TOWN OF FLORENCE
REGULAR MEETING AGENDA

Mayor Tara Walter
Vice-Mayor John Anderson
Councilmember Karen Wall
Councilmember Kristen Larsen
Councilmember Michelle Cordes
Councilmember Judy Hughes

Florence Town Hall
775 N. Main Street
Florence, AZ 85132
(520) 868-7500
www.florenceaz.gov
Meet 1st and 3rd Mondays

Monday, June 15, 2020 **5:30 PM**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Town of Florence Council and to the general public that a Regular Meeting of the Florence Town Council will be held on Monday, June 15, 2020, at 5:30 p.m., in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona.

SPECIAL NOTICE REGARDING PUBLIC MEETINGS

Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, the Town of Florence has determined that public meetings will be indefinitely held through technological means. Meetings will be open to the public through technological means. In reliance on, and in compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, and in conjunction with the Emergency Proclamation signed by Mayor Tara Walter, on March 18, 2020. The Town of Florence provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

To attend the meeting noticed below by technological means, members of the public may:

1. *Access the link to watch a video stream on the Town website: www.FlorenceAZ.gov/tv or view the meeting live on Cox TV Channel 11.*

2. *To call in and listen, please dial:*
   US: +1 669 900 6833 US (San Jose)
   +1 346 248 7799 US (Houston)
   Webinar ID: 821 5764 3351
   Password: 772709

Members of the public may submit written comments relating to this meeting to Town Clerk Lisa Garcia by emailing lisa.garcia@florenceaz.gov at any time until one hour prior to the posted start time for the meeting. Please be sure to include your name and address for the record as well as the meeting date (and Agenda Item #, if applicable) in the subject of your email.

If any member of the public has difficulty connecting to the meeting, they are invited to contact the Town of Florence Information Technology Helpdesk at (520) 868-7543.

The agenda for this meeting is as follows:

1. **CALL TO ORDER**

2. **ROLL CALL: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes**

3. **ADJOURNMENT TO EXECUTIVE SESSION**

   For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(1) (3) (4) & (7) to:
   a. Review proposal received on the Territory Square Project and instruct the attorney on how to proceed.
   b. Review proposal received on the Silver King Suite 202 and instruct the attorney on how to proceed.

4. **ADJOURNMENT FROM EXECUTIVE SESSION**

5. **MOMENT OF SILENCE**

6. **PLEDGE OF ALLEGIANCE**

7. **CALL TO THE PUBLIC**
   Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

8. **ADJOURN TO ANTHEM AT MERRILL RANCH COMMUNITY FACILITIES DISTRICT 2.**

   a. Discussion and possible action on Resolution No. MRCFD2 242-20: RESOLUTION (1) PROVIDING FOR THE SALE AND ISSUANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 GENERAL OBLIGATION REFUNDING BONDS AND FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; (2) DELEGATING AUTHORITY TO THE DISTRICT MANAGER OF THE DISTRICT OR HIS DESIGNEE TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING AS WELL AS CERTAIN MATTERS WITH RESPECT TO CERTAIN BONDS BEING REFUNDED WITH THE PROCEEDS OF THE SALE OF SUCH BONDS; (3) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE AND ISSUANCE OF SUCH BONDS; (4) ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION (Becki Jimenez)

b. Approve and accept Written Policies and Procedures for Tax-Advantaged Obligations for Merrill Ranch Community Facilities District No. 2 , with an implementation date of June 15, 2020. (Becki Jimenez)

c. Discussion and possible action to approve Merrill Ranch Community Facilities District No. 2 February 18, March 16 and April 15, 2020 Special Meeting minutes**.**

9. ADJOURN FROM ANTHEM AT MERRILL RANCH COMMUNITY FACILITIES DISTRICT 2.

10. PRESENTATIONS

a. Proclaim July 2020 as Parks and Recreation Month in the Town of Florence and encourage residents to get outdoors and enjoy their community through parks and recreation. (Alison Feliz)

b. Presentation on the Major General Plan Amendment for Grinders Sports. (Larry Harmer)

c. WaterSmart Presentation for Advanced Metering Infrastructure. (Trenton Shaffer)

11. CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

a. Approval of an agreement with Pinal County for the placement of a CERT vehicle with the Fire Department. (David Strayer)

b. Approval to purchase a new Merit 50 Hp gas engine with a 4-speed gear box concrete saw, from Grabber Power Products, in an amount not to exceed $32,260.05. (Chris Salas)

c. Authorization to enter into a Letter of Agreement with the Florence Unified School District to provide a 3" asphalt overlay on Van Haren Street. (Chris Salas)

d. Approval to enter into a contract with Cactus Transport, dba Cactus Asphalt, for asphalt overlay on Van Haren Street and a patch on Butte Avenue, in an amount not to exceed $147,478.04. (Chris Salas)

e. Approval of the acceptance of the improvements of the warranty period which shall begin June 15, 2020 for Anthem at Merrill Ranch Units 35A and Unit 37. (Chris Salas)

f. Authorization to purchase two 2020 Chevy Silverado trucks from Enterprise Fleet Management Trust, in an amount not to exceed amount of $92,211.33. (Chris Salas)

g. Approval of the May 4, May 12, May 18 and May 26, 2020 Town Council Meeting minutes.

h. Receive and file the following board and commission minutes:
   i. February 20, 2020 Planning and Zoning Commission Meeting minutes.

12. NEW BUSINESS

a. RESOLUTION NO. 1739-20: Discussion/Approval/Disapproval of adopting A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNT REQUIRED FOR THE PUBLIC EXPENSE FOR THE TOWN OF FLORENCE FOR FISCAL YEAR 2020-2021; ADOPTING A TENTATIVE ANNUAL BUDGET; SETTING FORTH THE RECEIPTS, EXPENDITURES AND THE AMOUNT PROPOSED TO BE EXPENDED FOR VARIOUS PURPOSES; GIVING NOTICE OF THE TIME FOR PUBLIC HEARING FOR TAXPAYERS ON THE ADOPTION OF THE FINAL BUDGET; ADOPTING THE BUDGET IN ACCORDANCE WITH THE STATE-IMPOSED EXPENDITURE LIMITATION AND VOTER-APPROVED EXCESS AMOUNT; DECLARING AN EMERGENCY. (Becki Jimenez)

b. Resolution No. 1743-20: Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD CERTAIN DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED "INTERNATIONAL FIRE CODE, 2012 EDITION, WITH APPENDICES B, C, D, E, F, G, H AND I, AND ADDENDUMS AND ALTERNATIVES TO SAID TECHNICAL CODES FOR SECTIONS 202 AND 903 DATED AUGUST 20, 2020**".** (Barbara Rice)

c. Ordinance No. 697-20: First Reading of AN ORDINANCE OF THE TOWN OF FLORENCE, ARIZONA AMENDING SECTION 150.300 (TECHNICAL CODES) OF THE TOWN OF FLORENCE CODE OF ORDINANCES BY AMENDING THE 2012 INTERNATIONAL FIRE CODE ADOPTED BY REFERENCE UNDER ORDINANCE NO. 674-19. (Barbara Rice)

d. Discussion/Approval/Disapproval for the Town Manager to negotiate a Development Agreement with MODUS Holdings, Inc., to construct a residential project in the Territory Square District known as "Territory Square Property Development" and to publish a Notice of Intent to Award RFP 05042020. (Brent Billingsley)

13. MANAGER'S REPORT

14. CALL TO THE PUBLIC

15. CALL TO THE COUNCIL – CURRENT EVENTS ONLY

16. ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(1) (3) & (4) to:

a. Filling the vacant Council seat.
b. Council questions regarding Town Council Rules of Procedures.

17. ADJOURNMENT FROM EXECUTIVE SESSION

18. ADJOURNMENT

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3). One or more members of Council may appear for part or all of the meeting including Executive Session telephonically.

POSTED ON JUNE 11, 2020, BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA, AND AT WWW.FLORENCEAZ.GOV.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR 711 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.*****

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2
AGENDA

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Merrill Ranch Community Facility District No. 2 Members and to the general public that a Special Meeting of the District Board will be held on Monday, June 15, 2020 at 5:30 p.m., or immediately following the Town of Florence Council Meeting, in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona. The agenda for this meeting is as follows:

1. **CALL TO ORDER**

2. **ROLL CALL: Tara Walter __, John Anderson__, Bill Hawkins__, Karen Wall____, Kristen Larsen___, Michelle Cordes__, Judy Hughes___.**

3. **NEW BUSINESS**

   a. Discussion and possible action on Resolution No. MRCFD2 242-20: RESOLUTION (1) PROVIDING FOR THE SALE AND ISSUANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 GENERAL OBLIGATION REFUNDING BONDS AND FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; (2) DELEGATING AUTHORITY TO THE DISTRICT MANAGER OF THE DISTRICT OR HIS DESIGNEE TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING AS WELL AS CERTAIN MATTERS WITH RESPECT TO CERTAIN BONDS BEING REFUNDED WITH THE PROCEEDS OF THE SALE OF SUCH BONDS; (3) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE AND ISSUANCE OF SUCH BONDS; (4) ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION (Becki Jimenez)

   b. Approve and accept Written Policies and Procedures for Tax-Advantaged Obligations for Merrill Ranch Community Facilities District No. 2 , with an implementation date of June 15, 2020. (Becki Jimenez)

   c. Discussion and possible action to approve Merrill Ranch Community Facilities District No. 2 February 18, March 16 and April 15, 2020 Special Meeting minutes.

4. **ADJOURNMENT**

The Merrill Ranch Community Facilities District No. 2 (MRCFD2) Board may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the District's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3). One or more members of MRCFD2 Board may appear for part or all of the meeting including Executive Session telephonically.

POSTED ON June 11, 2020, BY LISA GARCIA, DISTRICT CLERK, AT 775 N. MAIN STREET, ARIZONA AND WWW.FLORENCEAZ.GOV.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR 711 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.*****

DISTRICT NO 2	MERRILL RANCH COMMUNITY FACILITIES DISTRICT ACTION FORM	AGENDA ITEM 8a.
MEETING DATE: June 15, 2020 **DEPARTMENT:** Finance **STAFF PRESENTER:** Becki Jimenez, District Treasurer **SUBJECT:** Resolution No. MRCFD2 242-20: Refunding of 2010 General Obligation Bonds – Significant Cash Flow and Net Present Value Savings		☒ **Action** ☐ **Information Only** ☐ **Public Hearing** ☐ **Resolution** ☐ **Ordinance** ☐ **Regulatory** ☐ **1st Reading** ☐ **2nd Reading** ☐ **Other**

RECOMMENDED MOTION/ACTION:

Adopt Resolution No. MRCFD2 242-20: RESOLUTION (1) PROVIDING FOR THE SALE AND ISSUANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 GENERAL OBLIGATION REFUNDING BONDS AND FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; (2) DELEGATING AUTHORITY TO THE DISTRICT MANAGER OF THE DISTRICT OR HIS DESIGNEE TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING AS WELL AS CERTAIN MATTERS WITH RESPECT TO CERTAIN BONDS BEING REFUNDED WITH THE PROCEEDS OF THE SALE OF SUCH BONDS; (3) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE AND ISSUANCE OF SUCH BONDS; (4) ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION.

BACKGROUND/DISCUSSION:

Stifel Nicolaus & Company, Inc. (Stifel) is the financial advisor for the Town along with Merrill Ranch Community Facilities District No. 2 (MRCFD20. They have advisory responsibility of the financial matters of the Community Facilities Districts (CFDs) and other Town matters. Earlier this year, while issuing the 2019 bond, discussion had taken place to evaluate existing debt in General Obligation (GO) Bonds. It was determined that the 2010 General Obligation Bonds would qualify for refunding. Refunding is a refinancing of existing debt. In the case of the 2010 GO issue, the average interest rate was 6.11%.

The District engaged Piper Sandler, as Placement Agent, to put out a Request for Proposal (RFP). The RFP was sent to 30 financial institutions. Eight banks reviewed the term sheet and only two proposals were received.

In refinancing the bonds at a lower interest rate, the District will free up additional cash to pay back the Town of Florence $1.1 million dollar bond that was issued in 2019. It is determined that the debt will be paid back in approximately three years instead of the five originally estimated at bond issue.

The Community Facilities District will levy a rate of $3.25 for Fiscal Year 2020-2021 to fund debt service and will have cash to cover the debt service.

Mark Reader, of Stifel and Mike Cafiso, Bond Counsel, of Greenburg Traurig, are attending tonight to present a power point presentation, explaining the refunding, and to answer any questions regarding this matter.

A VOTE OF NO WOULD MEAN:

The District would follow our current debt service schedules and pay annual payments as set forth in the amortization schedules.

A VOTE OF YES WOULD MEAN:

the District would refinance the 2010 bonds at a lower interest rate, freeing up additional cash to repay the 2019 GO issue in a shorter time period.

FINANCIAL IMPACT:

The estimated interest rate is 3.25%. The bonding amount will be $2,685,000 with cost of issuance estimated at $151,850, Other use of funds $454.37, and $2,532,695.63 to refund the 2010 GO Debt. The current estimated cash flow savings approximates $360,000 with the savings structured over the next 2 fiscal years. The net present value savings of $355,000 (estimated) represents 14% savings. Most refundings are effectuated with a present value savings in excess of 3%.

Annual Debt Service, after years 2021-2022 ranges from $222,300 to $246,280, illustrated in the Bond Debt Service Schedule.

ATTACHMENTS:

Resolution No. MRCFD2 242-20
Placement Agreement
Stifel Power Point

RESOLUTION NO. MRCFD2 242-20

(MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2)

RESOLUTION (1) PROVIDING FOR THE SALE AND ISSUANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 GENERAL OBLIGATION REFUNDING BONDS AND FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; (2) DELEGATING AUTHORITY TO THE DISTRICT MANAGER OF THE DISTRICT OR HIS DESIGNEE TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING AS WELL AS CERTAIN MATTERS WITH RESPECT TO CERTAIN BONDS BEING REFUNDED WITH THE PROCEEDS OF THE SALE OF SUCH BONDS; (3) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE AND ISSUANCE OF SUCH BONDS; (4) ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION.

BE IT RESOLVED BY THE DISTRICT BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES NO. 2 as follows:

1. Findings.

a. The board of directors (this "Board") of Merrill Ranch Community Facilities District No. 2 (the "District") has determined that it is expedient to refund all or a portion of the District's General Obligation Bonds, Series 2010 (the "Bonds Being Refunded"), and that the sale and issuance of certain refunding bonds by the District (the "Bonds") and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded is necessary and advisable and in the best interests of the District and shall result in a minimum net present value debt service savings, net of costs associated with the Bonds, of not less than five percent (5 %) of the principal amount of the Bonds Being Refunded.

b. The total aggregate of taxes levied to pay principal of, and premium, if any, and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded.

c. This Board also determined that the total aggregate outstanding amount of the Bonds, the portion of the Bonds Being Refunded which are ultimately refunded pursuant hereto, the District's General Obligation Bonds, Series 2013, the District's General Obligation Refunding Bonds, Series 2016, the District's General Obligation Bonds, Series 2017 and the District's General Obligation Bonds, Series 2019 will not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvement in the District.

d. This Board will receive a proposal from Piper Sandler & Co., serving in the capacity of and designated as the placement agent (the "Placement Agent") and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission, and has determined that the Bonds should be placed by the Placement Agent.

e. By this Resolution, this Board will give approval to proceed with the placement of the Bonds by the Placement Agent with a purchaser to be determined pursuant hereto the hereinafter defined Placement Agreement (the "Purchaser"), and will authorize the placement of the Bonds with the Purchaser.

f. Pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (the "Regulations"), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes ("Tax-Exempt Obligations"), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations.

g. It is determined that procedures should be readopted in order to ensure that Tax-Exempt Obligations issued by the District comply with the provisions of the Code and the Regulations (the "Procedures").

h. All formal actions concerning and relating to the passage of this Resolution were taken in an open meeting, in compliance with all legal requirements, and all things required to be done preliminary to the authorization, sale and issuance of the Bonds have been duly done and performed in the manner required by law, and this Board is now empowered to proceed with the sale and issuance of the Bonds. (All actions to refund the Bonds Being Refunded, whether taken before or after adoption of this Resolution, are ratified and confirmed and approved, respectably.)

2. Authorization.

a. The Bonds are authorized by the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Enabling Act"), specifically Section 48-719(D), Arizona Revised Statutes, and Title 35, Chapter 3, Article 4, Arizona Revised Statutes.

b. This Board hereby authorizes the Bonds to be issued and placed with the Purchaser against payment therefor by the Purchaser in accordance with the provisions of this Resolution and applicable law, provided that the same shall only be

done if the same shall result in a minimum net present value debt service savings of not less than the amount indicated in the Recitals hereto.

3. Terms.

a. The District Manager of the District or his designee is hereby authorized and directed to determine on behalf of the District: (1) the title and series designation of the Bonds; (2) the dated date and total principal amount of the Bonds; (3) the principal and maturity schedule of the Bonds and the principal and maturity schedules for the Bonds Being Refunded and the method of defeasance thereof (including by execution and delivery of the herein described Escrow Trust Agreement); (4) the interest rate on each maturity of the Bonds and the dates for payment of such interest (the "interest payment dates"); and (5) the provisions for redemption in advance of maturity of the Bonds and the determinations of exercise of redemption provisions for the Bonds Being Refunded; provided, however, that such determinations must result in a present value debt service savings, net of all costs associated with the Bonds, of not less than the amount indicated in the Recitals hereto.

b. (1) Except as provided on a more restrictive basis in the definitive form of the Bond, the Bonds shall be issued in the denomination of $100,000 of principal amount or integral multiples of $1,000 in excess thereof and only in physically certified, fully registered form. (Bonds may be in denominations of less than $100,000 if necessary to accommodate redemption.)

(2) Except as provided in the definitive form of the Bond, the principal of, and premium, if any, on the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the designated corporate trust office of the "Bond Registrar and Paying Agent" (as such term is hereinafter defined) or, if provided in the definitive form of the Bond, at the main administrative office of the District.

(3) The Bonds shall bear interest at the applicable rates from their date to the maturity or prior redemption of each Bond, payable commencing on interest payment dates. Except as provided in the definitive form of the Bond, interest on the Bonds shall be payable by check, dated as of the interest payment date, mailed to the registered owners thereof, as shown, if applicable, on the registration books maintained, if necessary, by the Bond Registrar and Paying Agent at the address appearing therein, if applicable, at the close of business on the first day of the month next preceding that interest payment date (the "regular record date"). If applicable, any such interest on a Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of Bonds not less than ten days prior thereto.

(4) The principal of, and premium, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America.

4. Prior Redemption; Defeasance.

a. Except as provided in the definitive form of the Bonds, notice of optional redemption of any Bond shall be mailed by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the date set for redemption to the registered owner of the Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any Bond for which notice was given properly. Such notice may provide that the redemption is conditional upon moneys for payment of the redemption price being held in separate accounts by the Bond Registrar and Paying Agent.

b. On the date designated for redemption by notice given as herein provided, the Bonds or portions thereof to be redeemed shall become and be due and payable at the redemption price for such Bonds or such portions thereof on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such Bonds or such portions thereof shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security hereunder, the registered owners of such Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such Bonds or such portions thereof shall be deemed paid and no longer outstanding.

c. The District may redeem, and the Bond Registrar and Paying Agent shall select, by lot in such manner as the Bond Registrar and Paying Agent may determine, any amount which is included in a Bond in the denomination in excess of, but divisible by, $1,000. In that event, the registered owner shall submit the Bond for partial redemption and the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

d. Any Bond or portion thereof in authorized denominations shall be deemed paid and defeased and thereafter shall have no claim on ad valorem taxes levied on taxable property in the District (i) if there is deposited with a bank or comparable financial institution, in trust, moneys or obligations issued by or guaranteed by the United States government ("Defeasance Obligations") or both which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay the principal of and interest and any premium on such Bond or portion thereof as the same matures, comes due or becomes payable upon prior redemption and (ii) if such defeased Bond or portion thereof is to be redeemed, notice of such redemption has been given in accordance with provisions hereof or the District has submitted to the Bond Registrar and Paying Agent instructions expressed to be irrevocable as to the date upon which such Bond or portion thereof is to be redeemed and as to the giving of notice of such redemption. Bonds the payment of

which has been provided for in accordance with this Section shall no longer be deemed payable or outstanding hereunder and thereafter such Bonds shall be entitled to payment only from the moneys or Defeasance Obligations deposited to provide for the payment of such Bonds.

