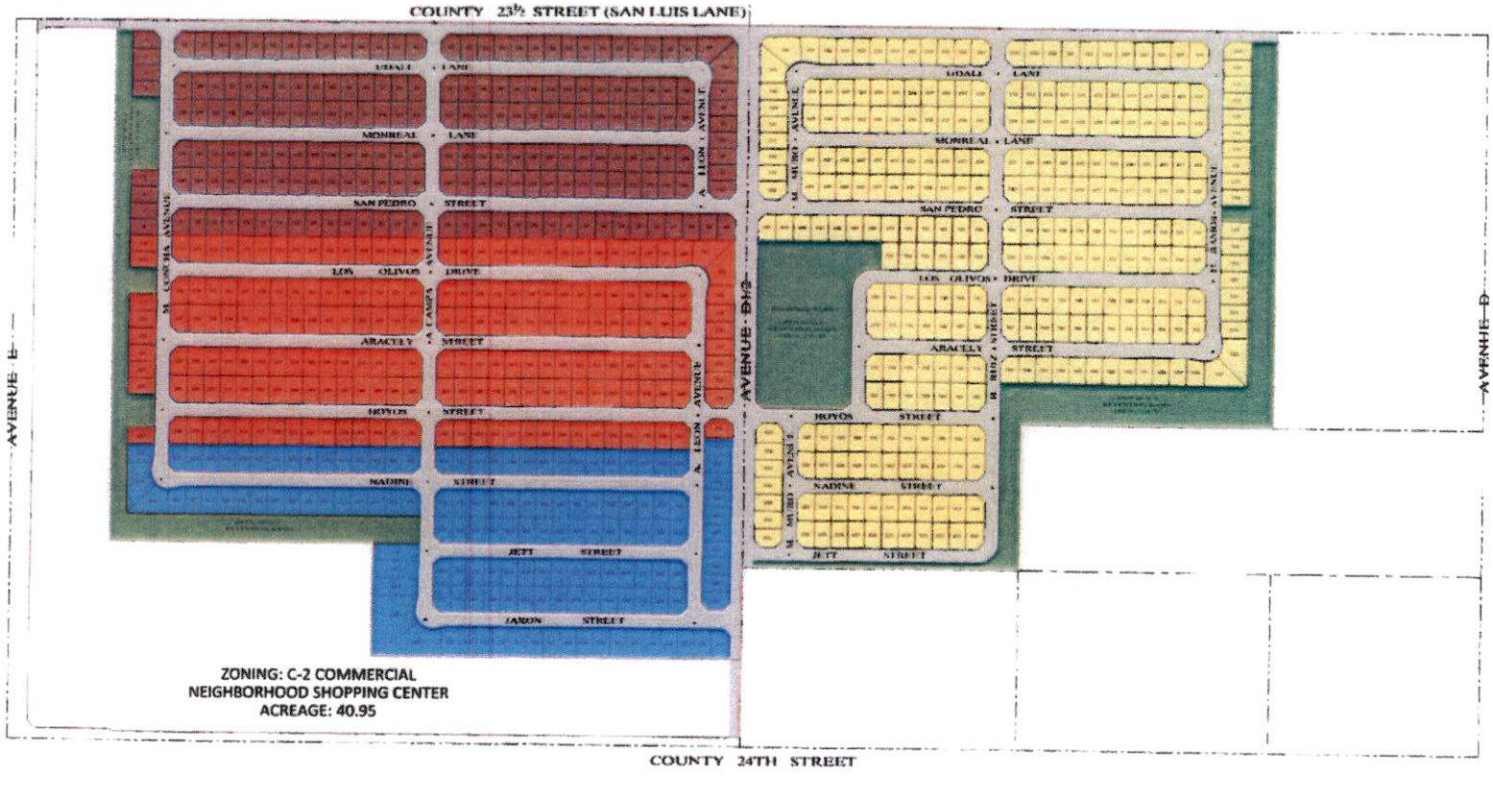
LOS MEZQUITES SUBDIVISION

DATE OF PREPARATION: NOVEMBER 2021 NUMBER OF LOTS: 897
MASTER PLAN LAYOUT

Parcel 227-11-005: A portion of the SW¼ of Section 14, Township 11 South Range 24 West. Except road right of way. **(108.91 acres)**

Parcel 227-11-004: South East ¼ of Section: 11 Township: 11S Range: 24W SE4 EXC THE E 751.25 FT OF N 1449.58 FT & EXC S 660 FT +/- & EXC THE E 1652.78 FT OF THE N 576.11 FT +/- OF S 1185.05 FT +/- **(74.64 acres)**