5. Security.

a. (1) In each year while any of the Bonds shall be outstanding, there shall be and hereby is levied upon all taxable property within the District a continuing, direct, annual, *ad valorem* tax over and above all other taxes authorized or limited by law, which tax, together with other funds then on hand and available for such purposes, shall be sufficient to pay the principal of and interest on the Bonds as the same become due, provided, however, that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity on the Bonds Being Refunded. The tax shall be extended and collected for the District, and the officials of the District and Pinal County, Arizona charged with the annual extension and collection of taxes, without further instructions from the Board, shall extend and collect the tax upon issuance of the Bonds. All moneys collected through such tax shall be paid into the treasury of the District, to the credit of a separate "Bond Fund" of the District for the Bonds, from which funds the Bonds shall be payable, which tax moneys shall be held in subfunds in such fund to be known as the "Interest Fund" and the "Redemption Fund", which funds shall be kept separate and apart from and not commingled with any other funds or moneys and which shall be used solely for, respectively, payment of interest on and principal of the Bonds.

(2) Neither the full faith and credit nor the general taxing power of the Town of Florence, Arizona (the "Town"), is pledged to the payment of the Bonds. Nothing contained in this Resolution or any other instrument related to the Bonds shall be construed as obligating the Town, or as incurring a charge upon the general credit or any other credit or revenues of the Town nor shall the breach of any agreement contained in this Resolution or any other instrument or documents executed in connection therewith impose any charge upon the general credit or any other credit or revenues of the Town.

(3) A record of the Bonds sold and their numbers and dates shall be entered into the minutes of the Board and, subject to the limitation of applicable laws of the State of Arizona (the "State") as they relate to Bonds, an *ad valorem* property tax shall be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described herein, to pay debt service when due. Annual statements and estimates of the amount to be raised to pay such debt service shall be made. Such annual statements and estimates shall be filed with the Clerk of the Town, and a notice of the filing of the estimate shall be published. On or before the date set by law for certifying the annual budget of the Town, the amounts to be raised by *ad valorem* property taxes of the District shall be fixed, levied and assessed, and certified copies of the order shall be delivered to the Board of Supervisors of Pinal County, Arizona, and to

the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

b. As provided in Section 6(a) hereof, the net proceeds of the sale of the Bonds shall, as determined in Section 3(a) hereof, be held uninvested in cash or invested in obligations issued by or guaranteed by the United States government ("Government Obligations"), so long as such Government Obligations shall mature with interest so as to provide funds to pay at maturity or upon earlier redemption the Bonds Being Refunded together with interest thereon and redemption premiums, if any, and such proceeds or Government Obligations shall, and other funds legally available for such purposes may, be deposited in respective principal and interest redemption funds and shall be held in trust (the "Trust") for the payment of the Bonds Being Refunded with interest and redemption premiums, if any, at maturity or upon redemption. The owners of the Bonds shall rely upon the sufficiency of the funds or Government Obligations held in the Trust for the payment of the Bonds Being Refunded. The issuance of the Bonds shall in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if the investments in such redemption funds prove insufficient.

c. (1) If necessary, the District Manager of the District is hereby requested to enter into a standard form of agreement (the "Escrow Trust Agreement") with a national banking association authorized to do trust business in the State of Arizona appointed by the District Manager of the District or his designee, with respect to the safekeeping and handling of moneys and Government Obligations to be held in the Trust for the payment of the Bonds Being Refunded, with such additions, deletions and modifications as shall be approved by the District Manager of the District or her designee.

(2) This Board hereby orders that the Bonds Being Refunded be redeemed on the respective redemption dates determined as provided in Section 3(A) hereof.

6. Use of Proceeds.

a. The net proceeds of the sale of the Bonds (and any other premium) shall be applied, along with the moneys to be transferred from the interest and redemption funds for the Bonds Being Refunded over and above amounts needed to make payments on such bonds on or before the first day of the fiscal year next preceding, to create, if applicable, the Trust pursuant to the Escrow Trust Agreement which shall be an irrevocable trust for the benefit of the owners of the Bonds related thereto. As provided in Section 5(b) hereof, amounts credited to the Trust, other than any beginning cash balance, shall be invested immediately in Government Obligations, the maturing principal of and interest on which, together with any beginning cash balance, are to be sufficient to pay the principal of and premium, if any, and interest on the Bonds Being Refunded as the same become due.

b. Any balance of the net proceeds of the Bonds remaining after creation of the Trust shall be transferred to the Debt Service Fund for the Bonds.

c. Notwithstanding the foregoing, amounts to pay costs of issuance of the Bonds may be held pursuant to the Escrow Trust Agreement, by the District for separate payment or paid by the Purchaser (as hereinafter defined) in connection with the initial delivery thereof.

7. Form of Bonds.

a. Pursuant to Section 35-491, Arizona Revised Statutes, a fully-registered bond form is hereby adopted as an alternative to any other form of bond provided by law. The Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in the Exhibit attached hereto; provided, however, that the District Manager of the District or his designee may provide for changes in the definitive form of bond initially delivered to the Purchaser as necessary for the purposes hereof. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

b. The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show both the date of the issue and the date of authentication and registration of each Bond.

c. The Bonds are prohibited from being converted to coupon or bearer Bonds without the consent of this Board and approval of Bond Counsel to the District.

8. Execution of Bonds and Other Documents.

a. (1) The Bonds shall be executed for and on behalf of the District by the Chairperson or Vice Chairperson of this Board, attested by the District Clerk of the District and countersigned by the District Treasurer of the District. Such signatures may be by mechanical reproduction; however, such officers shall manually sign certificates adopting as and for such signatures on the Bonds the mechanically reproduced signatures affixed to the Bonds.

(2) If an officer whose signature is on a Bond no longer holds that office at the time such Bond is authenticated and registered, the Bond shall nevertheless be valid and binding so long as such Bond would otherwise be valid and binding.

(3) A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the Bond Registrar and Paying Agent shall be conclusive evidence that the Bond has been authenticated and issued pursuant to this Resolution.

b. The Chairperson or any member of this Board or the District Manager of the District is hereby authorized to approve, execute and deliver or, in the case of those documents to which the District is not a party, to approve the execution and delivery by the parties thereto of the documents and agreements referred to herein calling for such execution and delivery, including particularly, if necessary, the Escrow Trust Agreement, the hereinafter defined Bond Registrar and Paying Agent Agreement and the Placement Agreement.

9. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond of like type, date, maturity date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond, destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the District in connection therewith and, in the case of a Bond, destroyed or lost, filing with the Bond Registrar and Paying Agent or the District Manager of the District (or his designee) as applicable, by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent or the District Manager of the District (or his designee) that such Bond was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

10. Bond Registrar and Paying Agent.

a. The District Manager of the District or his designee are hereby authorized to appoint, if necessary, the initial Bond Registrar and Paying Agent with respect to the Bonds, and the Chairperson or any member of this Board or the District Manager of the District is hereby requested to enter into a standard form of agreement therewith (the "Bond Registrar and Paying Agent Agreement") covering such services, with such additions, deletions and modifications as shall be approved by the District Manager of the District or her designee. The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond.

b. The Bonds may be transferred in whole or in part to a registered owner without the necessity of obtaining the consent of District; provided, that such transferee represents to the District that (i) it has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment in the Bonds, (ii) it understands that neither this Resolution nor the Bonds will be registered pursuant to the Securities Act of 1933, as amended, (iii) it is either an "accredited investor" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended, or a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, and (iv) its present intention is to acquire such interest (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933, as amended; *provided, however,* that there shall be no more than three registered owners at any time.

c. A Bond may be transferred on the registration books upon delivery and surrender of the Bond to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of the Bond to be transferred or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond. No transfer of any Bond shall be effective until entered on the registration books.

d. In the event of the transfer of a Bond, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denominations (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution.

e. All costs and expenses of initial registration and payment of the Bonds shall be borne by the District, but the District and the Bond Registrar and Paying Agent shall charge the registered owner of such Bond for every subsequent transfer of a Bond an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such transfer fee, tax or other charge be paid before any such Bond shall be delivered.

f. The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bond during a period beginning with the opening of business on any regular record date and ending with the close of business on the corresponding interest payment date.

g. Notwithstanding any other provisions in this Section, if provided in the definitive form of the Bond, the District Manager of the District (or her designee) may perform whichever of the tasks described in this Section are necessary pursuant to such form of bond with respect to the matters provided in this Section.

11. Acceptance of Proposal.

a. The District Manager of the District or his designee is hereby authorized to accept a proposal of the Placement Agent for the placement of the Bonds, and the Bonds are hereby ordered sold to the Purchaser in accordance with the terms of the form of Placement Agent Agreement presented to this Board at the meeting at which this Resolution is being adopted (the "Placement Agreement"). The Chairperson or any other member of this Board or the District Manager of the District is hereby authorized to execute and deliver the Placement Agreement, for and on behalf of the District, in a final form satisfactory to the Chairperson or such member of this Board or the District Manager of the District.

b. The Bonds shall be delivered upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale provided in this Resolution and the Placement Agreement.

12. General Federal Tax Law Covenants.

a. As to be provided in a certificate relating to federal tax matters to be delivered upon initial issuance of the Bonds (the "Tax Certificate"), the District will not make or direct the making of any investment or other use of the proceeds of any Bonds which would cause such Bonds to be "arbitrage bonds" as that term is defined in section 148 (or any successor provision thereto) of the Code (as such term is hereinafter defined), or "private activity bonds" as that term is defined in section 141 (or any successor provision thereto) of the Code, and that the District will comply with the requirements of the Code sections and related regulations throughout the term of the Bonds. (Particularly, the District shall be the owner of the facilities refinanced with the proceeds of the sale of the Bonds (the "Facilities") for federal income tax purposes. Except as otherwise advised in a Bond Counsel's Opinion (as such term is hereinafter defined), the District shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities unless the management or service contract complies with the requirements of such authority as may control at the time or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities.) Also, the payment of principal of and interest on the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Bonds, or amounts treated as proceeds of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Bonds are being issued, (ii) may be so used in making investments of a bona fide debt service fund or (iii) may be invested in obligations issued by the United States Treasury. This Board shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In consideration of the purchase and acceptance of the Bonds by such holders from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, the District shall, and the appropriate officials of the District are hereby directed, to take all action required or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

b. (1) The District shall take all necessary and desirable steps, as determined by the District, to comply with the requirements hereunder in order to ensure that interest on the Bonds is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the District receives a Bond Counsel's Opinion that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Bonds, or (ii) compliance with some other requirement will

meet the requirements of the Code. In the event the District receives such a Bond Counsel's Opinion, this Resolution shall be amended to conform to the requirements set forth in such opinion.

(2) If for any reason any requirement hereunder is not complied with, the District shall take all necessary and desirable steps, as determined by the District, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the District shall pay any required interest or penalty under Regulations section 1.148-3(h) relating to the Code.

c. This Board hereby authorizes the District Manager of the District or her designee to designate the Bonds as "qualified tax-exempt obligations" within the meaning of and pursuant to the provisions of section 265(b) of the Code so long as the District can represent and warrant that the reasonably anticipated amount of "qualified tax-exempt obligations" (other than private activity bonds within the meaning of the Code) which will be issued by the District during the calendar year in which the Bonds are issued will not exceed $10,000,000.

d. The District is adopting the Procedures to have written procedures to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Treasury Regulations and to monitor the requirements of section 148 of the Code relating to arbitrage.

e. (i) The District has general taxing powers, (ii) the Bonds are not private activity bonds within the meaning of the Code, (iii) 95 percent or more of the net proceeds of the Bonds shall be used for local governmental activities of the District and (iv) the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by the District during the calendar year in which the Bonds are issued is not reasonably expected to exceed $5,000,000 and, as such, the District has an exception to the payment of rebate as described in the next Section available to it with respect to the Bonds.

13. Arbitrage Rebate Procedures.

a. Terms not otherwise defined in Subsection (b) hereof shall have the meanings given to them in the Tax Certificate.

b. The following terms shall have the following meanings:

Bond Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District.

Bond Year shall mean each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issuance of the Bonds and shall end on the date selected by the District, provided that the

first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Bond.

Bond Yield is as indicated in the Tax Certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or -4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Bonds as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Bonds and using semiannual compounding on the basis of a 360-day year.

Code shall mean the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

Gross Proceeds shall mean:

(i) any amounts actually or constructively received by the District from the sale of the Bonds but excluding amounts used to pay accrued interest on the Bonds within one year of the date of issuance of the Bonds;

(ii) transferred proceeds of the Bonds under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Bonds within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Bonds, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Bonds in the event the District encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account.

Investment Property shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

Issue Price is as indicated in the Tax Certificate and shall be determined as provided in Regulations section 1.148-1(b).

Nonpurpose Investment shall mean any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Bonds.

Payment shall mean any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

Rebate Requirement shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

Receipt shall mean any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

Regulations shall mean the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

c. If the District determines that the exception to rebate described in Section 12(e) of this Resolution is not available, within 60 days after the end of each Bond Year, the District shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Bonds (determined as of such Computation Date), is equal to at least 90 percent of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Bonds (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Bond, an amount equal to 100 percent of the Rebate Requirement (determined as of the date of retirement of the last Bond).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

d. No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

e. For purposes of Subsection (d), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(1) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose

Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(2) Except as provided in Subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(3) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

f. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(1) the yield on reasonably comparable direct obligations of the United States; and

(2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

g. A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(1) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the requirements in the Regulations that the District receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Bonds.

(2) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(3) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (e.g., a lead underwriter

within 15 days of the issue date of the Bonds or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the District uses an agent to conduct the bidding, the agent may not bid.

(4) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(5) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(7) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(8) The District retains until three years after the last outstanding Bond is retired, (i) a copy of the guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the District and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

h. The procedures required by any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds (initially this Section) shall be complied with for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

i. This Board further authorizes the employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of such Code.

14. Post-Issuance Tax Compliance Procedures. The Procedures are hereby adopted to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

15. Resolution a Contract; Severability; Ratification of Actions.

a. This Resolution shall constitute a contract between the District and the registered owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

b. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. This Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

c. All actions of the officers and agents of the District including this Board which conform to the purposes and intent of this Resolution and which further the issuance and sale of the Bonds as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Resolution and to give effect to and consummate the transactions contemplated by this Resolution and the proposal of the Purchaser.

[Remainder of page left blank intentionally.]

PASSED, by the Board of Directors of Merrill Ranch Community Facilities District No. 2 this 15th day of June, 2020.

……
Chairperson, District Board, Merrill Ranch
Community Facilities District No. 2

ATTEST:

……
District Clerk, Merrill Ranch
Community Facilities District No. 2

APPROVED AS TO FORM:

……
District Counsel, Merrill Ranch
Community Facilities District No. 2

EXHIBIT:

Exhibit - Form of Bond

EXHIBIT

FORM OF BOND*

(THIS BOND IS ONLY TRANSFERABLE UPON COMPLIANCE WITH THE RESTRICTED TERMS PROVIDED IN THE RESOLUTION DESCRIBED HEREIN)

REGISTERED
NO. .....

REGISTERED
$.....

UNITED STATES OF AMERICA
STATE OF ARIZONA

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2
(FLORENCE, ARIZONA)
GENERAL OBLIGATION REFUNDING BOND, SERIES 2020

Interest Rate:	Maturity Date:	Dated:
.....%	July 15, ...	....., 2020

REGISTERED OWNER: . . . . . .

PRINCIPAL AMOUNT: . . . . . DOLLARS

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, a community facilities district, duly organized and existing under the laws of the State of Arizona (the "District"), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, the aforesaid principal amount on the aforesaid maturity date unless earlier redeemed, and to pay interest on the principal amount from the date as of which this Bond is dated as indicated hereinabove at the aforesaid interest rate on ..... 15, ..., and on each ..... 15 and ..... 15 thereafter (each an "interest payment date") to the maturity or redemption prior to maturity of this Bond. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the designated corporate trust office of ....., as the initial "Bond Registrar and Paying Agent." Interest on the bonds of the issue of which this Bond is one is payable by check, dated as of the interest payment date, mailed to the registered owner hereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the first day of the calendar month next preceding that interest payment date (the "regular record date"). [*Alternative provisions that could be proposed:* The principal of and premium, if any, and interest on this Bond (except that payable on final maturity) are payable by wire transfer of immediately available, federal funds to the registered owner hereof, as shown on

* As provided in the Resolution to which this Form is an Exhibit, the Bond may be modified to conform with the exceptions allowed by such Resolution.

the books maintained by …….., as the initial "Bond Register and Paying Agent" to the account designated by such owner at the close of business on the first day of the calendar month next preceding that interest payment date (the "regular record date").The principal of and premium, if any, and interest on this Bond payable upon final maturity are payable upon presentation and surrender hereof at the designated office of the Bond Registrar and Paying Agent.] Any such interest on this Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of that overdue interest, and notice of the special record date shall be given to registered owners of the Bonds not less than ten days prior thereto.

The principal of, and interest and premium, if any, on, this Bond are payable in lawful money of the United States of America, on the respective dates when principal and interest become due.

This Bond is one of a series of bonds indicated above (the "Bonds") in the aggregate principal amount of $.....,000 of like tenor except as to amount, maturity date, redemption feature, rate of interest, number and other matters described herein, issued by the District to refund certain previously issued and outstanding bonds issued on behalf of the District, pursuant to a resolution of the District Board of the District, duly adopted prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the "Resolution"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of refunding bonds of fire districts, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the purpose of paying the principal of, and premium, if any, and interest on and costs of administration of the registration and payment of this Bond, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on this Bond as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the issuance of the Bonds shall in no way infringe upon the rights of the owners of the bonds being refunded described above to rely upon a tax levy for payment of the principal and interest on such refunded bonds if the net proceeds of the Bonds to provide funds to pay when due, or called for redemption, such refunded bonds together with interest thereon and redemption premiums, if any, and with other funds legally available for such purposes deposited in the respective principal and interest redemption funds and held for the payment of such refunded bonds with interest and redemption premiums, if any, on maturity or upon an available redemption date prove insufficient and further that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on such refunded bonds from the date of issuance of the Bonds to the final date of maturity of such refunded bonds. The owners of the Bonds must rely on the sufficiency of the funds held irrevocably in trust for payment of such refunded bonds.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN OF FLORENCE, ARIZONA, OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS.

The Bonds maturing before and on July 15, ..., are not subject to redemption prior to maturity. The Bonds maturing on or after July 15, ..., are subject to optional redemption prior to maturity, in whole or in part, on July 15, ..., or any date thereafter, by the payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

Redemption Dates	Premium
July 15, ……, and January 15, ...	....%
July 15, ..., and thereafter	0.0

The Bonds maturing on July 15, ..., shall be redeemed prior to maturity on July 15, in the years and amounts set forth below, by payment of the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, but without a premium:

Year	Amount
	$

A remaining principal amount of $.....,000 of Bonds maturing on July 15, ..., shall mature on July 15, ... At the option of the District, whenever Bonds maturing on July 15, ... are purchased, redeemed (other than pursuant to the foregoing scheduled mandatory redemption) or delivered by the District for cancellation, the principal amount of such Bonds so retired will satisfy and be credited against the mandatory redemption requirement for such Bonds in such manner as the District determines; provided, however, that following such reduction each mandatory redemption requirement for such Bonds is an integral multiple of $5,000 of principal.

Not more than seventy-five (75) nor less than sixty (60) days prior to the mandatory redemption date for the Bonds maturing on July 15, ……, the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from all the Bonds maturing on July 15, ..., outstanding a principal amount of the Bonds maturing on July 15, ……, equal to the aggregate principal amount of the Bonds maturing on July 15, ..., to be redeemed and shall redeem such Bonds maturing on July 15, ……, on the next July 15 and give notice of such redemption.