N
W E
S
SCALE: 1"=200'



PRELIMINARY
NOT FOR
CONSTRUCTION

CONFORMED COPY
2022-22023 RESOLUTION
06/28/2022 11:28:13 AM Pages: 1 Fees: $15.00
Requested By:CITY OF SAN LUIS
Recorded By: krocha
Robyn Stallworth Pouquette County Recorder, YUMA County AZ

WHEN RECORDED MAIL TO:

CITY OF SAN LUIS
ATTN: CITY CLERK
P.O. BOX 1170
SAN LUIS, ARIZONA 85349

The above area is to be reserved for recording information

****

CAPTION HEADING:

RESOLUTION

Resolution No. 2222

Pledgehold Agreement with Riedel Holdings, LLC – Land assurances to construct a wastewater lift station and other commitments related to Los Mesquites Subdivision.

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

No. 2222

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, APPROVING THE ENTERING INTO A PLEDGEHOLD AGREEMENT WITH RIEDEL HOLDINGS, LLC TO POST LAND FOR ASSURANCES TO CONSTRUCT A WASTEWATER LIFT STATION AND OTHER COMMITMENTS RELATED TO LOS MEZQUITES SUBDIVISION.

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

Section 1: The attached Pledgehold Agreement and its Exhibit are hereby approved.

Section 2: City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to the Pledgehold Agreement.

Section 3: If a conflict arises between the provisions of this resolution and any other ordinance, resolution, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this resolution shall govern.

Section 4: If any section, subsection, sentence, clause phrase, or a portion of this resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this resolution.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this 22nd day of June 2022.

Gerardo Sanchez, Mayor

ATTEST:

Deputy City Clerk
for Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil
Kay Marion Macuil, City Attorney

PLEDGEHOLD AGREEMENT

This PLEDGEHOLD AGREEMENT ("Agreement") is entered into on this 22nd day of June 2022, by and between RIEDEL HOLDINGS, L.L.C. ("Pledgor"), and the CITY OF SAN LUIS, Arizona ("Pledgee" or "City"); and CHICAGO TITLE INSURANCE COMPANY, Inc., an Arizona corporation ("Pledgeholder"). Pledgor, Pledgee or City, and Pledgeholder may be referred to collectively as the "Parties" and individually as the "Party."

WITNESSETH:

WHEREAS, Pledgor, as Guarantor, to induce Pledgee to allow for the continued construction of the Los Mezquites Units 2, 3 and 4 by RIEDEL HOLDINGS, L.L.C. ("RIEDEL HOLDINGS") under that certain Development Agreement dated December 21, 2021, and recorded with the Yuma County Recorder's Office at Fee #2021-47097, desires to pledge certain Collateral, as defined, to Pledgee to secure the construction of a lift station known as the Los Mezquites/Von Verde Lift Station ("Lift Station") located on Avenue D between County 23½ Street and County 24th Street in San Luis, Arizona, as well as pledge said Collateral to secure construction of Improvements for the subdivision known as Los Mezquites II and secure the performance of construction of signalization at County 24th Street and Ave. E and County 23 ½ and Ave. E in San Luis, Arizona;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by Pledgor, the Parties hereby agree as follows:

Section 1. Definitions. The terms defined in this Section shall have such defined meanings for all purposes of this Agreement unless the context otherwise requires:

(a) "Borrower" shall mean RIEDEL HOLDINGS, L.L.C.

(b) "Collateral" shall mean all of Pledgor's interest in the following real property:

See Exhibit A attached hereto.

(Collectively referred to as the "Property" or "Collateral").

(c) "Event of Default" shall have the meaning(s) ascribed to such term in this Agreement.

(d) "Development Agreement" shall mean that certain Development Agreement between the Pledgor and Pledgee dated December 21, 2021, and recorded with the Yuma County Recorder's Office at Fee #2021-47097.

(e) "Improvements" means the Los Mezquites/Von Verde Lift Station ("Lift Station") and related infrastructure located on Avenue D between County 23½ Street and County 24th Street in San Luis, Arizona. "Improvements" shall also include all streets, roads, sidewalks, easements, drainage, utility mains and lines, and all other infrastructure of every nature, kind, or description, whatsoever, known or unknown, for the subdivision known as Los Mezquites II. "Improvements" shall additionally include any and all design, development and construction of signalization at the intersections of County 24th and Ave. E and County 23 ½ and Ave. E to the Public Works Standards of the City and the Standards of the Arizona Department of Transportation, hereinafter referred to as "Signalization Projects".