Notice of redemption of any such Bond will be mailed not more than 60 nor less than 30 days prior to the date set for redemption to the registered owner of such Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond as provided in the Resolution. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Bond may be transferred on the registration books upon compliance with the terms of Section 10 of the Resolution and delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Bond or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of this Bond, the Bond Registrar and Paying Agent shall transfer the ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denominations (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. The District and the Bond Registrar and Paying Agent shall charge the owner of such Bond, for every transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other charge be paid before any such new Bond shall be delivered.

The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on a regular record date and ending with the close of business on the corresponding interest payment date.

This Bond shall not be entitled to any security or benefit under the Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar and Paying Agent.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law except as otherwise described herein, sufficient to pay the principal hereof and the interest hereon as each becomes due.

IN WITNESS WHEREOF, MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, has caused this Bond to be executed in the name of the District by the facsimile signature of the Chairperson of the Board of Directors of the District and attested by the facsimile signature of the Clerk of the District and countersigned by the facsimile signature of the District Treasurer of the District.

MERRILL RANCH COMMUNITY FACILITIES
DISTRICT NO. 2

By .....(Facsimile).....
Chairperson

ATTEST:

.....(Facsimile).....
District Clerk

COUNTERSIGN:

.....(Facsimile).....
District Treasurer

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution and is one of Merrill Ranch Community Facilities District No. 2 (Florence, Arizona) General Obligation Refunding Bonds, Series 2020.

Date of Authentication: …….....

.....,
as Bond Registrar and Paying Agent

By.....
Authorized Representative

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto .....
(Name and Address of Transferee)
the within Bond and irrevocably constitutes and appoints ..... attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ....

.....
Signature

Signature Guaranteed:

.....

.....
Signature

[Insert proper legend]

Note: The signature(s) on this assignment must correspond with the name(s) as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - ..... Custodian .....
(Cust) (Minor)

under Uniform Gifts to Minors Act .....
(State)

Additional abbreviations may also be used though not included in the above list.

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

2525 E. Camelback Road, Suite 950, Phoenix, Arizona 85016

PIPER | SANDLER

TEL: +1 602-808-5410

_____, 2020

Merrill Ranch Community Facilities District No. 2
c/o Town of Florence, Arizona
775 North Main Street
Florence, Arizona 85132
Attention: District Manager

Re: Placement Agent and Engagement Agreement
Merrill Ranch Community Facilities District No. 2 (Florence, Arizona) General Obligation Refunding Bonds, Series 2020 (the "Bonds")

This letter confirms the agreement (this "Agreement") between Piper Sandler & Co. ("Piper Sandler" or "we" or "us") and Merrill Ranch Community Facilities District No. 2 (the "Issuer" or "you") as follows:

1. ***Engagement***. The Issuer hereby confirms its engagement of Piper Sandler to serve as placement agent for the Bonds. As currently contemplated, the transaction will be a private placement of the Bonds in an approximate aggregate principal amount of $2,500,000. The issuance, sale and delivery of the Bonds by the Issuer will occur on the day of closing ("Closing Date").

2. ***Scope of Services***. We understand the Issuer intends to sell the Bonds as a private placement to a bank or financial institution that is an accredited investor or a qualified institutional buyer (the "Purchaser"). As Placement Agent, Piper Sandler agrees, as appropriate and directed by you, to provide the following services.

   (a) consult with you and your financial advisor (the "Financial Advisor") in planning and implementing the placement of the Bonds;

   (b) assist you and the Financial Advisor in reviewing any transaction materials (the "Transaction Materials") we and the Purchaser mutually agree are beneficial or necessary to the consummation of the transaction;

   (c) assist you and the Financial Advisor in preparing (i) a Request for Proposal for potential purchasers and (ii) for due diligence conducted by potential purchasers;

   (d) on a best efforts basis, identify potential purchasers and assist in arranging a sale of the Bonds to the Purchaser on terms consistent with the authorizing documents of the Issuer pertaining to the transaction; and

   (e) assist you, the Financial Advisor and your bond attorney ("Bond Counsel") in negotiating definitive documentation.

3. ***Fees and Expenses.***

(a) ***Fee***. For our services, you agree to pay us a placement agent fee of $_____.00 payable by wire transfer at closing. For avoidance of doubt, the fee shall not be payable in the event a closing of the Bonds does not occur.

(b) ***Expenses***. Upon receipt of an invoice, you agree to reimburse us for our reasonable expenses incurred in placing the Bonds, including, but not limited to, travel, printing and distribution of the Transaction Materials, whether or not a closing occurs but such reimbursement will not exceed $500.00 without your approval.

4. ***Representations, Warranties and Agreements of the Issuer***.

You represent and warrant to, and agree with us, as applicable, that:

(a) you are duly organized and validly existing under the laws of the State of Arizona (the "State") with the power to adopt, execute and deliver, as applicable, the Transaction Materials, perform the agreements on your part contained therein and in the agreements approved thereby and cause the sale, issuance and delivery of the Bonds to the Purchaser;

(b) the Bonds will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;

(c) you will make available to us and each purchaser the Transaction Materials and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each potential purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and any purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof;

(d) you agree to be responsible for the accuracy and completeness of the Transaction Materials to the extent of federal securities laws applicable to the transaction, and you agree to notify us promptly of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in the Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;

(e) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections

by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);

(f) you are not in material breach of or material default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which you are a party or are otherwise subject, which breach or default would materially and adversely affect you or your ability to perform your duties and obligations under the Transaction Materials or the Bonds, and the adoption, execution and delivery, as applicable, of the Transaction Materials and the issuance of the Bonds and compliance with the provisions thereof will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which you are a party or are otherwise subject, which breach or default would materially and adversely affect you or your ability to perform your duties and obligations under the Transaction Materials or the Bonds;

(g) no action, suit, proceeding or investigation at law or in equity before or by any court of governmental agency or body is pending or overtly threatened in any way affecting the existence of the Issuer or the title of the members of the Board of the Issuer to their respective offices or seeking to restrain or to enjoin the sale or issuance of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or the Transaction Materials, or contesting the powers of the Issuer or the members of the Board of the Issuer with respect to the Bonds; and

(h) on the Closing Date, you will deliver or cause to be delivered:

1. a certificate of the Issuer, dated the Closing Date, in form and substance satisfactory to the Placement Agent, to the effect that: (i) the Issuer has complied with and satisfied all the conditions on its part to be performed or satisfied under the Transaction Materials at or prior to the Closing Date and (ii) the representations, warranties and agreements of the Issuer contained in this Agreement are true and correct as if made on the Closing Date;

2. an opinion of Bond Counsel to you, in form acceptable to us, dated the Closing Date, relating to: the validity of the Bonds; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Bonds, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to us; and

3. a Purchaser letter, substantially in the form attached to the Request for Proposal and otherwise acceptable to the Placement Agent, executed by the Purchaser and addressed to the Placement Agent.

5. ***Other Matters Relating to Our Engagement***. (a) You agree that we are not making a final commitment to place the Bonds until certain events have occurred including among other things, the satisfactory completion and execution of all final documentation for the sale of the Bonds including all terms and conditions and credit approval by Piper Sandler's internal credit approval process. This Agreement is not a final commitment by us, express or implied, to underwrite, place or purchase the Bonds. If you elect to conduct a public offering of securities, you and Piper Sandler will enter into a definitive bond purchase agreement which shall supersede the provisions of this Agreement in any conflicting respects.

   (b) You acknowledge that you have retained us solely to provide the services to you as set forth in this Agreement. As placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning the transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler, as placement agent, is to place the Bonds to investors in an "arms-length," commercial transaction and that Piper Sandler has financial and other interests that differ from your interests, (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters), (iii) the only obligations Piper Sandler has to you with respect to the transaction contemplated hereby expressly are set forth in this Agreement, and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

6. ***Disclosure***. Attached to this Agreement are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this time because of this Agreement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Bonds. If our understanding is incorrect, please notify the undersigned immediately.

7. ***Termination***. You or we may terminate our engagement under this Agreement, with or without cause, upon ten days' written notice to the other party. The fee, expense reimbursement, your representations, warranties, and agreements, and miscellaneous provisions of this Agreement will survive any termination of our engagement under this Agreement.

8. ***Section Headings***. Section headings contained herein are for convenience of reference only and are not part of this Agreement.

9. ***Amendment***. This Agreement may be amended only by a written instrument executed by each of the parties. The terms of this Agreement may be waived only by a written instrument executed by the party waiving compliance.

10. ***Entire Agreement***. This Agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this Agreement.

11. ***No Assignment***. This Agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this Agreement.

12. ***Governing Law; Notice Under Arizona Law.*** This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement, will be governed by and construed in accordance with the laws of the State. Notice is hereby given of the provisions of Section 38-511, Arizona Revised Statutes. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Agreement under the law of the State.

13. ***Effectiveness***. This Agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.

14. ***Severablity***. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.

15. ***Counterparts***. This Agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.

16. ***Notices***. Any notice required or permitted to be given under this Agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this Agreement with a copy sent to the general counsel of such party.

17. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED BY THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this Agreement.

Sincerely,

.....
Nicholas J. Dodd, Managing Director
Piper Sandler & Co.

Acknowledgement and Approval of this Agreement and Receipt of Appendix A Disclosures

.....
Brent Billingsley, District Manager
Merrill Ranch Community Facilities District No. 2

Date: .....

Approved as to Form

.....
Clifford L. Mattice, District Counsel
Merrill Ranch Community Facilities District No. 2

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Appendix A – G-17 Disclosure

We are providing you with certain disclosures relating to the captioned bond issue (the Bonds), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 in accordance with MSRB Notice 2012-25 (May 7, 2012). Under new federal regulations, all underwriters and placement agents are now required to send the following disclosures to you (as the Issuer of the Bonds) in order to clarify with you the role of an underwriter or placement agent and other matters relating to an underwriting or placing of the Bonds.

Piper Sandler intends to serve as an underwriter or placement agent respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as an underwriter or placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning an issue of municipal securities that Piper Sandler is underwriting or placing.

Our Role as Underwriter:
In serving as underwriter for the Bonds, these are some important disclosures that clarify our role and responsibilities:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
(ii) The underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the Issuer and it has financial and other interests that differ from those of the Issuer;
(iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests;
(iv) The underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
(v) The underwriter will review the official statement for the Issuer's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.[1]

Our Role as Placement Agent:
In serving as placement agent for the Bonds, these are some important disclosures that clarify our role and responsibilities:

(i) MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors;
(ii) Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation;
(iii) Unlike a municipal advisor, we do not have a fiduciary duty to you under the federal securities laws and are, therefore, not required by federal law to act in your best interests without regard to our own financial or other interests;

[1] Under federal securities law, an issuer of securities has the primary responsibility for disclosure for investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter's obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

(iv) We have a duty to arrange the purchase securities from you at a fair and reasonable price, but must balance that duty with our duty to arrange the sale to investors at prices that are fair and reasonable; and

(v) In the event an official statement is prepared, we will review the official statement for your securities in accordance with, and as part of, our responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Our Compensation:
As underwriter, compensation will be by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. As placement agent, compensation will be by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee, discount or placement agent fee will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter or placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflict of Interest for Underwritings Only:
We have entered into a separate agreement with Charles Schwab & Co., Inc. that enables Charles Schwab & Co., Inc. to distribute certain new issue municipal securities underwritten by or allocated to us which could include the Bonds. Under that agreement, we will share with Charles Schwab & Co., a portion of the fee or commission paid to us.

If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to me. In addition, you should consult with your own financial, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

STIFEL

Merrill Ranch Community Facilities District #2 (Florence, Arizona)

General Property Tax Information and Refunding Analysis

Presented By:
Mark Reader, Managing Director

June 4, 2020

STIFEL

2325 East Camelback Road, Suite 750
Phoenix, Arizona 85016
(602) 794-4000

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STIFEL

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STIFEL

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

GENERAL OBLIGATION REFUNDING BONDS POLICY OBJECTIVES

1. Interest rates remain around historical lows – credit spreads have widen some (see chart herein)

2. Refund Series 2010 Bonds with average rate of 6.11% for the purposes of achieving cash flow and net present value savings

3. Analyze all alternatives under the circumstances and select the most efficient alternative – (See alternatives 1 – 4 herein)

4. Structure the cash flow savings over the next 2 – 3 fiscal years with the goal of paying off $1.1 million working capital taxable bonds

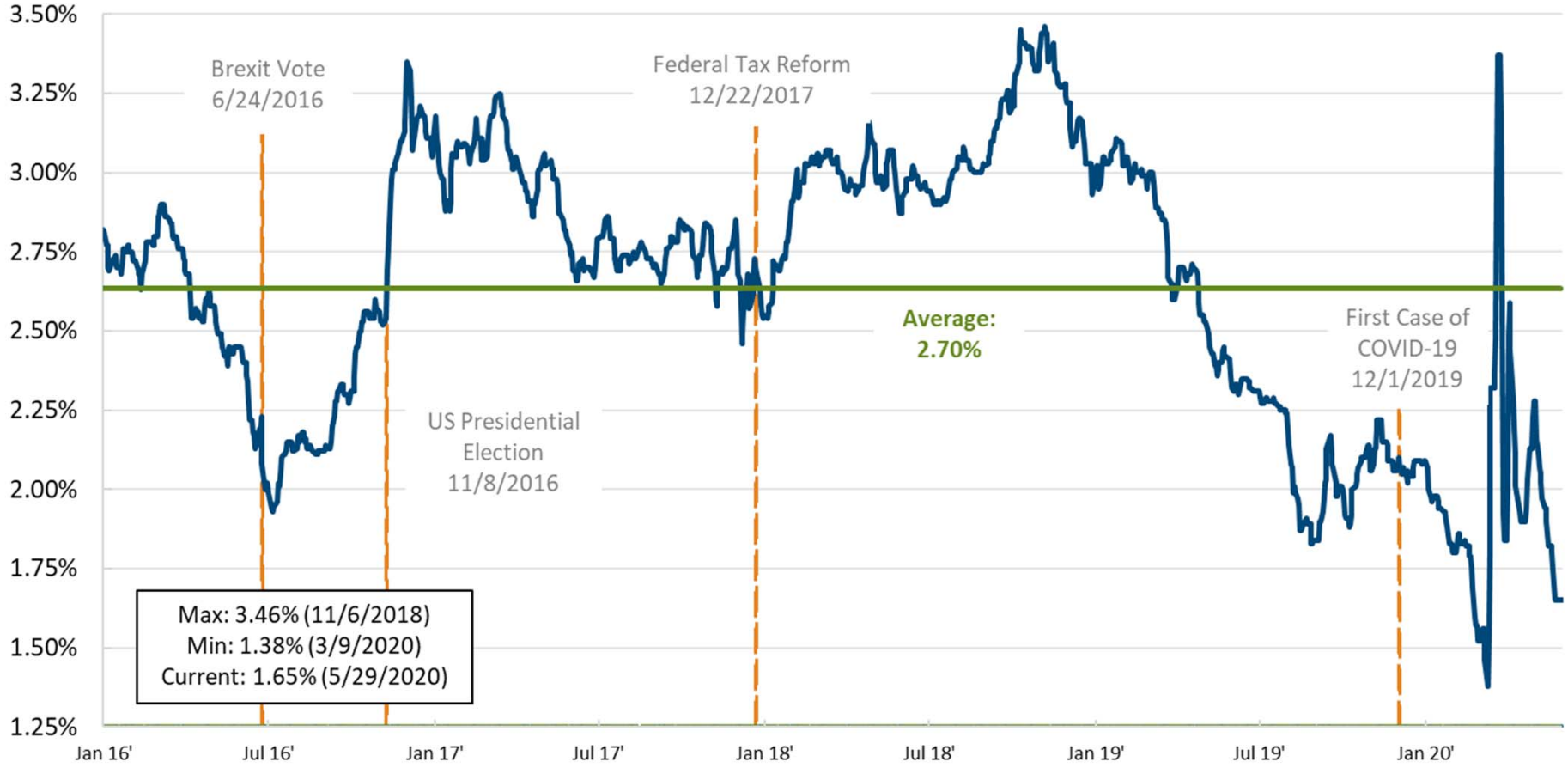
5. Annual debt service savings from $3.25 secondary property tax levy used to repay $1.1 million taxable working capital bonds purchased by the Town – see attached analyses

6. After working capital bonds have been redeemed, issue bonds for reimbursement of public infrastructure improvements pursuant to Development Agreement

Market Volatility: A Defining Characteristic

STIFEL

30-Year AAA MMD Since January 1, 2016



Source: Thomson Reuters. As of 5/29/2020.

Interest Rate Movement

STIFEL

US Treasuries and Municipal Rates Observe Decreased Volatility

The Negative Gap Between the 10-Year MMD and UST Nearly Closes

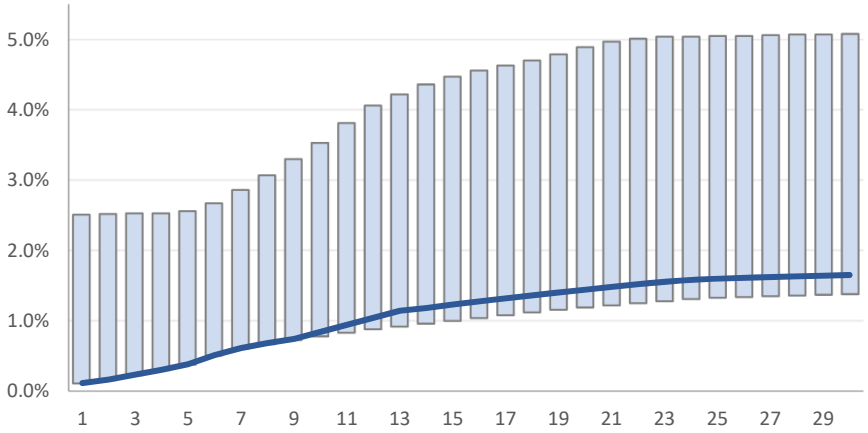
Comparing 10-Year UST and 10-Year AAA MMD since June 2019

30-Year AAA MMD Remains at 1.65% for Five Business Days

Comparing 30-Year UST and 30-Year AAA MMD since June 2019

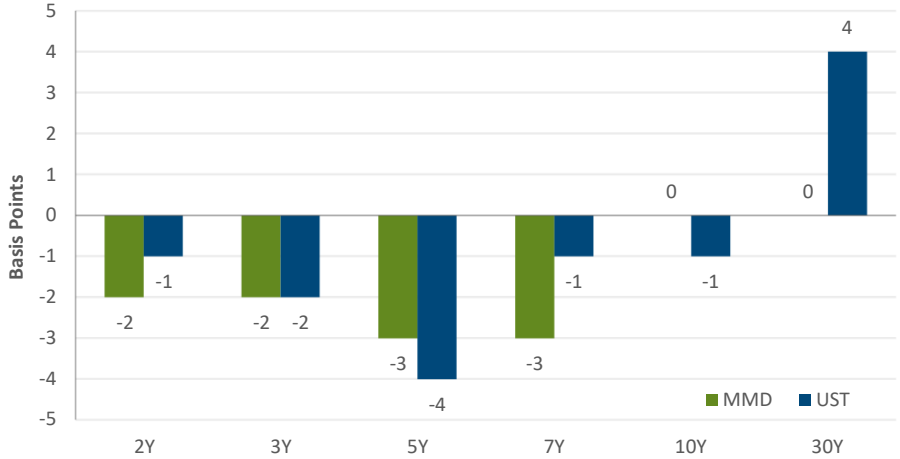
MMD Rates Approach All-Time Record Lows Set in March

10-Year Historical AAA MMD Range vs. Current AAA MMD



MMD and UST Rates Observe Decreased Volatility

May 22, 2020 to May 29, 2020



Source: TM3, US Treasury. As of 5/29/2020.

New Issue Supply and Demand

STIFEL

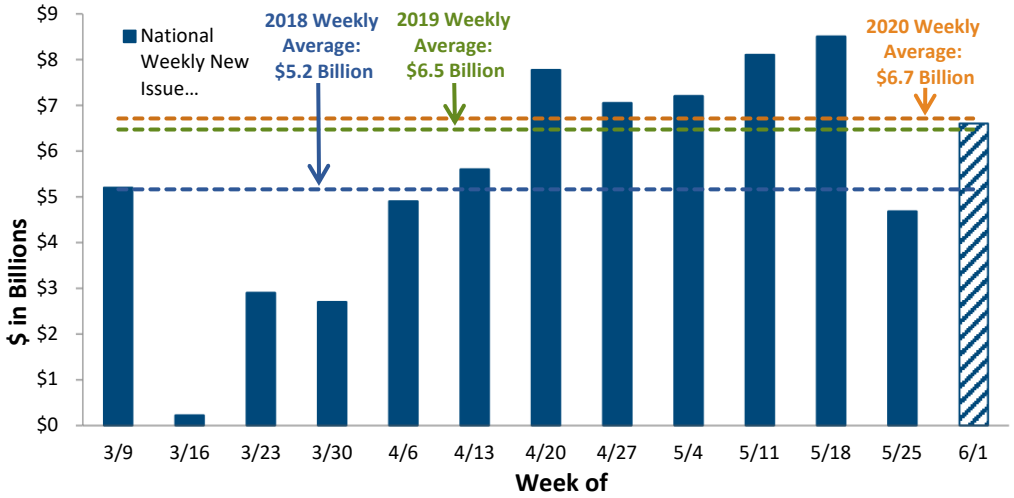
New Issuance Begins to Return to Historic Averages

- **Supply & Demand:**
  - Coronavirus concerns originally influenced a worldwide "flight to quality" as money moved out of equities and into the bond market.
  - Previously, market concerns halted some new issue volume as markets monitored record-setting weekly outflows from tax-exempt municipal bond funds
  - The holiday shortened week of May 25, 2020 saw a new issue supply of $4.7 billion, compared to a 2019 weekly average of $6.5 billion, as expected.

- **Tax-exempt municipal bond funds observe around $1 billion of inflows:**
  - Before the COVID-19 Outbreak, Lipper reported outflows on March 2nd ending a record-setting 60-week streak of inflows into municipal bond mutual funds.
  - The week of March 23rd observed the historic record of outflows with $13.7 billion flowing from tax-exempt municipal bond mutual funds.
  - **The week of May 18, 2020 observed inflows of $1.09 billion into tax-exempt mutual funds,** compared to the 2019 average of $1.24 billion of inflows

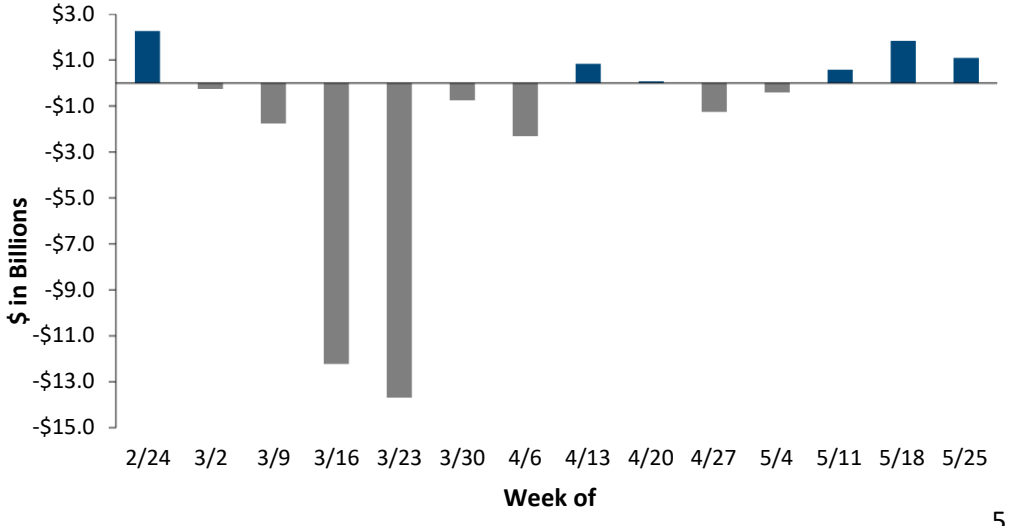
Weekly New Issue Volumes Return to Pre-Outbreak Averages

Previous 12 Weeks of New Issue Supply and Forecast of Current Week



Tax-Exempt Funds Observed Third Consecutive Week of Inflows

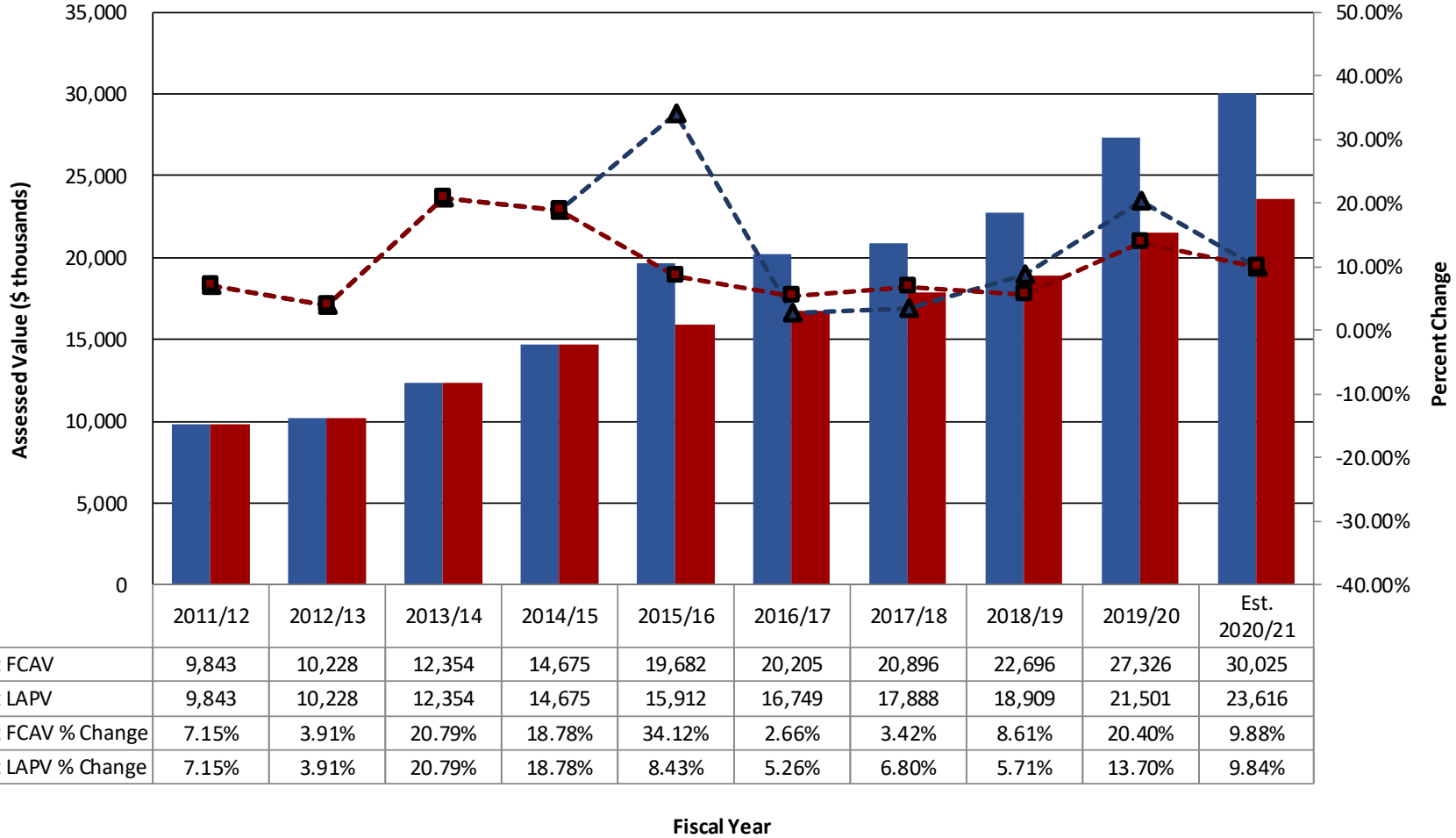
Recent Weekly Municipal Bond Fund Flows



Source: Lipper, Thomson Reuters, SIFMA, IHS Markit. As of 5/29/2020.

10-Year Historical Assessed Values – MRCFD No. 2

STIFEL



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Est. 2020/21
Net FCAV	9,843	10,228	12,354	14,675	19,682	20,205	20,896	22,696	27,326	30,025
Net LAPV	9,843	10,228	12,354	14,675	15,912	16,749	17,888	18,909	21,501	23,616
Net FCAV % Change	7.15%	3.91%	20.79%	18.78%	34.12%	2.66%	3.42%	8.61%	20.40%	9.88%
Net LAPV % Change	7.15%	3.91%	20.79%	18.78%	8.43%	5.26%	6.80%	5.71%	13.70%	9.84%

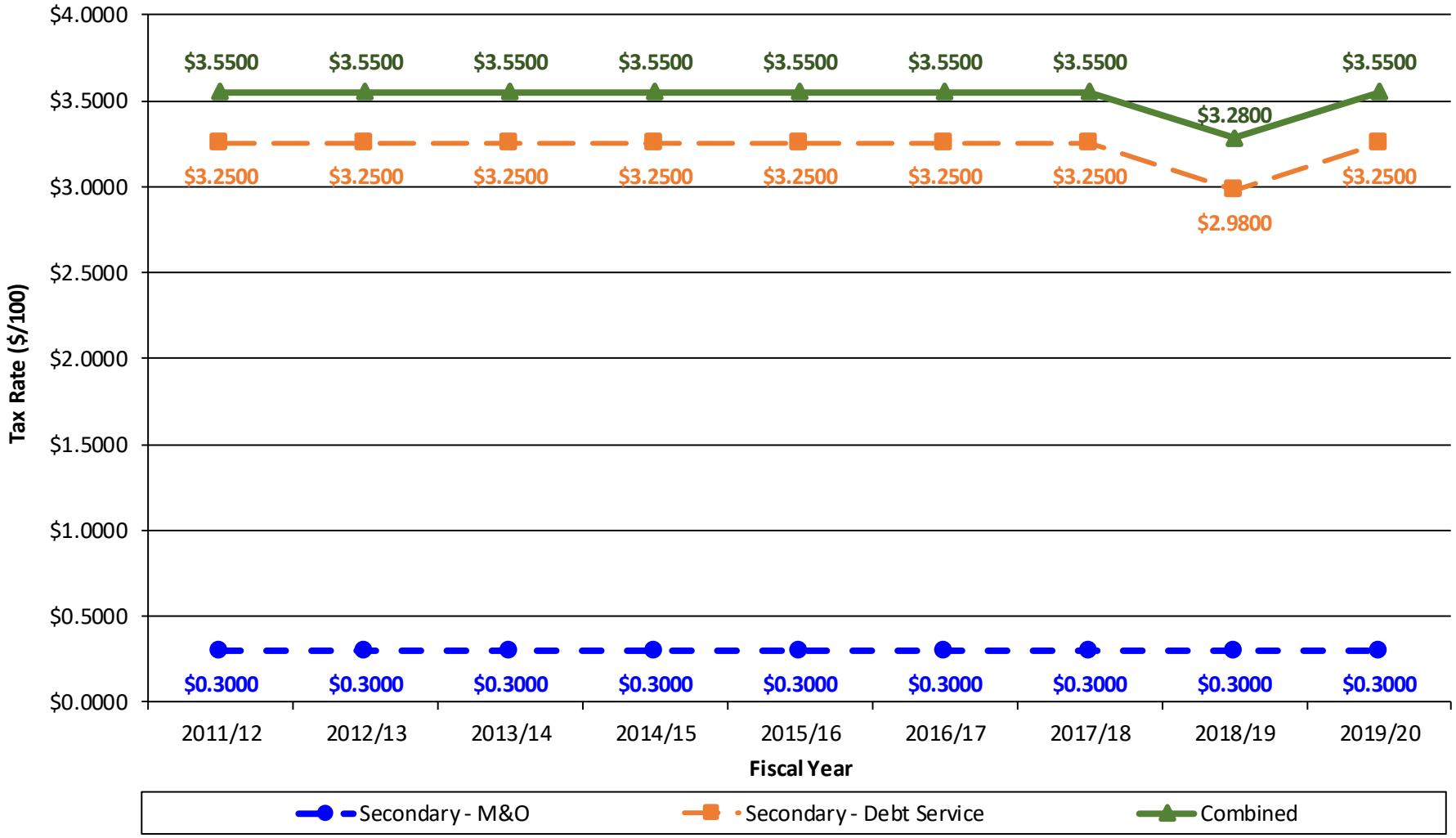
Net FCAV = Net Full Cash Assessed Value (To Calculate Capacity)

Net LAPV = Net Limited Assessed Property Value (To Calculate Taxes)

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and *Property Tax Rates and Assessed Values,* Arizona Tax Research Association.

Historical Tax Rates – MRCFD No. 2

STIFEL



General Obligation Debt Outstanding

STIFEL

Fiscal Year Ending (July 15)	$3,560 General Obligation Bonds Series 2010 Dated: 11/30/10		$1,850 General Obligation Bonds Series 2013 Dated: 12/19/13		$2,000 General Obligation Bonds Series 2016 Dated: 6/22/16		$1,440 General Obligation Bonds Series 2017 Dated: 11/16/17		$1,100 General Obligation Bonds Taxable Series 2019 Dated: 12/18/19		
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Total
2020	$100	4.850%	$25	4.500%	$35	3.000%			$120	3.350%	$280
2021	105	5.100%	30	4.500%	30	3.000%			165	3.350%	330
2022	110	5.250%	30	4.500%	35	3.250%			220	3.350%	395
2023	115	5.375%	30	4.500%	40	3.250%			285	3.350%	470
2024	120	5.500%	35	5.250%	40	3.250%			310	3.350%	505
2025	130	5.600%	35	5.250%	40	3.250%					205
2026	135	6.000%	35	5.250%	45	5.000%					215
2027	145	6.000%	35	5.250%	45	5.000%					225
2028	150	6.000%	40	5.250%	45	5.000%					235
2029	160	6.000%	45	5.750%	45	5.000%					250
2030	170	6.000%	45	5.750%	50	5.000%					265
2031	180	6.250%	50	5.750%	50	5.000%					280
2032	190	6.250%	55	5.750%	50	5.250%					295
2033	205	6.250%	55	6.000%	50	5.250%					310
2034	215	6.250%	60	6.000%	55	5.250%					330
2035	230	6.250%	60	6.000%	60	5.250%					350
2036			310	6.000%	60	5.250%					370
2037			330	6.750%	60	5.250%					390
2038			350	6.750%	65	5.250%					415
2039					435	5.250%	$15	5.000%			450
2040					455	5.250%	20	5.000%			475
2041							410	5.000%			410
2042							305	5.000%			305
	$2,460		$1,655		$1,790		$750		$1,100		$7,755
Call Features:	7/15/21 and After Callable 7/15/20 @ par		7/15/28 and After Callable 7/15/23 @ par		7/15/31 and After Callable 7/15/26 @ par		7/15/42 Callable 7/15/27 @ par		Callable Anytime @ par		

Taxable Working Capital Amortization Schedule

STIFEL

BOND DEBT SERVICE

$1,100,000
Merrill Ranch Community Facilities District No. 2
(Florence, Arizona)
General Obligation Bonds, Taxable Series 2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
7/15/2020	$120,000	3.35%	$21,188.75	$141,188.75	$141,188.75
1/15/2021			16,415.00	16,415.00	
7/15/2021	165,000	3.35%	16,415.00	181,415.00	197,830.00
1/15/2022			13,651.25	13,651.25	
7/15/2022	220,000	3.35%	13,651.25	233,651.25	247,302.50
1/15/2023			9,966.25	9,966.25	
7/15/2023	285,000	3.35%	9,966.25	294,966.25	304,932.50
1/15/2024			5,192.50	5,192.50	
7/15/2024	310,000	3.35%	5,192.50	315,192.50	320,385.00
	$1,100,000		**$111,638.75**	**$1,211,638.75**	**$1,211,638.75**

Private Placement Bid Summary

STIFEL

1. RFP sent to 30 Financial Institutions

2. The following banks reviewed the Term Sheet and ultimately passed for various reasons:
    1) BBVA Compass
    2) CapitalOne
    3) JP Morgan Chase
    4) Key Bank
    5) Sterling National Bank
    6) Wells Fargo Bank N.A.

3. Private Placement market has become more difficult with many no longer responsive/engaged due to COVID 19

3. Two Bids Received:

    1) Western Alliance: 3.25%
    2) First foundation Bank: 4.01%

General Obligation Refunding Alternatives

STIFEL

Scenario	Structure		Comments
Scenario 1: Private Placement, 3.25% - Refunds July 15, 2020 principal and interest payment	Cash Flow Savings Net Present Value Savings ($) Net Present Value Savings (%)	**$359,838** **$355,248** **14.44%**	Closing: 30 – 45 days or less (CFD Board approval on 6/15) Redeem $160,000 (working capital bonds) on July 16, 2020 resulting in interest savings of approximately $3,500.
Scenario 2: Private Placement, 3.25%, Does not Refund July 15, 2020 principal and related interest payment	Cash Flow Savings Net Present Value Savings ($) Net Present Value Savings (%)	**$367,163** **$356,333** **15.10%**	Closing: 30 – 45 days or less Redeem $160,000 worth of principal in fiscal year 2020/21.
Scenario 3: Effectuate Immediately a Public Sale of Bonds:	Cash Flow Savings Net Present Value Savings ($) Net Present Value Savings (%)	**$569,103** **$553,735** **22.51%**	Requires expeditious calendar Closing on or around July 15th with conditional call notices. Additional Discussion Required Credit Rating Applied For – affirmation of BBB would be goal Municipal bond insurance applied for (AA)
Scenario 4: Wait Six Months for Litigation to Settle (assume six months is sufficient)	Cash Flow Savings Net Present Value Savings ($) Net Present Value Savings (%)	$_____ $_____ ____%	Limited disclosure likely required Credit rating required/municipal bond insurance applied for Interest rate risk – is the market going to get better, worse or stay at or near its current levels?