(f) "Obligations" shall mean all promises, duties, and/or responsibilities arising from the Development Agreement, and in specific the construction of the Los Mezquites/Von Verde Lift Station located on Avenue D between County 23½ Street and County 24th Street in San Luis, Arizona, the construction of Los Mezquites II Subdivision, and the design, development, and construction of the Signalization Projects.

(g) "Pledged Collateral" shall mean that Warranty Deed delivered to Pledgeholder and endorsed in blank pursuant to the terms and conditions of this Agreement, conveying all Pledgor's interest in the Property, as Collateral in favor of Pledgee.

(h) "Pledgeholder" shall mean Chicago Title Insurance Company or its successors or assigns.

(i) "Related Agreements" shall mean that certain Development Agreement, as defined herein, and any other agreement affecting the Improvements and Obligations as are defined in Section 1 (e) and (f) of whatsoever kind, nature or description..

Section 2. Security Interest in Collateral; Power of Attorney. To secure the construction of the Obligations, Pledgor hereby pledges to Pledgee and grants to Pledgee, and Pledgee agrees to accept the Pledged Collateral. Pledgor hereby represents that it is the owner of the Collateral in fee simple free and clear of all liens or restrictions of any kind, and agrees to sign and execute, alone or with Pledgee, and agrees to the filing of any financing statement(s) or other document or procure any document and pay all necessary costs to perfect (and continuously perfect) the security interest granted hereunder and to protect the security interest against the interest of third persons. Pledgor will pay the costs of filing the same in all public offices wherever filing is deemed by Pledgee to be necessary or desirable. Pledgee is hereby appointed Pledgor's attorney-in-fact to do all acts and things which Pledgee may deem necessary to perfect and/or continue the perfection of the security interest created by this Agreement and to protect the Collateral. Pledgor further agrees to pay all costs and fees for filing any termination statements. Pledgor hereby ratifies all acts that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable. The grant of this power of attorney shall not be construed to limit the powers of Pledgee to take actions otherwise permitted by the Agreement, as may be amended from time to time, any other agreement between the Parties hereto, the Uniform Commercial Code, or other law to take actions. Pledgor further agrees to indemnify, defend at his sole cost, and hold Pledgee harmless from any and against any and all claims, demands,

damages, liabilities, and expenses (including attorneys' fees and costs) arising from or in any way related to any act or omission of Pledgee or Pledgor, or the exercise of Pledgee's rights, remedies, or powers under this Section 2 or Related Agreements.

Section 3. **Representations.** Pledgor represents that the Collateral is and will remain owned by Pledgor free and clear of any adverse claims or interests, liens, security interests, or encumbrances of any other person, except liens hereunder in favor of Pledgee during the term of this Agreement.

Section 4. **Delivery of Warranty Deed.** Pledgor agrees to deliver a fully executed Warranty Deed to the Collateral to Pledgeholder immediately upon the execution of this Agreement, to be held for the purposes and subject to the terms and conditions set forth in this Agreement.

Section 5. **Duties of Pledgeholder.** Pledgeholder agrees as follows:

(a) To take custody of the Pledged Collateral;

(b) To retain possession of the Pledged Collateral for as long as the Obligations remain outstanding, subject to subsections (c), (d), and (e) hereof;

(c) To return the Pledged Collateral to Pledgor if, and only if, the Obligations are fully and timely satisfied and Pledgor is not otherwise in default of this Agreement or the Related Agreements, and Pledgeholder receives a signed and written confirmation from Pledgee of such satisfaction and absence of defaults;

(d) If Pledgor fails to complete the Obligations to Pledgeholder (as account servicing agent for Pledgee) when due and in a timely manner, Pledgor and Pledgee irrevocably instruct Pledgeholder to deliver the Pledged Collateral to Pledgee without further notice to either Party. Upon delivery of the Pledged Collateral to Pledgee (or the proceeds of the sale of such Collateral by Pledgeholder), Pledgee shall complete the Pledgor's Obligations to complete the Los Mezquites/Von Verde Lift Station located on Avenue D between County 23½ Street and County 24th Street in San Luis, Arizona, and/or the Improvements for Los Mesquites II Subdivision, and/or the Signalization Projects; and

(e) To deliver or otherwise dispose of the Pledged Collateral, as otherwise directed by Pledgee and Pledgor in a signed written instruction to Pledgeholder, or by final, non-appealable court order, judgment, or decree; provided, however, that neither of the events described in subsection (c) or (d) has occurred first.