Secondary Tax Rate and Cash Flow Savings Model for Debt Repayment Refunding Analysis – Private Sale (Scenario 1)

STIFEL

SCENARIO 1 - PRIVATE SALE - UPFRONT SAVINGS (includes refunding of 7/15/2020 principal and related interest payment)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			Currently Outstanding General Obligation Bond Debt Service		$2,460,000 Bonds Being Refunded (Series 2010 GO Bonds)		$2,685,000 GO Refunding Bonds, Series 2020 Dated: 7/9/20 (a)					
Fiscal Year	Net Limited Assessed Valuation (b)	Projected Growth	Principal	Interest	Principal	Interest	Principal	Estimated Interest (c)	Total Aggregate Debt Service	Secondary Bond Tax Rate Revenues @ $3.25 & 95% collections	Excess Levy	**$1,100,000** 2019 Taxable GO principal outstanding (e)
2019/20	$ 21,500,529		$280,000	$393,630	$100,000	$72,696			$500,934	$663,829	$162,894	$880,000
2020/21	23,615,820	10%	330,000	398,246	105,000	140,541		$88,717	571,422	729,138	157,717	557,283
2021/22	25,977,402	10%	395,000	385,114	110,000	135,186	$135,000	87,263	757,190	802,052	44,862	292,421
2022/23	28,575,142	10%	470,000	369,481	115,000	129,411	161,000	82,875	838,945	882,258	43,313	0
2023/24	30,575,402	7%	505,000	351,103	120,000	123,230	165,000	77,643	855,515	944,016	88,501	
2024/25	32,715,680	7%	205,000	330,980	130,000	116,630	174,000	72,280	535,630	1,010,097	474,467	
2025/26	34,351,464	5%	215,000	320,563	135,000	109,350	177,000	66,625	534,838	1,060,601	525,764	
2026/27	36,069,038	5%	225,000	308,375	145,000	101,250	185,000	60,873	532,998	1,113,632	580,634	
2027/28	37,151,109	3%	235,000	295,588	150,000	92,550	187,000	54,860	529,898	1,147,040	617,143	
2028/29	38,265,642	3%	250,000	282,238	160,000	83,550	194,000	48,783	531,470	1,181,452	649,982	
2029/30	39,413,611	3%	265,000	267,800	170,000	73,950	201,000	42,478	532,328	1,216,895	684,568	
2030/31	40,596,020	3%	280,000	252,513	180,000	63,750	207,000	35,945	531,708	1,253,402	721,695	
2031/32	41,813,900	3%	295,000	235,888	190,000	52,500	213,000	29,218	530,605	1,291,004	760,399	
2032/33	43,068,317	3%	310,000	218,225	205,000	40,625	223,000	22,295	527,895	1,329,734	801,839	
2033/34	44,360,367	3%	330,000	199,488	215,000	27,813	227,000	15,048	528,723	1,369,626	840,904	
2034/35	45,691,178	3%	350,000	179,563	230,000	14,375	236,000	7,670	528,858	1,410,715	881,858	
2035/36	47,061,913	3%	370,000	158,438					528,438	1,453,037	924,599	
2036/37	48,473,770	3%	390,000	136,688					526,688	1,496,628	969,940	
2037/38	49,927,983	3%	415,000	111,263					526,263	1,541,526	1,015,264	
2038/39	51,425,823	3%	450,000	84,225					534,225	1,587,772	1,053,547	
2039/40	52,968,598	3%	475,000	60,638					535,638	1,635,405	1,099,768	
2040/41	54,557,656	3%	410,000	35,750					445,750	1,684,468	1,238,718	
2041/42	56,194,385	3%	305,000	15,250					320,250	1,735,002	1,414,752	
			$7,755,000		$2,460,000	$1,377,407	$2,685,000	$792,569				

(a) Closing date subject to change.
(b) Fiscal year 2019/20 is actual. Fiscal year 2020/21 is estimated by Pinal County. Subsequent years assume growth as stated in column 3.
(c) Rate is estimated at 3.25% and is subject to change based on a variety of economic and market factors.
(d) Includes 5.0% delinquency factor. 2019/20 tax rate is actual.
(e) Assumes certain excess tax collections would be used during each year to payback the Town. These amounts are subject to change based on actual tax collections on other objectives.

Secondary Tax Rate and Cash Flow Savings Model for Debt Repayment Refunding Analysis – Private Sale (Scenario 2)

STIFEL

SCENARIO 2 - PRIVATE SALE - UPFRONT SAVINGS (does not include refunding of 7/15/2020 principal or related interest payment)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			Currently Outstanding General Obligation Bond Debt Service		$2,360,000 Bonds Being Refunded (Series 2010 GO Bonds)		$2,582,000 GO Refunding Bonds, Series 2020 Dated: 7/9/20 (a)					
Fiscal Year	Net Limited Assessed Valuation (b)	Projected Growth	Principal	Interest	Principal	Interest	Principal	Estimated Interest (c)	Total Aggregate Debt Service	Secondary Bond Tax Rate Revenues @ $3.25 & 95% collections	Excess Levy	**$1,100,000** 2019 Taxable GO principal outstanding (e)
2019/20	$ 21,500,529		$280,000	$393,630		$70,271			$603,359	$663,829	$60,469	$980,000
2020/21	23,615,820	10%	330,000	398,246	$105,000	140,541		$85,314	568,019	729,138	161,120	653,880
2021/22	25,977,402	10%	395,000	385,114	110,000	135,186	$32,000	83,915	650,843	802,052	151,210	282,670
2022/23	28,575,142	10%	470,000	369,481	115,000	129,411	161,000	82,875	838,945	882,258	43,313	0
2023/24	30,575,402	7%	505,000	351,103	120,000	123,230	165,000	77,643	855,515	944,016	88,501	
2024/25	32,715,680	7%	205,000	330,980	130,000	116,630	174,000	72,280	535,630	1,010,097	474,467	
2025/26	34,351,464	5%	215,000	320,563	135,000	109,350	177,000	66,625	534,838	1,060,601	525,764	
2026/27	36,069,038	5%	225,000	308,375	145,000	101,250	185,000	60,873	532,998	1,113,632	580,634	
2027/28	37,151,109	3%	235,000	295,588	150,000	92,550	187,000	54,860	529,898	1,147,040	617,143	
2028/29	38,265,642	3%	250,000	282,238	160,000	83,550	194,000	48,783	531,470	1,181,452	649,982	
2029/30	39,413,611	3%	265,000	267,800	170,000	73,950	201,000	42,478	532,328	1,216,895	684,568	
2030/31	40,596,020	3%	280,000	252,513	180,000	63,750	207,000	35,945	531,708	1,253,402	721,695	
2031/32	41,813,900	3%	295,000	235,888	190,000	52,500	213,000	29,218	530,605	1,291,004	760,399	
2032/33	43,068,317	3%	310,000	218,225	205,000	40,625	223,000	22,295	527,895	1,329,734	801,839	
2033/34	44,360,367	3%	330,000	199,488	215,000	27,813	227,000	15,048	528,723	1,369,626	840,904	
2034/35	45,691,178	3%	350,000	179,563	230,000	14,375	236,000	7,670	528,858	1,410,715	881,858	
2035/36	47,061,913	3%	370,000	158,438					528,438	1,453,037	924,599	
2036/37	48,473,770	3%	390,000	136,688					526,688	1,496,628	969,940	
2037/38	49,927,983	3%	415,000	111,263					526,263	1,541,526	1,015,264	
2038/39	51,425,823	3%	450,000	84,225					534,225	1,587,772	1,053,547	
2039/40	52,968,598	3%	475,000	60,638					535,638	1,635,405	1,099,768	
2040/41	54,557,656	3%	410,000	35,750					445,750	1,684,468	1,238,718	
2041/42	56,194,385	3%	305,000	15,250					320,250	1,735,002	1,414,752	
			$7,755,000		$2,360,000	$1,374,982	$2,582,000	$785,819				

(a) Closing date subject to change.
(b) Fiscal year 2019/20 is actual. Fiscal year 2020/21 is estimated by Pinal County. Subsequent years assume growth as stated in column 3.
(c) Rate is estimated at 3.25% and is subject to change based on a variety of economic and market factors.
(d) Includes 5.0% delinquency factor. 2019/20 tax rate is actual.
(e) Assumes certain excess tax collections would be used during each year to payback the Town. These amounts are subject to change based on actual tax collections on other objectives.

Secondary Tax Rate and Cash Flow Savings Model for Debt Repayment Refunding Analysis – Public Sale (Scenario 3)

STIFEL

SCENARIO 3 - PUBLIC SALE - UPFRONT SAVINGS (includes refunding of 7/15/2020 principal and related payment)

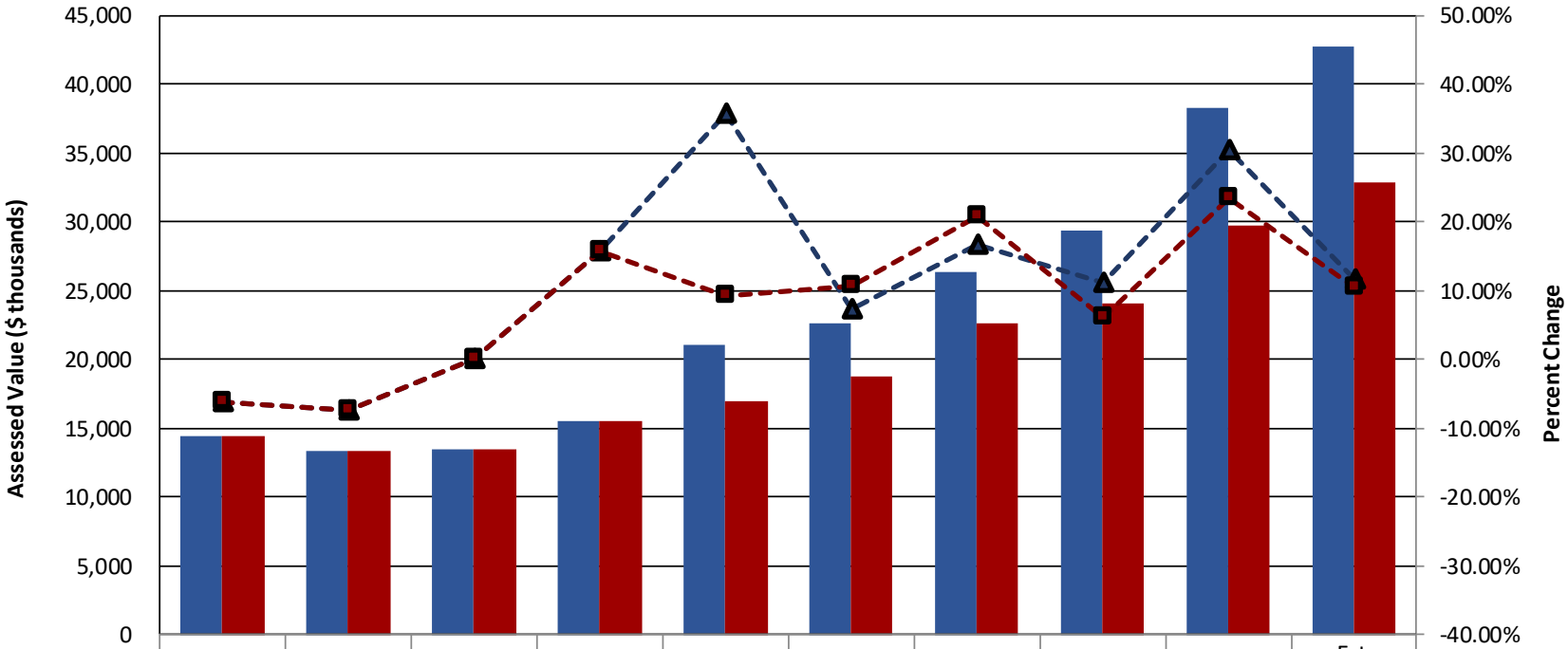
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			Currently Outstanding General Obligation Bond Debt Service		$2,460,000 Bonds Being Refunded (Series 2010 GO Bonds)		$2,435,000 GO Refunding Bonds, Series 2020 Dated: 7/9/20 (a)					
Fiscal Year	Net Limited Assessed Valuation (b)	Projected Growth	Principal	Interest	Principal	Interest	Principal	Estimated Interest (c)	Total Aggregate Debt Service	Secondary Bond Tax Rate Revenues @ $3.25 & 95% collections	Excess Levy	**$1,100,000** 2019 Taxable GO principal outstanding (e)
2019/20	$ 21,500,529		$280,000	$393,630	$100,000	$72,696			$500,934	$663,829	$162,894	$817,106
2020/21	23,615,820	10%	330,000	398,246	105,000	140,541		$84,104	566,809	729,138	162,330	489,776
2021/22	25,977,402	10%	395,000	385,114	110,000	135,186		82,725	617,653	802,052	184,400	85,376
2022/23	28,575,142	10%	470,000	369,481	115,000	129,411	$125,000	82,725	802,795	882,258	79,463	0
2023/24	30,575,402	7%	505,000	351,103	120,000	123,230	160,000	79,600	852,473	944,016	91,543	
2024/25	32,715,680	7%	205,000	330,980	130,000	116,630	170,000	75,200	534,550	1,010,097	475,547	
2025/26	34,351,464	5%	215,000	320,563	135,000	109,350	170,000	70,100	531,313	1,060,601	529,289	
2026/27	36,069,038	5%	225,000	308,375	145,000	101,250	180,000	65,000	532,125	1,113,632	581,507	
2027/28	37,151,109	3%	235,000	295,588	150,000	92,550	180,000	59,600	527,638	1,147,040	619,403	
2028/29	38,265,642	3%	250,000	282,238	160,000	83,550	185,000	54,200	527,888	1,181,452	653,564	
2029/30	39,413,611	3%	265,000	267,800	170,000	73,950	195,000	48,650	532,500	1,216,895	684,395	
2030/31	40,596,020	3%	280,000	252,513	180,000	63,750	200,000	42,800	531,563	1,253,402	721,840	
2031/32	41,813,900	3%	295,000	235,888	190,000	52,500	205,000	34,800	528,188	1,291,004	762,817	
2032/33	43,068,317	3%	310,000	218,225	205,000	40,625	215,000	26,600	524,200	1,329,734	805,534	
2033/34	44,360,367	3%	330,000	199,488	215,000	27,813	220,000	18,000	524,675	1,369,626	844,951	
2034/35	45,691,178	3%	350,000	179,563	230,000	14,375	230,000	9,200	524,388	1,410,715	886,328	
2035/36	47,061,913	3%	370,000	158,438					528,438	1,453,037	924,599	
2036/37	48,473,770	3%	390,000	136,688					526,688	1,496,628	969,940	
2037/38	49,927,983	3%	415,000	111,263					526,263	1,541,526	1,015,264	
2038/39	51,425,823	3%	450,000	84,225					534,225	1,587,772	1,053,547	
2039/40	52,968,598	3%	475,000	60,638					535,638	1,635,405	1,099,768	
2040/41	54,557,656	3%	410,000	35,750					445,750	1,684,468	1,238,718	
2041/42	56,194,385	3%	305,000	15,250					320,250	1,735,002	1,414,752	
			$7,755,000		$2,460,000	$1,377,407	$2,435,000	$833,304				

(a) Closing date subject to change.
(b) Fiscal year 2019/20 is actual. Fiscal year 2020/21 is estimated by Pinal County. Subsequent years assume growth as stated in column 3.
(c) Rate is estimated at 3.25% and is subject to change based on a variety of economic and market factors.
(d) Includes 5.0% delinquency factor. 2019/20 tax rate is actual.
(e) Assumes certain excess tax collections would be used during each year to payback the Town. These amounts are subject to change based on actual tax collections on other objectives.

Appendix A: MRCFD No. 1 – Assessed Value & Tax Rates

10-Year Historical Assessed Values – MRCFD No. 1

STIFEL



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Est. 2020/21
Net FCAV	14,467	13,398	13,413	15,535	21,070	22,608	26,393	29,347	38,283	42,746
Net LAPV	14,467	13,398	13,413	15,535	16,970	18,765	22,658	24,051	29,709	32,792
Net FCAV % Change	-6.27%	-7.39%	0.12%	15.82%	35.62%	7.30%	16.74%	11.19%	30.45%	11.66%
Net LAPV % Change	-6.27%	-7.39%	0.12%	15.82%	9.23%	10.58%	20.75%	6.15%	23.53%	10.38%

Fiscal Year

Net FCAV = Net Full Cash Assessed Value (To Calculate Capacity)

Net LAPV = Net Limited Assessed Property Value (To Calculate Taxes)

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and *Property Tax Rates and Assessed Values,* Arizona Tax Research Association.

Historical Tax Rates – MRCFD No. 1

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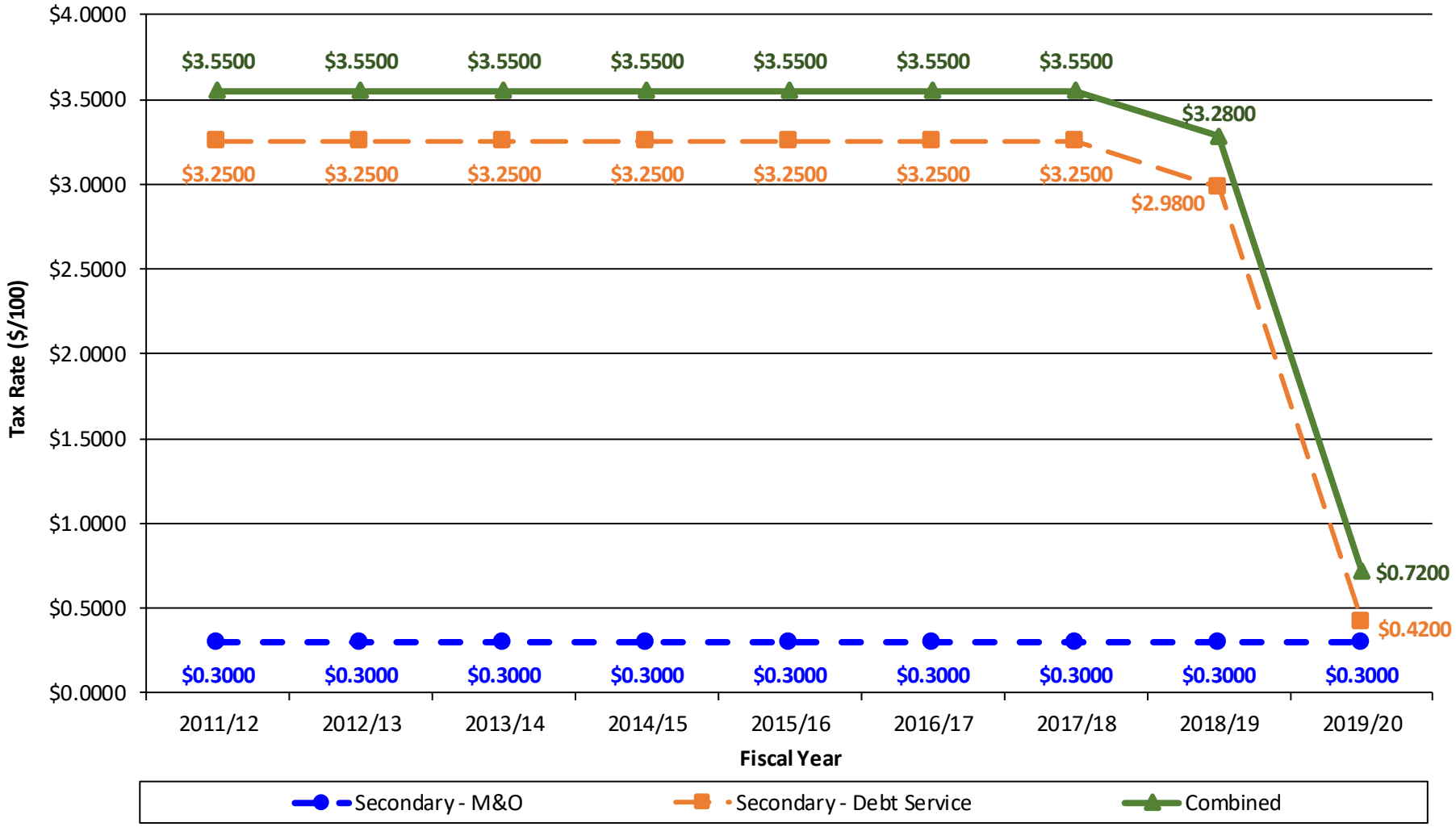

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Appendix B: Term Sheet Responses

PRELIMINARY LENDING PARAMETERS

Western Alliance Bank and its affiliate Western Alliance Business Trust (the "Purchaser") are pleased to submit the following preliminary lending parameters with respect to Merrill Ranch Community Facilities District No. 2 (Town of Florence, Arizona) General Obligation Refunding Bonds, Series 2020 (the "Series 2020 Bonds"). These preliminary lending parameters are provided solely as a basis for discussion outlining general contemplated structures for the Series 2020 Bonds and should not be construed as a commitment by the Purchaser. These confidential preliminary lending parameters are a non-binding outline only and do not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the Series 2020 Bonds contemplated hereby. These confidential preliminary lending parameters are delivered to the Borrower with the understanding that neither this outline nor any of its terms and substance shall be disclosed, directly or indirectly, to any other person except: (i) to the Borrower's employees, agents and advisors who are directly involved in the consideration of this matter; and (ii) as disclosure may be compelled in a judicial or administrative proceeding.

Issuer:	Merrill Ranch Community Facilities District No. 2 (the "Borrower")
Town:	Town of Florence, Arizona (the "Town")
Purchaser:	Western Alliance Business Trust, a wholly owned affiliate of Western Alliance Bank (the "Purchaser").