Section 6. **Compensation to Pledgeholder.** The fees charged by Pledgeholder for its services hereunder shall be borne solely by Pledgor.

Section 7. **Termination of Duties of Pledgeholder.** Pledgeholder's duties hereunder cease upon surrendering possession of the Pledged Collateral, as provided in Section 5(c), (d), or (e).

Section 8. **Indemnity and Release Agreement.** Pledgor and Pledgee agree to indemnify, release, and hold harmless Pledgeholder and all its respective officers, directors, members, managers, shareholders, partners, employees, agents, contractors, and affiliates (collectively "Indemnified Parties") from and against any and all legal claims or causes of action (including all resulting damages, expenses, costs, and reasonable attorneys' fees) arising from, or related to, the performance of Pledgeholder's duties hereunder, except for any intentional act or omission of Pledgeholder, Pledgeholder's gross negligence, or Pledgeholder's default hereunder.

Section 9. **Obligations secured by Pledge.** The purpose of this Pledgehold Agreement is to provide financial assurances for the construction of the Los Mezquites/Von Verde Lift Station ("Lift Station") as heretofore referenced in compliance with Section 6.2 of the Subdivision Regulations of the City of San Luis and to secure up to $250,000.00 of Improvements for the Subdivision known as Los Mezquites II in addition to all other sums, instruments, letters of credit, or other arrangements, whatsoever, for financial assurances posted or pledged to the City for completion of said Improvements. The purpose shall additionally include provision of financial assurances that Pledgor will develop, design, and construct all infrastructure needed for the Signalization Projects The pledge of $250,000 for Improvements of Los Mezquites II is the net sum of money as generated after the City takes such actions as may be appropriate, in its sole discretion, to sell or otherwise dispose of the Collateral. This Agreement shall remain in force until: 1) all Improvements for the Lift Station, Los Mezquites II, and Signalization Projects have been satisfactorily completed and accepted by the City; 2) final acceptance of all projects have been made by the City; and 3) the two (2) year warranty period as required by the Subdivision Regulations has been satisfied, or an alternate form of assurance has been provided to and accepted by City, pursuant to the terms as set forth below.

If Improvements are not satisfactorily completed or corrected, City may, without notice, sell the Collateral and use the proceeds from the sale to complete or correct all or part of the required Improvements and Obligations secured hereunder.

After completion of the Lift Station, Los Mezquites II, and the Signalization Projects, the Parties agree to release the Collateral and accept another form of Collateral that is an amount representing not less than ten percent (10%) of any assurance, pursuant to the Subdivision Regulations of City and shall be retained by the Pledgeholder for a period of two (2) years after completion and inspection of all Improvements for all projects to insure that all work and materials are adequate and in satisfactory condition, or an alternate form of assurance has been provided to and accepted by City. If Collateral is pledged, at the end of the two (2) year period, all remaining Collateral shall be returned to Pledgor.

Section 10. **Events of Default.** A Party shall be in default of this Agreement upon the occurrence of any of the following events:

(a) Failure of a Party to perform as required by this Agreement, or the breach of any other covenant or representation of this Agreement;

(b) The occurrence of an Event of Default under any of the Related Agreements;

(c) If a petition or action is filed or taken by or against either Party under any law dealing with insolvency, bankruptcy, or suspension of payment;

(d) If a Receiver is appointed over the assets or undertaking of either Party (or any part of them);

(e) If either Party enters into a deed or arrangement or makes an assignment for the benefit of creditors; or

(f) If either Party ceases to function as a going concern or an order is made, or a resolution passed to that effect except for the purposes of amalgamation or reorganization; or

(g) Failure to perform any or all of Pledgor's Obligations or failure to complete construction and development of all or part of the Improvements and related infrastructure.

Section 11. General Provisions.

(a) *Use of Collateral.* Pledgor shall be entitled to exercise its dominion, right, and control and other powers, if any, relating to or arising from the Collateral or any purpose consistent with the terms of this Agreement or any other instrument, document, or Agreement executed and delivered by Pledgor to Pledgee, until and unless the Collateral is delivered to Pledgee in accordance with this Agreement or Pledgor commits an Event of Default. Upon the occurrence and during the continuation of an Event of Default, all rights of Pledgor to exercise its dominion, right, and control, and other powers pursuant to the foregoing provisions shall cease.