Monika E. Suarez Managing Director Municipal Finance Manager Western Alliance Public & Nonprofit Finance 601 W. 5th Street, Suite 100 Los Angeles, CA 90071 Ph. (213) 362-5277 msuarez@westernalliancebank.com	Joshua J. Lentz Senior Vice President Commercial Banking Western Alliance Public & Nonprofit Finance One E. Washington Street, Ste. 1400 Phoenix, AZ 85004 Ph. (602) 346-7467 jlentz@westernalliancebank.com

Tax-Status:	Interest on the Series 2020 Bonds shall be excluded from gross income for federal income tax purposes and exempt from income taxation under the laws of the State of Arizona.
Principal Amount:	Not to exceed $2,500,000
Purpose:	Proceeds from the Series 2020 Bonds are to be used to: 1) refund the District's General Obligation Bonds, Series 2010 (the "Series 2010 Bonds"); and 2) pay costs of issuance associated with the issuance of the Series 2020 Bonds.
Final Maturity:	July 15, 2035
Interest Payments:	Semi-annual interest payments on January 15 and July 15 commencing on January 15, 2021 through July 15, 2035. Interest on the Series 2020 Bonds is to be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.
Principal Payments:	Annual principal payments on July 15 commencing on July 15, 2023 through July 15, 2035.

Interest Rate Pricing:	The Series 2020 Bonds will be purchased at par at a fixed rate of interest through the Final Maturity based on the following formula: 78% of the sum of the 10-Year ICE Interest Rate Swap Rate (0.667% as of May 20, 2020 at 17:49:25 EDT) plus 3.50% (tax-exempt fixed rate). Based on current market conditions, the interest rate on the Series 2020 Bonds would be **3.25%** as of May 20, 2020. The interest rate may be locked following all necessary approvals.
Security:	Principal of and interest on the Series 2020 Bonds will be payable from a continuing, direct, annual, ad valorem tax levied against all of the taxable property in the District sufficient together with any amounts from sources described in the "Enabling Act" and available pursuant to the governing legal document to pay debt service on the Series 2020 Bonds.
Redemption Provisions:	The Series 2020 Bonds or any portion thereof or any integral multiple thereof may be called prior to maturity and redeemed at the option of the District, from any sources of funds, in whole or in part, on any Interest Payment Date on or after July 15, 2028, at a price equal to the principal amount of the Series 2020 Bonds to be redeemed, together with accrued interest to the date of redemption, without any penalty. Partial redemption shall be applied in inverse chronological order among final maturity and mandatory sinking fund installments.
Purchaser's Counsel:	Stradling Yocca Carlson & Rauth, a Professional Corporation / Las Vegas, Nevada
Fees:	The Borrower shall be obligated to pay all costs of issuance, including legal fees of the Purchaser's Counsel, which is estimated to be $10,000.00 for the Series 2020 Bonds.
Documentation:	Bond Counsel will be responsible for preparing all legal documentation, which will contain customary affirmative and negative covenants as well as usual representations and warranties for like situated borrowers acceptable to the Purchaser and the Purchaser's Counsel. Opinions of Bond Counsel, among other things, as to: 1) treatment of interest payments under the Series 2020 Bonds as tax-exempt obligations under the IRS Code and treatment of interest payments under the Series 2020 Bonds as exempt from State of Arizona income taxes; 2) the validity and enforceability of the Series 2020 Bonds and the *ad valorem* taxes being duly and validly authorized and levied pursuant to law; 3) the Series 2020 Bonds being exempt from registration pursuant to the Securities Act of 1933, as amended; 4) opinion as to the indenture of trust being exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended; and 5) such other opinions as the Purchaser may require. The additional provisions and conditions set forth herein shall be included in the documentation, which shall include execution and delivery of legal documentation acceptable to the Purchaser and its counsel; the Series 2020 Bonds will be registered to the Purchaser, DTC will not be holding the Series 2020 Bonds and the Series 2020 Bonds will not have a CUSIP; the Series 2020 Bonds will not be rated; there will not be a disclosure document or a purchase contract; and no amendments to the issuing documents without the Purchaser's prior consent. The Purchaser shall not be required

to surrender the Series 2020 Bonds or assignment thereof for payment of principal except at final maturity.

Reporting Requirements: Within nine (9) months after each fiscal year, the Borrower shall provide:

1) a copy of the Borrower's audited financial statements;
2) a table presenting the property taxes levied and collected for the prior fiscal year for the prior year;
3) a table presenting the net limited assessed property values of major taxpayers in the District for the prior fiscal year;
4) a table presenting the net limited assessed property value for District for the prior fiscal year and preliminary estimate of such amount for the current fiscal year; and
5) a table presenting the estimated net full cash value for the District for the prior fiscal year and a preliminary estimate of such amount for the current fiscal year.

The Borrower shall furnish notice to the Purchaser of any occurrence of an event described in subsection (b)(5)(i)(C) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12) in a timely manner but not in excess of ten business days after the occurrence of such event.

Assignment/Participation: The Purchaser's intent is to book the Series 2020 Bonds as a loan and hold the Series 2020 Bonds to maturity or to the redemption date; however, the Purchaser retains the right to assign or participate out its interest in the Series 2020 Bonds. The Purchaser acknowledges and agrees that the Series 2020 Bonds may only be transferred to a "Qualified Institutional Buyer" or an "Accredited Investor" within the meaning of the Securities Act of 1933, as amended.

NO FIDUCIARY RELATIONSHIP DISCLAIMER

Inasmuch as the Series 2020 Bonds represents a negotiated transaction, the Borrower understands, and hereby confirms, that the Purchaser is not acting as a fiduciary of the Borrower, but rather is acting solely in its capacity as a Purchaser, for its own account. The Borrower acknowledges and agrees that:

1) *the transaction contemplated herein is an arm's length commercial transaction between the Borrower and the Purchaser and its affiliates;*
2) *in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules");*
3) *the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules;*
4) *the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto;*
5) *the Purchaser and its affiliates have financial and other interests that differ from those of the Borrower; and*
6) *the Borrower has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.*

May 21, 2020

RE: Merrill Ranch CFD No. 2
2020 GO Refunding Bonds

Based upon your request and preliminary review of the information provided to-date, First Foundation Bank ("FFB") would like express its interest in underwriting and obtaining credit approval for the following Credit Facility to the Merrill Ranch Community Facilities District No. 2, AZ ("Borrower") based on the terms outlined below. This Letter is provided by First Foundation Bank for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of First Foundation Bank to Sponsor or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of First Foundation Bank shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of First Foundation Bank, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

STRUCTURE: Term

PURPOSE: Refunding of the District's existing Series 2010 Bonds

APPROX. LOAN AMT: $2,500,000

INTEREST RATE: Tax-exempt BQ: 4.01% (5.00% taxable equivalent)

RATE LOCK: The Rate will be locked for a period of 60-days prior to closing. If the Credit Facility fails to close within this period, FFB reserves the right to adjust the rate.

TERM: 15-years

REPAYMENT: Semi-annual interest, annual payments

AVERAGE LIFE: 9.92-years

PRE-PAYMENT: Repayable at 103% of par in years 1-2, decreasing to 102% in years 3-4, and 101% in years 5-6. Redeemable at par beginning in year 7 and thereafter.

COLLATERAL: Obligation to levy property taxes

ADDITIONAL TERMS: Documents to be prepared by the Borrower's Bond Counsel for review by FFB's counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP should not exceed $7,500. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance.

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay , taxability gross-up and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed above will be determined as part of FFB's underwriting and credit approval process.

PDF's of all executed and other documents listed on the Closing Index shall be provided to FFB no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut Street, Box #11, Kansas City, MO 64106.

Trevor Mael | VP, Public Finance | Tel: 916.724.2423 | Email: tmael@ff-inc.com

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Appendix C: Preliminary Refunding Analysis

SAVINGS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/09/2020 @ 3.2499416%
07/15/2020	172,695.63		172,695.63	172,602.87
07/15/2021	245,541.26	88,716.88	156,824.38	152,163.76
07/15/2022	245,186.26	222,262.50	22,923.76	21,845.68
07/15/2023	244,411.26	243,875.00	536.26	829.62
07/15/2024	243,230.00	242,642.50	587.50	841.55
07/15/2025	246,630.00	246,280.00	350.00	604.26
07/15/2026	244,350.00	243,625.00	725.00	883.10
07/15/2027	246,250.00	245,872.50	377.50	562.72
07/15/2028	242,550.00	241,860.00	690.00	769.34
07/15/2029	243,550.00	242,782.50	767.50	785.13
07/15/2030	243,950.00	243,477.50	472.50	527.25
07/15/2031	243,750.00	242,945.00	805.00	722.73
07/15/2032	242,500.00	242,217.50	282.50	320.18
07/15/2033	245,625.00	245,295.00	330.00	314.79
07/15/2034	242,812.50	242,047.50	765.00	552.88
07/15/2035	244,375.00	243,670.00	705.00	468.02
	3,837,406.91	3,477,569.38	359,837.53	354,793.89

Savings Summary

PV of savings from cash flow	354,793.89
Plus: Refunding funds on hand	454.37
Net PV Savings	355,248.26

SOURCES AND USES OF FUNDS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Sources:	
Bond Proceeds:	
Par Amount	2,685,000.00
	2,685,000.00

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	2,532,695.63
Delivery Date Expenses:	
Cost of Issuance	151,850.00
Other Uses of Funds:	
Additional Proceeds	454.37
	2,685,000.00

BOND PRICING

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	07/15/2022	135,000	3.250%	3.250%	100.000
	07/15/2023	161,000	3.250%	3.250%	100.000
	07/15/2024	165,000	3.250%	3.250%	100.000
	07/15/2025	174,000	3.250%	3.250%	100.000
	07/15/2026	177,000	3.250%	3.250%	100.000
	07/15/2027	185,000	3.250%	3.250%	100.000
	07/15/2028	187,000	3.250%	3.250%	100.000
	07/15/2029	194,000	3.250%	3.250%	100.000
	07/15/2030	201,000	3.250%	3.250%	100.000
	07/15/2031	207,000	3.250%	3.250%	100.000
	07/15/2032	213,000	3.250%	3.250%	100.000
	07/15/2033	223,000	3.250%	3.250%	100.000
	07/15/2034	227,000	3.250%	3.250%	100.000
	07/15/2035	236,000	3.250%	3.250%	100.000
		2,685,000			

Dated Date	07/09/2020	
Delivery Date	07/09/2020	
First Coupon	01/15/2021	
Par Amount	2,685,000.00	
Original Issue Discount		
Production	2,685,000.00	100.000000%
Underwriter's Discount		
Purchase Price	2,685,000.00	100.000000%
Accrued Interest		
Net Proceeds	2,685,000.00	

BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service
07/15/2020				
07/15/2021			88,716.88	88,716.88
07/15/2022	135,000	3.250%	87,262.50	222,262.50
07/15/2023	161,000	3.250%	82,875.00	243,875.00
07/15/2024	165,000	3.250%	77,642.50	242,642.50
07/15/2025	174,000	3.250%	72,280.00	246,280.00
07/15/2026	177,000	3.250%	66,625.00	243,625.00
07/15/2027	185,000	3.250%	60,872.50	245,872.50
07/15/2028	187,000	3.250%	54,860.00	241,860.00
07/15/2029	194,000	3.250%	48,782.50	242,782.50
07/15/2030	201,000	3.250%	42,477.50	243,477.50
07/15/2031	207,000	3.250%	35,945.00	242,945.00
07/15/2032	213,000	3.250%	29,217.50	242,217.50
07/15/2033	223,000	3.250%	22,295.00	245,295.00
07/15/2034	227,000	3.250%	15,047.50	242,047.50
07/15/2035	236,000	3.250%	7,670.00	243,670.00
	2,685,000		792,569.38	3,477,569.38

BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/09/2020					
01/15/2021			45,085.63	45,085.63	
07/15/2021			43,631.25	43,631.25	88,716.88
01/15/2022			43,631.25	43,631.25	
07/15/2022	135,000	3.250%	43,631.25	178,631.25	222,262.50
01/15/2023			41,437.50	41,437.50	
07/15/2023	161,000	3.250%	41,437.50	202,437.50	243,875.00
01/15/2024			38,821.25	38,821.25	
07/15/2024	165,000	3.250%	38,821.25	203,821.25	242,642.50
01/15/2025			36,140.00	36,140.00	
07/15/2025	174,000	3.250%	36,140.00	210,140.00	246,280.00
01/15/2026			33,312.50	33,312.50	
07/15/2026	177,000	3.250%	33,312.50	210,312.50	243,625.00
01/15/2027			30,436.25	30,436.25	
07/15/2027	185,000	3.250%	30,436.25	215,436.25	245,872.50
01/15/2028			27,430.00	27,430.00	
07/15/2028	187,000	3.250%	27,430.00	214,430.00	241,860.00
01/15/2029			24,391.25	24,391.25	
07/15/2029	194,000	3.250%	24,391.25	218,391.25	242,782.50
01/15/2030			21,238.75	21,238.75	
07/15/2030	201,000	3.250%	21,238.75	222,238.75	243,477.50
01/15/2031			17,972.50	17,972.50	
07/15/2031	207,000	3.250%	17,972.50	224,972.50	242,945.00
01/15/2032			14,608.75	14,608.75	
07/15/2032	213,000	3.250%	14,608.75	227,608.75	242,217.50
01/15/2033			11,147.50	11,147.50	
07/15/2033	223,000	3.250%	11,147.50	234,147.50	245,295.00
01/15/2034			7,523.75	7,523.75	
07/15/2034	227,000	3.250%	7,523.75	234,523.75	242,047.50
01/15/2035			3,835.00	3,835.00	
07/15/2035	236,000	3.250%	3,835.00	239,835.00	243,670.00
	2,685,000		792,569.38	3,477,569.38	3,477,569.38

SUMMARY OF REFUNDING RESULTS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020
Arbitrage yield	3.249942%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	2,685,000.00
True Interest Cost	3.249942%
Net Interest Cost	3.250000%
All-In TIC	4.021921%
Average Coupon	3.250000%
Average Life	9.083
Par amount of refunded bonds	2,460,000.00
Average coupon of refunded bonds	6.110675%
Average life of refunded bonds	8.696
PV of prior debt to 07/09/2020 @ 3.249942%	3,039,793.89
Net PV Savings	355,248.26
Percentage savings of refunded bonds	14.440986%

BOND SUMMARY STATISTICS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020
First Coupon	01/15/2021
Last Maturity	07/15/2035
Arbitrage Yield	3.249942%
True Interest Cost (TIC)	3.249942%
Net Interest Cost (NIC)	3.250000%
All-In TIC	4.021921%
Average Coupon	3.250000%
Average Life (years)	9.083
Duration of Issue (years)	7.744
Par Amount	2,685,000.00
Bond Proceeds	2,685,000.00
Total Interest	792,569.38
Net Interest	792,569.38
Total Debt Service	3,477,569.38
Maximum Annual Debt Service	246,280.00
Average Annual Debt Service	231,580.65
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Bond Component	2,685,000.00	100.000	3.250%	9.083	7.744	2,043.35
	2,685,000.00			9.083		2,043.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,685,000.00	2,685,000.00	2,685,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-151,850.00	
- Other Amounts			
Target Value	2,685,000.00	2,533,150.00	2,685,000.00
Target Date	07/09/2020	07/09/2020	07/09/2020
Yield	3.249942%	4.021921%	3.249942%

SUMMARY OF BONDS REFUNDED

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2010, GO2010, SER:					
	07/15/2020	4.850%	100,000.00		
	07/15/2021	5.100%	105,000.00	07/15/2020	100.000
	07/15/2022	5.250%	110,000.00	07/15/2020	100.000
	07/15/2023	5.375%	115,000.00	07/15/2020	100.000
	07/15/2024	5.500%	120,000.00	07/15/2020	100.000
	07/15/2025	5.600%	130,000.00	07/15/2020	100.000
			680,000.00		
General Obligation Bonds, Series 2010, GO2010, TER1:					
	07/15/2030	6.000%	760,000.00	07/15/2020	100.000
General Obligation Bonds, Series 2010, GO2010, TER2:					
	07/15/2035	6.250%	1,020,000.00	07/15/2020	100.000
			2,460,000.00		

PRIOR BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service
07/15/2020	100,000	4.850%	72,695.63	172,695.63
07/15/2021	105,000	5.100%	140,541.26	245,541.26
07/15/2022	110,000	5.250%	135,186.26	245,186.26
07/15/2023	115,000	5.375%	129,411.26	244,411.26
07/15/2024	120,000	5.500%	123,230.00	243,230.00
07/15/2025	130,000	5.600%	116,630.00	246,630.00
07/15/2026	135,000	6.000%	109,350.00	244,350.00
07/15/2027	145,000	6.000%	101,250.00	246,250.00
07/15/2028	150,000	6.000%	92,550.00	242,550.00
07/15/2029	160,000	6.000%	83,550.00	243,550.00
07/15/2030	170,000	6.000%	73,950.00	243,950.00
07/15/2031	180,000	6.250%	63,750.00	243,750.00
07/15/2032	190,000	6.250%	52,500.00	242,500.00
07/15/2033	205,000	6.250%	40,625.00	245,625.00
07/15/2034	215,000	6.250%	27,812.50	242,812.50
07/15/2035	230,000	6.250%	14,375.00	244,375.00
	2,460,000		1,377,406.91	3,837,406.91

ESCROW REQUIREMENTS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Period Ending	Principal	Interest	Principal Redeemed	Total
07/15/2020	100,000.00	72,695.63	2,360,000.00	2,532,695.63
	100,000.00	72,695.63	2,360,000.00	2,532,695.63

FINANCIAL ADVISOR DISCLOSURE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 1 - PRIVATE SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

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SOURCES AND USES OF FUNDS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Sources:	
Bond Proceeds:	
Par Amount	2,582,000.00
	2,582,000.00

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	2,430,270.63
Delivery Date Expenses:	
Cost of Issuance	150,820.00
Other Uses of Funds:	
Additional Proceeds	909.37
	2,582,000.00

BOND PRICING

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	07/15/2022	32,000	3.250%	3.250%	100.000
	07/15/2023	161,000	3.250%	3.250%	100.000
	07/15/2024	165,000	3.250%	3.250%	100.000
	07/15/2025	174,000	3.250%	3.250%	100.000
	07/15/2026	177,000	3.250%	3.250%	100.000
	07/15/2027	185,000	3.250%	3.250%	100.000
	07/15/2028	187,000	3.250%	3.250%	100.000
	07/15/2029	194,000	3.250%	3.250%	100.000
	07/15/2030	201,000	3.250%	3.250%	100.000
	07/15/2031	207,000	3.250%	3.250%	100.000
	07/15/2032	213,000	3.250%	3.250%	100.000
	07/15/2033	223,000	3.250%	3.250%	100.000
	07/15/2034	227,000	3.250%	3.250%	100.000
	07/15/2035	236,000	3.250%	3.250%	100.000
		2,582,000			

Dated Date	07/09/2020	
Delivery Date	07/09/2020	
First Coupon	01/15/2021	
Par Amount	2,582,000.00	
Original Issue Discount		
Production	2,582,000.00	100.000000%
Underwriter's Discount		
Purchase Price	2,582,000.00	100.000000%
Accrued Interest		
Net Proceeds	2,582,000.00	

SAVINGS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/09/2020 @ 3.2499433%
07/15/2020	70,270.63		70,270.63	70,232.88
07/15/2021	245,541.26	85,313.58	160,227.68	155,484.52
07/15/2022	245,186.26	115,915.00	129,271.26	121,524.58
07/15/2023	244,411.26	243,875.00	536.26	829.62
07/15/2024	243,230.00	242,642.50	587.50	841.55
07/15/2025	246,630.00	246,280.00	350.00	604.26
07/15/2026	244,350.00	243,625.00	725.00	883.10
07/15/2027	246,250.00	245,872.50	377.50	562.72
07/15/2028	242,550.00	241,860.00	690.00	769.34
07/15/2029	243,550.00	242,782.50	767.50	785.13
07/15/2030	243,950.00	243,477.50	472.50	527.25
07/15/2031	243,750.00	242,945.00	805.00	722.73
07/15/2032	242,500.00	242,217.50	282.50	320.18
07/15/2033	245,625.00	245,295.00	330.00	314.79
07/15/2034	242,812.50	242,047.50	765.00	552.88
07/15/2035	244,375.00	243,670.00	705.00	468.02
	3,734,981.91	3,367,818.58	367,163.33	355,423.57