(b) *Remedies Upon Default.*

(i) If an Event of Default shall exist (a) under this Agreement; (b) Pledgee may exercise any rights and remedies available to it, including the right to dispose of the Collateral, and (c) Pledgee shall have the right, for and in the name, place, and stead of Pledgor, to execute endorsements, assignments, and other instruments of conveyance or transfer with respect to all or any of the Collateral. If any notification or intended disposition of any of the Collateral shall be given by Pledgee to Pledgor, such notification shall be deemed reasonably and properly given if mailed or faxed at least ten (10) business days before such disposition, postage prepaid, addressed, or transmitted to Pledgor at its address or number set forth herein, or at such other address or number as Pledgor may specify by notice received by Pledgee. Any proceeds of any disposition of Collateral may be applied by Pledgee to payment of expenses in connection with the Collateral, including, without limitation, reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by

Pledgee toward the completion of such of the Obligations. All rights and remedies of Pledgee expressed hereunder are in addition to all other rights and remedies possessed by it.

(ii) Pledgor agrees that in any sale of any of the Collateral, Pledgee is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by its counsel is necessary in order to avoid any violation of applicable law, or in order to obtain any required approval of the sale or of the purchase by any governmental regulatory authority or official, and Pledgor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall Pledgee be liable or accountable to Pledgor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

(c) *Complete Agreement; Amendment.* This Agreement, along with the Related Agreements, contains the entire Agreement between the Parties hereto with respect to the matters covered herein and, except as specifically provided in this Agreement and Related Agreements, supersedes and merges all prior and contemporaneous oral and written agreements, discussions, and understandings between the Parties. No other agreements, representations, warranties, or other matters, oral or written, shall be deemed to bind the Parties hereto with respect to the subject matter hereof. This Agreement may be amended only by a written document signed by the Pledgor and Pledgee.

(d) *Binding Effect.* The provisions of this Agreement shall be binding on and inure to the benefit of each Party and its administrators, representatives, successors, assigns, transferees, grantees, and any other person or entity acting on the Party's behalf, except to the extent modified herein.

(e) *Advice of Counsel.* Each Party agrees that he, she, or it is signing this Agreement of his, her, or its own free will, after consideration with counsel or an opportunity to seek the assistance of counsel such that no presumptions of interpretation shall apply.

(f) *Execution in Counterparts.* This Agreement may be executed in one or more counterparts and by the Parties hereto in separate counterparts, each of which will be deemed to be an original but all of which, taken together, shall constitute one in the same Agreement.

(g) *Notices.* Unless otherwise provided herein, any notice, request, instruction, or other document to be given hereunder by any Party to the other shall be in writing and delivered in person or by courier, telegraphed, telexed, or by facsimile transmission or mailed by registered or certified mail, postage prepaid, as follows:

Pledgor:

Riedel Holdings, L.L.C.
P.O. Box 1649 (U.S. Postal Service)
San Luis, Arizona 85349

Pledgee:

City of San Luis
Attn: City Manager
P.O. Box 1170 (U.S. Postal Service)

Email: nieves@riedelholdings.com
Fax: (928) 627-4750

(Physical Address)

1964 E. Cesar Chavez Blvd., Suite 1
San Luis, Arizona 85336

San Luis, Arizona 85349
Email: lgalaviz@Sanluisaz.gov
Fax: (928) 341-8539

(Physical Address)

1090 East Union Street
San Luis, Arizona 85336

With a copy to:

Arturo I. Villarreal, Esq.
Garcia & Villarreal, P.L.C.
241 S. Main Street
Yuma, Arizona 85364
avillarreal@gkvlaw.com
Fax: (928) 276-4861

With a copy to:

City Attorney:
City of San Luis
P.O. Box 1170
San Luis, Arizona 85349

Pledgeholder:

Martha Ulloa,
Commercial Escrow Officer
Chicago Title Insurance Company, Inc.
963 East B Street
San Luis, Arizona 85349
(928) 304-0594
Fax: (928) 569-3817
Martha.Ulloa@CTT.com

(h) *Severability.* If any one or more of the provisions of this Agreement is found to be illegal or unenforceable, then notwithstanding the same, this Agreement shall remain in full force and effect, and such term or provision shall be deemed severed.

(i) *No Waiver.* Neither Party's right to require performance of the other Party's obligations under this Agreement shall be affected by any previous waiver, forbearance, or course of dealing.

(j) *Relationship of the Parties.* No agency, partnership, joint venture, franchise, other joint relationship, or any business organization of any kind is created by this Agreement, and the agents of neither Party shall have authority of any kind to bind the other Party in any respect whatsoever, except as expressly provided herein to the contrary.