Savings Summary

PV of savings from cash flow	355,423.57
Plus: Refunding funds on hand	909.37
Net PV Savings	356,332.94

BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service
07/15/2020				
07/15/2021			85,313.58	85,313.58
07/15/2022	32,000	3.250%	83,915.00	115,915.00
07/15/2023	161,000	3.250%	82,875.00	243,875.00
07/15/2024	165,000	3.250%	77,642.50	242,642.50
07/15/2025	174,000	3.250%	72,280.00	246,280.00
07/15/2026	177,000	3.250%	66,625.00	243,625.00
07/15/2027	185,000	3.250%	60,872.50	245,872.50
07/15/2028	187,000	3.250%	54,860.00	241,860.00
07/15/2029	194,000	3.250%	48,782.50	242,782.50
07/15/2030	201,000	3.250%	42,477.50	243,477.50
07/15/2031	207,000	3.250%	35,945.00	242,945.00
07/15/2032	213,000	3.250%	29,217.50	242,217.50
07/15/2033	223,000	3.250%	22,295.00	245,295.00
07/15/2034	227,000	3.250%	15,047.50	242,047.50
07/15/2035	236,000	3.250%	7,670.00	243,670.00
	2,582,000		785,818.58	3,367,818.58

BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/09/2020					
01/15/2021			43,356.08	43,356.08	
07/15/2021			41,957.50	41,957.50	85,313.58
01/15/2022			41,957.50	41,957.50	
07/15/2022	32,000	3.250%	41,957.50	73,957.50	115,915.00
01/15/2023			41,437.50	41,437.50	
07/15/2023	161,000	3.250%	41,437.50	202,437.50	243,875.00
01/15/2024			38,821.25	38,821.25	
07/15/2024	165,000	3.250%	38,821.25	203,821.25	242,642.50
01/15/2025			36,140.00	36,140.00	
07/15/2025	174,000	3.250%	36,140.00	210,140.00	246,280.00
01/15/2026			33,312.50	33,312.50	
07/15/2026	177,000	3.250%	33,312.50	210,312.50	243,625.00
01/15/2027			30,436.25	30,436.25	
07/15/2027	185,000	3.250%	30,436.25	215,436.25	245,872.50
01/15/2028			27,430.00	27,430.00	
07/15/2028	187,000	3.250%	27,430.00	214,430.00	241,860.00
01/15/2029			24,391.25	24,391.25	
07/15/2029	194,000	3.250%	24,391.25	218,391.25	242,782.50
01/15/2030			21,238.75	21,238.75	
07/15/2030	201,000	3.250%	21,238.75	222,238.75	243,477.50
01/15/2031			17,972.50	17,972.50	
07/15/2031	207,000	3.250%	17,972.50	224,972.50	242,945.00
01/15/2032			14,608.75	14,608.75	
07/15/2032	213,000	3.250%	14,608.75	227,608.75	242,217.50
01/15/2033			11,147.50	11,147.50	
07/15/2033	223,000	3.250%	11,147.50	234,147.50	245,295.00
01/15/2034			7,523.75	7,523.75	
07/15/2034	227,000	3.250%	7,523.75	234,523.75	242,047.50
01/15/2035			3,835.00	3,835.00	
07/15/2035	236,000	3.250%	3,835.00	239,835.00	243,670.00
	2,582,000		785,818.58	3,367,818.58	3,367,818.58

SUMMARY OF REFUNDING RESULTS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020
Arbitrage yield	3.249943%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	2,582,000.00
True Interest Cost	3.249943%
Net Interest Cost	3.250000%
All-In TIC	4.024572%
Average Coupon	3.250000%
Average Life	9.364
Par amount of refunded bonds	2,360,000.00
Average coupon of refunded bonds	6.110773%
Average life of refunded bonds	9.063
PV of prior debt to 07/09/2020 @ 3.249943%	2,937,423.57
Net PV Savings	356,332.94
Percentage savings of refunded bonds	15.098853%

BOND SUMMARY STATISTICS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020
First Coupon	01/15/2021
Last Maturity	07/15/2035
Arbitrage Yield	3.249943%
True Interest Cost (TIC)	3.249943%
Net Interest Cost (NIC)	3.250000%
All-In TIC	4.024572%
Average Coupon	3.250000%
Average Life (years)	9.364
Duration of Issue (years)	7.974
Par Amount	2,582,000.00
Bond Proceeds	2,582,000.00
Total Interest	785,818.58
Net Interest	785,818.58
Total Debt Service	3,367,818.58
Maximum Annual Debt Service	246,280.00
Average Annual Debt Service	224,272.05
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Bond Component	2,582,000.00	100.000	3.250%	9.364	7.974	2,023.78
	2,582,000.00			9.364		2,023.78

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,582,000.00	2,582,000.00	2,582,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-150,820.00	
- Other Amounts			
Target Value	2,582,000.00	2,431,180.00	2,582,000.00
Target Date	07/09/2020	07/09/2020	07/09/2020
Yield	3.249943%	4.024572%	3.249943%

SUMMARY OF BONDS REFUNDED

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2010, GO2010, SER:					
	07/15/2021	5.100%	105,000.00	07/15/2020	100.000
	07/15/2022	5.250%	110,000.00	07/15/2020	100.000
	07/15/2023	5.375%	115,000.00	07/15/2020	100.000
	07/15/2024	5.500%	120,000.00	07/15/2020	100.000
	07/15/2025	5.600%	130,000.00	07/15/2020	100.000
			580,000.00		
General Obligation Bonds, Series 2010, GO2010, TER1:					
	07/15/2030	6.000%	760,000.00	07/15/2020	100.000
General Obligation Bonds, Series 2010, GO2010, TER2:					
	07/15/2035	6.250%	1,020,000.00	07/15/2020	100.000
			2,360,000.00		

PRIOR BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service
07/15/2020			70,270.63	70,270.63
07/15/2021	105,000	5.100%	140,541.26	245,541.26
07/15/2022	110,000	5.250%	135,186.26	245,186.26
07/15/2023	115,000	5.375%	129,411.26	244,411.26
07/15/2024	120,000	5.500%	123,230.00	243,230.00
07/15/2025	130,000	5.600%	116,630.00	246,630.00
07/15/2026	135,000	6.000%	109,350.00	244,350.00
07/15/2027	145,000	6.000%	101,250.00	246,250.00
07/15/2028	150,000	6.000%	92,550.00	242,550.00
07/15/2029	160,000	6.000%	83,550.00	243,550.00
07/15/2030	170,000	6.000%	73,950.00	243,950.00
07/15/2031	180,000	6.250%	63,750.00	243,750.00
07/15/2032	190,000	6.250%	52,500.00	242,500.00
07/15/2033	205,000	6.250%	40,625.00	245,625.00
07/15/2034	215,000	6.250%	27,812.50	242,812.50
07/15/2035	230,000	6.250%	14,375.00	244,375.00
	2,360,000		1,374,981.91	3,734,981.91

ESCROW REQUIREMENTS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

Period Ending	Interest	Principal Redeemed	Total
07/15/2020	70,270.63	2,360,000.00	2,430,270.63
	70,270.63	2,360,000.00	2,430,270.63

FINANCIAL ADVISOR DISCLOSURE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 2 - PRIVATE SALE WITH UPFRONT SAVINGS
[Does not include refunding of 7/15/2020 principal payment,
Rate assumes 3.25% provided by Western Alliance]

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SOURCES AND USES OF FUNDS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Sources:	
Bond Proceeds:	
Par Amount	2,435,000.00
Premium	298,082.90
	2,733,082.90

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	2,532,695.63
Delivery Date Expenses:	
Cost of Issuance	150,000.00
Underwriter's Discount	25,000.00
Bond Insurance @ 75 bp P&I	24,512.28
	199,512.28
Other Uses of Funds:	
Additional Proceeds	874.99
	2,733,082.90

BOND PRICING

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	07/15/2023	125,000	2.500%	0.950%	104.598				5,747.50
	07/15/2024	160,000	2.750%	1.070%	106.587				10,539.20
	07/15/2025	170,000	3.000%	1.210%	108.687				14,767.90
	07/15/2026	170,000	3.000%	1.390%	109.261				15,743.70
	07/15/2027	180,000	3.000%	1.540%	109.674				17,413.20
	07/15/2028	180,000	3.000%	1.650%	110.098				18,176.40
	07/15/2029	185,000	3.000%	1.760%	110.296				19,047.60
	07/15/2030	195,000	3.000%	1.860%	110.374				20,229.30
	07/15/2031	200,000	4.000%	1.990%	118.171 C	2.140%	07/15/2030	100.000	36,342.00
	07/15/2032	205,000	4.000%	2.090%	117.181 C	2.350%	07/15/2030	100.000	35,221.05
	07/15/2033	215,000	4.000%	2.190%	116.199 C	2.531%	07/15/2030	100.000	34,827.85
	07/15/2034	220,000	4.000%	2.230%	115.810 C	2.643%	07/15/2030	100.000	34,782.00
	07/15/2035	230,000	4.000%	2.280%	115.324 C	2.748%	07/15/2030	100.000	35,245.20
		2,435,000							298,082.90

Dated Date	07/09/2020	
Delivery Date	07/09/2020	
First Coupon	01/15/2021	
Par Amount	2,435,000.00	
Premium	298,082.90	
Production	2,733,082.90	112.241598%
Underwriter's Discount	-25,000.00	-1.026694%
Purchase Price	2,708,082.90	111.214903%
Accrued Interest		
Net Proceeds	2,708,082.90	

SAVINGS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/09/2020 @ 2.0087994%
07/15/2020	172,695.63		172,695.63	172,638.11
07/15/2021	245,541.26	84,103.75	161,437.51	158,461.00
07/15/2022	245,186.26	82,725.00	162,461.26	156,295.94
07/15/2023	244,411.26	207,725.00	36,686.26	34,760.32
07/15/2024	243,230.00	239,600.00	3,630.00	3,552.17
07/15/2025	246,630.00	245,200.00	1,430.00	1,481.78
07/15/2026	244,350.00	240,100.00	4,250.00	3,943.21
07/15/2027	246,250.00	245,000.00	1,250.00	1,244.65
07/15/2028	242,550.00	239,600.00	2,950.00	2,654.21
07/15/2029	243,550.00	239,200.00	4,350.00	3,755.70
07/15/2030	243,950.00	243,650.00	300.00	349.57
07/15/2031	243,750.00	242,800.00	950.00	846.66
07/15/2032	242,500.00	239,800.00	2,700.00	2,193.41
07/15/2033	245,625.00	241,600.00	4,025.00	3,157.24
07/15/2034	242,812.50	238,000.00	4,812.50	3,673.86
07/15/2035	244,375.00	239,200.00	5,175.00	3,852.41
	3,837,406.91	3,268,303.75	569,103.16	552,860.23

Savings Summary

PV of savings from cash flow	552,860.23
Plus: Refunding funds on hand	874.99
Net PV Savings	553,735.22

BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service
07/15/2020				
07/15/2021			84,103.75	84,103.75
07/15/2022			82,725.00	82,725.00
07/15/2023	125,000	2.500%	82,725.00	207,725.00
07/15/2024	160,000	2.750%	79,600.00	239,600.00
07/15/2025	170,000	3.000%	75,200.00	245,200.00
07/15/2026	170,000	3.000%	70,100.00	240,100.00
07/15/2027	180,000	3.000%	65,000.00	245,000.00
07/15/2028	180,000	3.000%	59,600.00	239,600.00
07/15/2029	185,000	3.000%	54,200.00	239,200.00
07/15/2030	195,000	3.000%	48,650.00	243,650.00
07/15/2031	200,000	4.000%	42,800.00	242,800.00
07/15/2032	205,000	4.000%	34,800.00	239,800.00
07/15/2033	215,000	4.000%	26,600.00	241,600.00
07/15/2034	220,000	4.000%	18,000.00	238,000.00
07/15/2035	230,000	4.000%	9,200.00	239,200.00
	2,435,000		833,303.75	3,268,303.75

BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/09/2020					
01/15/2021			42,741.25	42,741.25	
07/15/2021			41,362.50	41,362.50	84,103.75
01/15/2022			41,362.50	41,362.50	
07/15/2022			41,362.50	41,362.50	82,725.00
01/15/2023			41,362.50	41,362.50	
07/15/2023	125,000	2.500%	41,362.50	166,362.50	207,725.00
01/15/2024			39,800.00	39,800.00	
07/15/2024	160,000	2.750%	39,800.00	199,800.00	239,600.00
01/15/2025			37,600.00	37,600.00	
07/15/2025	170,000	3.000%	37,600.00	207,600.00	245,200.00
01/15/2026			35,050.00	35,050.00	
07/15/2026	170,000	3.000%	35,050.00	205,050.00	240,100.00
01/15/2027			32,500.00	32,500.00	
07/15/2027	180,000	3.000%	32,500.00	212,500.00	245,000.00
01/15/2028			29,800.00	29,800.00	
07/15/2028	180,000	3.000%	29,800.00	209,800.00	239,600.00
01/15/2029			27,100.00	27,100.00	
07/15/2029	185,000	3.000%	27,100.00	212,100.00	239,200.00
01/15/2030			24,325.00	24,325.00	
07/15/2030	195,000	3.000%	24,325.00	219,325.00	243,650.00
01/15/2031			21,400.00	21,400.00	
07/15/2031	200,000	4.000%	21,400.00	221,400.00	242,800.00
01/15/2032			17,400.00	17,400.00	
07/15/2032	205,000	4.000%	17,400.00	222,400.00	239,800.00
01/15/2033			13,300.00	13,300.00	
07/15/2033	215,000	4.000%	13,300.00	228,300.00	241,600.00
01/15/2034			9,000.00	9,000.00	
07/15/2034	220,000	4.000%	9,000.00	229,000.00	238,000.00
01/15/2035			4,600.00	4,600.00	
07/15/2035	230,000	4.000%	4,600.00	234,600.00	239,200.00
	2,435,000		833,303.75	3,268,303.75	3,268,303.75

SUMMARY OF REFUNDING RESULTS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Dated Date	07/09/2020
Delivery Date	07/09/2020
Arbitrage yield	2.008799%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	2,435,000.00
True Interest Cost	2.351733%
Net Interest Cost	2.412085%
All-In TIC	3.063974%
Average Coupon	3.587870%
Average Life	9.538
Par amount of refunded bonds	2,460,000.00
Average coupon of refunded bonds	6.110675%
Average life of refunded bonds	8.696
PV of prior debt to 07/09/2020 @ 2.008799%	3,312,778.31
Net PV Savings	553,735.22
Percentage savings of refunded bonds	22.509562%

BOND SUMMARY STATISTICS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Dated Date	07/09/2020
Delivery Date	07/09/2020
First Coupon	01/15/2021
Last Maturity	07/15/2035
Arbitrage Yield	2.008799%
True Interest Cost (TIC)	2.351733%
Net Interest Cost (NIC)	2.412085%
All-In TIC	3.063974%
Average Coupon	3.587870%
Average Life (years)	9.538
Duration of Issue (years)	8.242
Par Amount	2,435,000.00
Bond Proceeds	2,733,082.90
Total Interest	833,303.75
Net Interest	560,220.85
Total Debt Service	3,268,303.75
Maximum Annual Debt Service	245,200.00
Average Annual Debt Service	217,645.09
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	10.266940
Total Underwriter's Discount	10.266940
Bid Price	111.214903

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Bond Component	2,435,000.00	112.242	3.588%	9.538	8.278	1,952.50
	2,435,000.00			9.538		1,952.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,435,000.00	2,435,000.00	2,435,000.00
+ Accrued Interest			
+ Premium (Discount)	298,082.90	298,082.90	298,082.90
- Underwriter's Discount	-25,000.00	-25,000.00	
- Cost of Issuance Expense		-150,000.00	
- Other Amounts	-24,512.28	-24,512.28	-24,512.28
Target Value	2,683,570.62	2,533,570.62	2,708,570.62
Target Date	07/09/2020	07/09/2020	07/09/2020
Yield	2.351733%	3.063974%	2.008799%

SUMMARY OF BONDS REFUNDED

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2010, GO2010, SER:					
	07/15/2020	4.850%	100,000.00		
	07/15/2021	5.100%	105,000.00	07/15/2020	100.000
	07/15/2022	5.250%	110,000.00	07/15/2020	100.000
	07/15/2023	5.375%	115,000.00	07/15/2020	100.000
	07/15/2024	5.500%	120,000.00	07/15/2020	100.000
	07/15/2025	5.600%	130,000.00	07/15/2020	100.000
			680,000.00		
General Obligation Bonds, Series 2010, GO2010, TER1:					
	07/15/2030	6.000%	760,000.00	07/15/2020	100.000
General Obligation Bonds, Series 2010, GO2010, TER2:					
	07/15/2035	6.250%	1,020,000.00	07/15/2020	100.000
			2,460,000.00		

PRIOR BOND DEBT SERVICE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Dated Date	07/09/2020
Delivery Date	07/09/2020

Period Ending	Principal	Coupon	Interest	Debt Service
07/15/2020	100,000	4.850%	72,695.63	172,695.63
07/15/2021	105,000	5.100%	140,541.26	245,541.26
07/15/2022	110,000	5.250%	135,186.26	245,186.26
07/15/2023	115,000	5.375%	129,411.26	244,411.26
07/15/2024	120,000	5.500%	123,230.00	243,230.00
07/15/2025	130,000	5.600%	116,630.00	246,630.00
07/15/2026	135,000	6.000%	109,350.00	244,350.00
07/15/2027	145,000	6.000%	101,250.00	246,250.00
07/15/2028	150,000	6.000%	92,550.00	242,550.00
07/15/2029	160,000	6.000%	83,550.00	243,550.00
07/15/2030	170,000	6.000%	73,950.00	243,950.00
07/15/2031	180,000	6.250%	63,750.00	243,750.00
07/15/2032	190,000	6.250%	52,500.00	242,500.00
07/15/2033	205,000	6.250%	40,625.00	245,625.00
07/15/2034	215,000	6.250%	27,812.50	242,812.50
07/15/2035	230,000	6.250%	14,375.00	244,375.00
	2,460,000		1,377,406.91	3,837,406.91

ESCROW REQUIREMENTS

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Period Ending	Principal	Interest	Principal Redeemed	Total
07/15/2020	100,000.00	72,695.63	2,360,000.00	2,532,695.63
	100,000.00	72,695.63	2,360,000.00	2,532,695.63

FINANCIAL ADVISOR DISCLOSURE

Merrill Ranch Community Facilities District No. 2 (Florence, Arizona)
General Obligation Refunding Bonds, Series 2020
SCENARIO 3 - PUBLIC SALE WITH UPFRONT SAVINGS
[Includes refunding of 7/15/2020 principal payment,
Rates as provided by Piper on 5-27-20 (preliminary and subject to change]

Stifel, Nicolaus & Company, Incorporated ('Stifel') is providing the information for discussion purposes and is declaring that it has done so within the regulatory framework of MSRB Rule G-23 as a financial advisor, as defined therein, and not an underwriter to the issuer for this proposed issuance of municipal securities. A 'financial advisory relationship' shall be deemed to exist when a firm enters into an agreement to render financial advisory or consultant services to or on behalf of an issuer with respect to the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters. Accordingly, any services provided by Stifel as they relate to our role as financial advisor should not be construed as those of an underwriter or placement agent.