(k) *Attorneys' Fees.* In the event, suit is brought, or an attorney is retained by any Party to this Agreement to seek interpretation or construction of any term or provision of this Agreement, to enforce the terms of this Agreement, to collect any money due, or to obtain any money damages or equitable relief for breach, or to seek recourse in a bankruptcy proceeding, the prevailing Party shall be entitled to recover, in addition to any other available remedy, reimbursement for reasonable attorneys' fees for representation in the court (including, without limitation, bankruptcy court), court costs, costs of investigation, and other related expenses.

(l) *Governing Law; Forum Selection Clause.* This Agreement shall be interpreted and governed by the laws of the State of Arizona. The Parties agree that any action, at law or in equity, arising out of the terms, conditions, performance, termination, default, and/or breach of this Agreement, including, but not limited to, any tortious conduct, shall be instituted and litigated in the courts within Yuma County, State of Arizona, and in no other. In accordance therewith, the Parties irrevocably submit and consent to the jurisdiction and venue of the courts of Yuma County, State of Arizona. This Agreement is subject to the cancellation provisions of A.R.S. § 38-511.

(m) *Assignment Prohibited.* Neither this Agreement nor any interest in or claim under this Agreement shall be assigned or otherwise transferred by Borrower to another person or entity without the prior written consent of the secured Party, which consent may be withheld in the secured Party's sole and absolute discretion.

(n) *No Third-Party Rights.* No term or provision of this Agreement is intended to be, nor shall any such term or provision be construed to be, for the benefit of any person, firm, corporation, or other entity other than the Parties hereto, and no such person, firm, corporation, or other entity shall have any right or cause of action hereunder.

(o) *Identity of Pledgeholder.* Following Pledgor and Pledgee's execution of this Agreement, the Parties agree to amend this Agreement to substitute Pledgeholder should the Pledgeholder designated herein fail or refuse to execute this Agreement; in such event, the effectiveness of this Agreement shall remain unimpaired.

(p) *Time is of the Essence.* Time is of the essence as to each and every provision of this Agreement.

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written.

"PLEDGEE":

THE CITY OF SAN LUIS, ARIZONA

ATTEST:

By: Melissa Lopez, Deputy City Clerk

By: Gerardo Sanchez
Its: Mayor

Approved as to form

By: Kay Marion Macuil, City Attorney

"PLEDGOR":

RIEDEL HOLDINGS, L.L.C.

By: Nieves G. Riedel
Its: Manager and Member

[REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

[SIGNATURE PAGE TO FOLLOW]

"PLEDGEHOLDER":

Chicago Title Insurance Company, Inc.

By: Martha Ulloa
Its: Commercial Escrow Officer

Exhibit A

LEGAL DESCRIPTION
LOS MEZQUITES UNIT 4

A PORTION OF THE SOUTH HALF OF SECTION 11, TOWNSHIP 11 SOUTH, RANGE 24 WEST, GILA AND SALT RIVER BASE AND MERIDIAN, YUMA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 11;

THENCE: S89°28'41"E, ALONG THE EAST-WEST MID SECTION LINE OF SAID SECTION 11, A DISTANCE OF 2640.29 FEET **TO THE TRUE POINT OF BEGINNING**;

THENCE: S89°28'51"E, CONTINUING ALONG THE EAST-WEST MID SECTION LINE OF SAID SECTION 11, A DISTANCE OF 1888.44 TO A POINT;

THENCE: S00°27'24"W, A DISTANCE OF 1449.58 FEET TO A POINT;

THENCE: N89°28'51"W, A DISTANCE OF 901.55 FEET TO A POINT;

THENCE: S00°27'17"W, A DISTANCE OF 528.22 FEET TO A POINT;

THENCE: N89°31'14"W, A DISTANCE OF 986.38FEET TO A POINT;

THENCE: N00°26'29"E, A DISTANCE OF 1978.69 FEET **TO THE TRUE POINT OF BEGINNING;;**

CONTAINING 74.8125 ACRES MORE OR LESS

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. K.**

Meeting Date: 02/12/2025
Department Head: Kay Macuil, City Attorney, Attorney's Office
Submitted By: Justin Neuman, Paralegal, Attorney's Office
Action Requested: Motion
Ordinance

ITEM:

Discussion and possible action on any and all matters regarding Ordinance No. 459. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending Ordinance No. 455; requiring dog licenses; repealing conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)**

A. Action on Reading of Ordinance No. 459 by title only
B. Action on Ordinance No. 459

SUMMARY:

Background

On September 25, 2024, the City Council passed Ordinance No. 455, restoring the requirements for dog licenses and rabies vaccinations and restating Chapter 6.05 to harmonize the definitions throughout the chapter. Recently, the City Prosecutor brought to our attention that the punishments found in Section 6.05.990 of Ordinance No. 455 have statutory maximums set within Arizona Revised Statutes. Sections 6.05.990(A) and 6.05.990(B) stipulate that offenders "…shall be punished by a fine not to exceed $750.00 or by imprisonment for not more than four months or by both such fine or imprisonment." and "…shall be punished by a fine not to exceed $500.00 or by imprisonment for not more than 30 days or by both such fine or imprisonment…", respectively. Although these figures are within the statutory maximum, they are redundant as:

1) Potential jail time and fine amounts are already defined within A R.S §13-707, A R.S §13-802, A R.S §13-803 and A R.S §13-902, respectively.

2) By defining jail time and fine amounts within the city code, the city is restricted to these figures in the event of statutory changes.

3) Changing this language to: "with maximum jail time governed by A.R.S. §13-707, maximum fine governed by A.R.S. §13-802 and §13-803, and probation by A.R.S. §13-902, or any successor statutes." would allow this Ordnance to remain uniform with state law without the need for further amendments.

The Purpose of this Ordinance

This Ordinance removes the redundancy in Sections 6.05.990(A) and Sections 6.05.990(B) of Ordinance No. 455. In this case, the Ordinance puts in the words "with maximum jail time governed by A.R.S. §13-707, maximum fine governed by A.R.S. §13-802 and §13-803, and probation by A.R.S.

§13-902, or any successor statutes." and removes the words ""…shall be punished by a fine not to exceed … or by imprisonment for not more than … or by both such fine or imprisonment."

RECOMMENDATION / SUGGESTED MOTION:

A. I MOVE TO APPROVE THE READING OF ORDINANCE NO. 459 BY TITLE ONLY.

(CITY CLERK TO READ ORDINANCE NO. 459 BY TITLE ONLY)

B. I MOVE TO APPROVE AND ADOPT ORDINANCE NO. 459 AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	No
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

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

N/A

Attachments

Ordinance No. 459
Agenda_Item_Review_Form
Ordinance No. 455

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Ordinance

No. 459

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, AMENDING ORDINANCE NO. 455; REQUIRING DOG LICENSES; REPEALING CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY

WHEREAS, on September 25, 2024, the City Council passed Ordinance No. 455 restoring the requirements for dog licenses and rabies vaccinations and restating Chapter 6.05 to harmonize the definitions throughout the chapter; and

WHEREAS the City desires to amend Section 6.05.990(A) to remove specific city fines and imprisonment and add, "Class 2, misdemeanor, with maximum jail time governed by A.R.S. §13-707, maximum fine governed by A.R.S. §13-802 and §13-803, and probation by A.R.S. §13-902, or any successor statutes."

WHEREAS the City desires to amend Section 6.05.990(B) to remove specific city fines and imprisonment and add, "Class 3, misdemeanor, with maximum jail time governed by A.R.S. §13-707, maximum fine governed by A.R.S. §13-802 and §13-803, and probation by A.R.S. §13-902, or any successor statutes."

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1: Section 6.05.990(A) of the San Luis City Code is amended to read:

"Unless otherwise specifically provided for in this chapter, it shall be unlawful for any person, firm, or corporation to violate, or cause the violation of, any provision of this chapter. Any person, firm, or corporation violating any of the provisions in this chapter shall be guilty of a Class 2, misdemeanor, with maximum jail time governed by A.R.S. §13-707, maximum fine governed by A.R.S. §13-802 and §13-803, and probation by A.R.S. §13-902, or any successor statutes."

Section 2: 6.05.990(B) of the San Luis City Code be amended to read:

"Any violation of SLCC 6.05.010, Dogs at large, shall be a Class 3, misdemeanor, with maximum jail time governed by A.R.S. §13-707, maximum fine governed by A.R.S. §13-802 and §13-803, and probation by A.R.S. §13-902, or any successor statutes; and upon conviction for a first offense, the minimum fine to be imposed shall not be less than

$50.00. For each additional offense within a 12-month period, the following minimum fines shall be mandatory: (1) Second offense: $100.00; (2) Third offense: $200.00; (3) Thereafter: $300.00. At all times, the court shall retain the right to impose more than the minimum sentence as provided herein."

Section 3: The City Council authorizes and directs the appropriate City officers and employees to perform all necessary or desirable acts to give effect to this Ordinance.

Section 4: If a conflict arises between the provisions of this ordinance and any resolution, other ordinance, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this Ordinance shall govern.

Section 5: If any section, subsection, sentence, clause, phrase, or portion of Ordinance No. 459 is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or operation of law by legislation, such decision or law shall not affect the validity of the remaining portion of this Ordinance.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ____ day of January 2025.

_____
Nieves Riedel, Mayor

ATTEST:

_____
Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

_____
Kay Marion Macuil, City Attorney

AGENDA ITEM REVIEW FORM

Regular City Council Meeting **6. B.**

Meeting Date: 09/25/2024

Department Head: Nigel Reynoso, Chief of Police, Police Department

Submitted By: Nigel Reynoso, Chief of Police, Police Department

Action Requested: Motion
Ordinance

ITEM:

Discussion and possible action on any and all matters regarding Ordinance No. 455. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, requiring dog licenses, declaring the document titled "The 2024 Restatement and Amendment to the San Luis City Code-Animal Control," a public record and adopting it by reference; fixing an effective date; imposing penalties for violations; repealing conflicting provisions; and providing for severability. **(Nigel Reynoso, Chief of Police)**

A. Action on Reading of Ordinance No. 455 by title only
B. Action on Ordinance No. 455

SUMMARY:

Background

Ordinance 445 authorized the city to issue dog licenses on September 25, 2023. On March 13, 2024, Ordinance 447 repealed the Ordinance due to costs.

It was noticed that the repeal removed the requirement for dog licenses and rabies vaccinations.

This Ordinance No. 455

Ordinance No. 455 is now before the City Council. The ordinance restores the requirements for dog licenses and rabies vaccinations and restates Chapter 6.05 to harmonize the definitions throughout the chapter.

RECOMMENDATION / SUGGESTED MOTION:

A. I MOVE TO APPROVE THE READING OF ORDINANCE NO. 455 BY TITLE ONLY
(CITY CLERK TO READY ORDINANCE NO. 455 BY TITLE ONLY)

B. I MOVE TO APPROVE AND ADOPT ORDINANCE NO. 455.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	No
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: N/A

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

N/A

Attachments

Ordinance No. 455

SLCC Chapter 6.05 Restament & Amendment

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Ordinance

No. 455

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, RELATING TO REQUIRING DOG LICENSES; DECLARING THE DOCUMENT TITLED "THE 2024 RESTATMENT AND AMENDMENT TO THE SAN LUIS CITY CODE, CHAPTER 6.05" A PUBLIC RECORD AND ADOPTING IT BY REFERENCE; FIXING AN EFFECTIVE DATE; IMPOSING PENALTIES FOR VIOLATIONS; REPEALING CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

BE IT ORDAINED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1-Public Record: Certain documents known as "*The 2024 Restatement and Amendment to the San Luis City Code, Chapter 6.05-Animal Control,*" three (3) copies of which are on file in the office of the City Clerk of San Luis, Arizona, are declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

Section 2-Incorporated by Reference: *The 2024 Restatement and Amendment to the San Luis City Code, Chapter 6.05-Animal Control* is referred to, adopted, incorporated, and made a part of this Ordinance No. 455 as if fully set out in this Ordinance in full.

Section 3-Effective Date: The provisions of *The 2024 Restatement and Amendment to the San Luis City Code, Chapter 6.05-Animal Control,* shall become effective on Friday, October 25, 2024.

Section 4-Penalties: Any person, firm, or corporation to violate or cause the violation of Section 6.05.031 – Dog license requirements –. as set forth in *The 2024 Restatement and Amendment to the San Luis City Code, Chapter 6.05-Animal Control* in Section 6.05.990 as adopted by this Ordinance No. 455 shall be guilty of a Class 2 misdemeanor.. Violations of Section 6.05.031 – Dog license requirements – each separate day, or part thereof, that a violation continues is a separate offense.

Section 5-Repealing Conflicting Provisions: If a conflict arises between the provisions of this Ordinance No. 455 and any other ordinance, or any resolution, order, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this Ordinance shall govern.

Section 6-Severability: If any section, subsection, paragraph, sentence clause, phrase, or portion of this Ordinance No. 455 is held to be invalid or unconstitutional by the final

decision of any court of competent jurisdiction or controlling legislation, such decision or law shall not affect the validity of the remaining portion of this Ordinance: The City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Ordinance No. 455.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ____ day of September 2024.

City of San Luis, Arizona

_____
Nieves Riedel, Mayor

Attest:

_____
Sonia Cornelio, City Clerk

Approved As to Form

_____
Kay Marion Macuil, City Attorney