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Disclosure

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DISTRICT NO 2	MERRILL RANCH COMMUNITY FACILITIES DISTRICT ACTION FORM	AGENDA ITEM 8b.
MEETING DATE: June 15, 2020 **DEPARTMENT:** Finance **STAFF PRESENTER:** Becki Jimenez, District Treasurer **SUBJECT:** Policies and Procedures for Tax-Advantaged Obligations-CFD No. 2		☒ **Action** ☐ **Information Only** ☐ **Public Hearing** ☐ **Resolution** ☐ **Ordinance** ☐ **Regulatory** ☐ **1st Reading** ☐ **2nd Reading** ☐ **Other**

RECOMMENDED MOTION/ACTION:

Approve and accept Written Policies and Procedures for Tax-Advantaged Obligations for CFD No. 2, with an implementation date of June 15, 2020.

BACKGROUND/DISCUSSION:

Merrill Ranch Community Facilities District No. 2 (the "Issuer") has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, "tax-advantaged obligations") that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the "Code").

The Issuer has established the policies and procedures contained herein (the "Procedures") in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the "Tax Certificate") executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

Mr. Micheal Cafiso, District Bond Counsel, has developed written policies and procedures for tax-advantaged obligations. Without accurate guidelines, possible violations of Internal Revenue Code of 1986 may occur resulting in loss of tax-exempt status or other penalties associated with non-compliance.

A VOTE OF NO WOULD MEAN:

No guidelines for tax-advantaged obligations.

A VOTE OF YES WOULD MEAN:

Guidelines for staff to manage tax -exempt obligations.

FINANCIAL IMPACT:

None at this time.

ATTACHMENTS:

Written Policies and Procedures for Tax-Advantaged Obligations

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

WRITTEN POLICIES AND PROCEDURES
FOR TAX-ADVANTAGED OBLIGATIONS

IMPLEMENTED JUNE 15, 2020

Merrill Ranch Community Facilities District No. 2 (the "Issuer") has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, "tax-advantaged obligations") that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the "Code").

The Issuer has established the policies and procedures contained herein (the "Procedures") in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the "Tax Certificate") executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

A. GENERAL MATTERS.

1. Responsible Officer. The District Treasurer of the Issuer will have overall responsibility for ensuring that the ongoing requirements described in the Procedures are met with respect to tax-advantaged obligations (the "Responsible Officer").

2. Establishment of Procedures. The Procedures will be included with other written procedures of the Issuer.

3. Identify Additional Responsible Employees. The Responsible Officer shall identify any additional persons who will be responsible for each section of the Procedures, notify the current holder of that office of the responsibilities, and provide that person a copy of the Procedures. (For each section of the Procedures, this may be the Responsible Officer or another person who is assigned the particular responsibility.)

    a. Upon employee or officer transitions, new personnel should be advised of responsibilities under the Procedures and ensure they understand the importance of the Procedures.

    b. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as necessary to ensure that all Procedures have been appropriately assigned.

4. Training Required. The Responsible Officer and other responsible persons shall receive appropriate training that includes the review of and familiarity with the contents of the Procedures, review of the requirements contained in the Code applicable to each tax-

advantaged obligation, identification of all tax-advantaged obligations that must be monitored, identification of all facilities (or portions thereof) financed with proceeds of tax-advantaged obligations, familiarity with the requirements contained in the Tax Certificate or other operative documents contained in the transcript, and familiarity with the procedures that must be taken in order to correct noncompliance with the requirements of the Code in a timely manner.

5. Periodic Review. The Responsible Officer or other responsible person shall periodically review compliance with the Procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be timely remedied through the "remedial action" regulations or the Voluntary Closing Agreement Program available through the Internal Revenue Service ("IRS") (or successor guidance). Such periodic review shall occur at least annually.

6. Change in Terms. If any changes to the terms of the tax-advantaged obligations are contemplated, bond counsel should be consulted. Such modifications could jeopardize the status of tax-advantaged obligations.

B. IRS INFORMATION RETURN FILING. The Responsible Officer will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for such issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the issue. The Responsible Officer shall file the IRS Form 8038-T relating to the payment of rebate or yield reduction payments in a timely manner as discussed in Section F.12. below. The Responsible Officer shall also monitor the extent to which the Issuer is eligible to receive a refund of prior rebate payments and provide for the timely filing for such refunds using an IRS Form 8038-R.

C. USE OF PROCEEDS. The Responsible Officer or other responsible person shall:

1. Consistent Accounting Procedures. Maintain or confirm maintenance of clear and consistent accounting procedures for tracking the investment and expenditures of proceeds, including investment earnings on proceeds.

2. Reimbursement Allocations at Closing. At or shortly after closing of an issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.

3. Timely Expenditure of Proceeds. Monitor that sale proceeds and investment earnings on sale proceeds of tax-advantaged obligations are spent in a timely fashion consistent with the requirements of the Tax Certificate.

4. Requisitions. Utilize or confirm the utilization of requisitions to draw down proceeds, and ensure that each requisition contains (or has attached to it) detailed information in order to establish when and how proceeds were spent; review requisitions carefully before submission to ensure proper use of proceeds to minimize the need for reallocations.

5. Final Allocation. Ensure that a final allocation of proceeds (including investment earnings) to qualifying expenditures is made if proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the proceeds as spent as shown in the accounting records for draws and project expenditures). An allocation other than on the basis of "direct tracing" is often made to reduce the private business use of bond proceeds that would otherwise result from "direct tracing" of proceeds to project expenditures. *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the tax-advantaged obligations are issued (or 60 days after the issue is retired, if earlier).* Bond counsel can assist with the final allocation of proceeds to project costs. Maintain a copy of the final allocation in the records for the tax-advantaged obligation.

6. Maintenance and Retention of Records Relating to Proceeds. Maintain or confirm the maintenance of careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which proceeds were spent or used. These records should be maintained separately for each issue of tax-advantaged obligations for the period indicated under Section G. below.

D. MONITORING PRIVATE BUSINESS USE. The Responsible Officer or other responsible person shall:

1. Identify Financed Facilities. Identify or "map" which outstanding issues financed which facilities and in what amounts.

2. Review of Contracts with Private Persons. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the financed facilities which could result in private business use of the facilities:

   a. Sales of financed facilities;

   b. Leases of financed facilities;

   c. Management or service contracts relating to financed facilities;

   d. Research contracts under which a private person sponsors research in financed facilities; and

   e. Any other contracts involving "special legal entitlements" (such as naming rights or exclusive provider arrangements) granted to a private person with respect to financed facilities.

3. Bond Counsel Review of New Contracts or Amendments. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond counsel to review such amendment or agreement to determine whether it results in private business use.

4. Establish Procedures to Ensure Proper Use and Ownership. Establish procedures to ensure that financed facilities are not used for private use without written approval of the Responsible Officer or other responsible person.

5. Analyze Use. Analyze any private business use of financed facilities and, for each issue of tax-advantaged obligations, determine whether the 10 percent limit on private business use (5 percent in the case of "unrelated or disproportionate" private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits appears to be exceeded.

6. Remediation if Limits Exceeded. If it appears that private business use limits are exceeded, immediately consult with bond counsel to determine if a remedial action is required with respect to nonqualified tax-advantaged obligations of the issue or if the IRS should be contacted under its Voluntary Closing Agreement Program. If tax-advantaged obligations are required to be redeemed or defeased in order to comply with remedial action rules, such redemption or defeasance must occur within 90 days of the date a deliberate action is taken that results in a violation of the private business use limits.

7. Maintenance and Retention of Records Relating to Private Use. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated under Section G. below.

E. LOAN OF BOND PROCEEDS. Consult bond counsel if a loan of proceeds of tax-advantaged obligations is contemplated. If proceeds of tax-advantaged obligations are permitted under the Code to be loaned to other entities and are in fact so loaned, require that the entities receiving a loan of proceeds institute policies and procedures similar to the Procedures to ensure that the proceeds of the loan and the facilities financed with proceeds of the loan comply with the limitations provided in the Code. Require the recipients of such loans to annually report to the Issuer ongoing compliance with the Procedures and the requirements of the Code.

F. ARBITRAGE AND REBATE COMPLIANCE. The Responsible Officer or other responsible person shall:

1. Review Tax Certificate. Review each Tax Certificate to understand the specific requirements that are applicable to each tax-advantaged obligation issue.

2. Arbitrage Yield. Record the arbitrage yield of the issue, as shown on IRS Form 8038-G or other applicable form. If the tax-advantaged obligations are variable rate, yield must be determined on an ongoing basis over the life of the tax-advantaged obligations as described in the Tax Certificate.

3. Temporary Periods. Review the Tax Certificate to determine the "temporary periods" for each issue, which are the periods during which proceeds of tax-advantaged obligations may be invested without yield restriction.

4. Post-Temporary Period Investments. Ensure that any investment of proceeds after applicable temporary periods is at a yield that does not exceed the applicable yield, unless yield reduction payments can be made pursuant to the Tax Certificate.

5. Monitor Temporary Period Compliance. Monitor that proceeds (including investment earnings) are expended promptly after the tax-advantaged obligations are issued in accordance with the expectations for satisfaction of three-year or five-year temporary periods for investment of proceeds and to avoid "hedge bond" status.

6. Monitor Yield Restriction Limitations. Identify situations in which compliance with applicable yield restrictions depends upon later investments (e.g., the purchase of 0 percent State and Local Government Securities from the U.S. Treasury for an advance refunding escrow). Monitor and verify that these purchases are made as contemplated.

7. Establish Fair Market Value of Investments. Ensure that investments acquired with proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors. Consult the Tax Certificate for a description of applicable rules.

8. Credit Enhancement, Hedging and Sinking Funds. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to an issue, and before creating separate funds that are reasonably expected to be used to pay debt service. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to an issue.

9. Grants/Donations to Governmental Entities. Before beginning a capital campaign or grant application that may result in gifts that are restricted to financed projects (or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result that are required to be yield restricted.

10. Bona Fide Debt Service Fund. Even after all proceeds of a given issue have been spent, ensure that debt service funds, if any, meet the requirements of a "bona fide debt service fund," i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.

11. Debt Service Reserve Funds. Ensure that amounts invested in reasonably required debt service reserve funds, if any, do not exceed the least of: (i) 10 percent of the stated principal amount of the tax-advantaged obligations (or the sale proceeds of the issue if the issue has original issue discount or original issue premium that exceeds 2 percent of the stated principal amount of the issue plus, in the case of premium, reasonable

underwriter's compensation); (ii) maximum annual debt service on the issue; or (iii) 125% of average annual debt service on the issue.

12. Rebate and Yield Reduction Payment Compliance. Review the arbitrage rebate covenants contained in the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on proceeds at a yield in excess of the yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.

    a. Ensure that rebate and yield reduction payment calculations will be timely performed and payment of such amounts, if any, will be timely made. Such payments are generally due 60 days after the fifth anniversary of the date of issue, then in succeeding installments every five years. The final rebate payment for an issue is due 60 days after retirement of the last obligation of the issue. The Issuer should hire a rebate consultant if necessary.

    b. Review the rebate section of the Tax Certificate to determine whether the "small issuer" rebate exception applies to the issue.

    c. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the tax-advantaged obligations, ensure that the spending of proceeds is monitored prior to semiannual spending dates for the applicable exception.

    d. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.

    e. Even after all other proceeds of a given issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants contained in the Tax Certificate).

13. Maintenance and Retention of Arbitrage and Rebate Records. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions for the period indicated in Section G. below.

G. RECORD RETENTION. The Responsible Officer or other responsible person shall ensure that for each issue of obligations, the transcript and all records and documents described in these Procedures will be maintained while any of the obligations are outstanding and during the three-year period following the final maturity or redemption of that issue, or if the obligations are refunded (or re-refunded), while any of the refunding obligations are outstanding and during the three-year period following the final maturity or redemption of the refunding obligations.

ATTACHMENT I TO
WRITTEN PROCEDURES

REMEDIAL ACTION PROCEDURES

Capitalized terms used herein but not defined have the meaning assigned thereto in Section 5 below and in the Written Policies and Procedures for Tax-Advantaged Obligations to which these Remedial Action Procedures are attached. This attachment describes written procedures that may be required to be taken by, or on behalf of, an issuer of tax-advantaged obligations ("Obligations").

1. **Background**. The maintenance of the tax status of the Obligations (*e.g.,* as tax-exempt obligations under federal tax law) depends on the compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the "Code"). *The purpose of this attachment is to set forth written procedures to be used in the event that any deliberate actions are taken that are not in compliance with the tax requirements of the Code (each, a "Deliberate Action") with respect to the Obligations, the proceeds thereof, or the property financed or refinanced by the Obligations (the "Financed Property").*

2. **Consultation with bond counsel**. If a Deliberate Action is taken with respect to the Obligations and the Financed Property subsequent to the issuance or execution and delivery of the Obligations, then the Issuer must consult with Greenberg Traurig, LLP or other nationally recognized bond counsel ("bond counsel") regarding permissible Remedial Actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Note that Remedial Actions or corrective actions other than those described in this attachment may be available with respect to the Obligations and the Financed Property, including Remedial Actions or corrective actions that may be permitted by the Commissioner through the Voluntary Closing Agreement Program (VCAP) provided by the Internal Revenue Service from time to time.

3. **Conditions to Availability of Remedial Actions**. None of the Remedial Actions described in this attachment are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

(a) The Issuer reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the Private Business Tests nor the Private Loan Financing Test of Section 141 of the Code and the Treasury Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(b) The weighted average maturity of the Obligations did not, as of such date, exceed 120 percent of the Average Economic Life of the Financed Property;

(c) Unless otherwise excepted under the Treasury Regulations, the Issuer delivers a certificate, instrument, or other written records satisfactory to bond counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action is taken is *bona fide* and arm's-length, and that the non-exempt Person using either the Financed Property or the proceeds

of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(d) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Issuer as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield on the Obligations subsequent to the date of the Deliberate Action; and

(e) Proceeds of the Obligations affected by the Remedial Action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in Section 4(A) below).

4. **Types of Remedial Action**. Subject to the conditions described above, and only if the Issuer obtains an opinion of bond counsel prior to taking <u>any of the actions below</u> to the effect that such actions will not affect the federal tax status of the Obligations, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(a) <u>Redemption or Defeasance of Obligations</u>.

(i) If the Deliberate Action causing either the Private Business Use Test or the Private Loan Financing Test to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the Issuer may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations pro rata across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Issuer may (subject generally to the limitations described in (iii) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(ii) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the Issuer may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from the gross income of the registered owners thereof for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all of the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(iii) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action,

written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings, or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this attachment is for general information only, and bond counsel must be contacted to discuss other available options.

(b) Alternative Use of Disposition Proceeds. Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(i) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;

(ii) the Issuer reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(iii) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(iv) no action is taken after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Obligations, the Financed Property, or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Treasury Regulations);

(v) Disposition Proceeds used in a manner that satisfies the Private Activity Bond Tests or that are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in Section 4(a) hereof; and

(c) Alternative Use of Financed Property. The Issuer may be considered to have taken sufficient Remedial Actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:

(i) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(ii) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from the gross income of the

registered owners thereof under Section 103 of the Code for purposes of federal income taxation or an obligation described in Sections 54A-54F, 54AA, or 6431 of the Code; and

(iii) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield on the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no Remedial Actions are available to remediate the satisfaction of the Private Security or Payment Test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

5. **Additional Defined Terms**. For purposes of this attachment, the following terms have the following meanings:

"*Commissioner*" means the Commissioner of Internal Revenue, including any successor person or body.

"*Defeasance Escrow*" means an irrevocable escrow established to redeem obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay the entire principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in any investment under which the obligor is a user of the proceeds of the obligations, and may not be invested in higher yielding investments unless the Issuer makes rebate payments to the United States at the same time and in the same manner as arbitrage rebate payments are required to be paid.

"*Deliberate Action*" means any action, occurrence, or omission by the Issuer (or, if applicable, by a conduit borrower) that is within the control of the Issuer (or, if applicable, by such conduit borrower) that causes either (1) the Private Business Use Test to be satisfied with respect to the Obligations or the Financed Property (without regard to the Private Security or Payment Test), or (2) the Private Loan Financing Test to be satisfied with respect to the Obligations or the proceeds thereof. An action, occurrence, or omission is not a Deliberate Action if (1) the action, occurrence, or omission would be treated as an involuntary or compulsory conversion under Section 1033 of the Code, or (2) the action, occurrence, or omission is in response to a regulatory directive made by the government of the United States.

"*Disposition Proceeds*" means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange, or other disposition of property (other than Investments) financed with the proceeds of the Obligations.

"*Nonqualified Obligations*" means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered

on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the Private Business Use Test or the Private Loan Financing Test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

"*Private Activity Bond Tests*" means, collectively, the Private Business Use Test, the Private Security or Payment Test, and the Private Loan Financing Test.

"*Private Business Tests*" means the Private Business Use Test and the Private Security or Payment Test.

"*Private Business Use Test*" has the meaning set forth in Section 141(b)(1) of the Code.

"*Private Loan Financing Test*" has the meaning set forth in Section 141(c) of the Code.

"*Private Security or Payment Test*" has the meaning set forth in Section 141(b)(2) of the Code.

"*Remedial Action*" means any of the applicable actions described in Section 4 hereof, or such other actions as may be prescribed from time to time by the Department of the Treasury or the Internal Revenue Service, which generally have the effect of rectifying noncompliance by the Issuer with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Issuer to maintain the federal tax status of the Obligations.

6. **Change in Law**. This attachment is based on law in effect as of this date. Statutory or regulatory changes, including but not limited to clarifying Treasury Regulations, may affect the matters set forth in this attachment.

MERRILL RANCH COMMUITY FACILITIES DISTRICT NO 2. MINUTES

MINUTES OF THE TOWN OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2. MEETING HELD ON WEDNESDAY, APRIL 15, 2020, AT 4:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Walter called the meeting to order at 4:05 p.m.

ROLL CALL:

*Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Judy Hughes
(*all Council appeared telephonically)
Absent: Michelle Cordes

ADJOURNMENT TO A JOINT EXECUTIVE SESSION WITH MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 AND THE MAYOR AND COUNCIL OF THE TOWN OF FLORENCE.

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3), (A)(4) and (A)(7) to consider its position and instruct its representatives and/or attorneys regarding:

Discussion or consultations regarding a Notice of Claim filed by Merrill Ranch Owner's Agent, L.L.C., CMR/Casa Grande, L.L.C., Roadrunner Resorts, L.L.C. and Florence Copper, Inc. against Merrill Ranch Community Facilities Districts No. 1, Merrill Ranch Community Facilities District No. 2 and the Town of Florence.

Discussion or consultation potential and threated claims against the Town and Districts.

Motioned, seconded, and carried (5-0) to adjourn to a Joint Executive Session with Merrill Ranch Community Facilities District No. 1, Merrill Ranch Community Facilities District No. 2 and the Mayor and Council of the Town of Florence.

Tara Walter, John Anderson (S), Karen Wall (M), Kristen Larsen, Judy Hughes

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 EXECUTIVE SESSION.

On motion of Boardmember Wall, seconded by Boardmember Hughes, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 2 Executive Session.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 MEETING.

On motion of Boardmember Wall, seconded by Vice-Chairman Anderson, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 2 meeting.

_____
Tara Walter, Chairman

ATTEST:

_____
Lisa Garcia, District Clerk

I certify that the following is a true and correct copy of the minutes of the Merrill Ranch Community Facilities District No. 2 meeting held on April 15, 2020 and that the meeting was duly called to order and that a quorum was present.

_____
Lisa Garcia, District Clerk

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

MINUTES OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 SPECIAL MEETING HELD ON TUESDAY, FEBRUARY 18, 2020 AT 6:00 P.M., OR IMMEDIATELY FOLLOWING THE TOWN OF FLORENCE COUNCIL MEETING, IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Walter called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes
Absent: Bill Hawkins

NEW BUSINESS

Discussion and possible approval of a Professional Services Agreement with Stifel, Nicolaus & Company, Inc. ("Stifel"), to serve as Financial Advisor for the Merrill Ranch Community Facilities District No. 2 for a variety of potential future bond financings and related services. (Rebecca Jimenez)

On motion of Vice-Chairman Anderson, seconded by Boardmember Larsen, and carried (6-0) to approve a Professional Services Agreement with Stifel, Nicolaus & Company, Inc. ("Stifel"), to serve as Financial Advisor for the Merrill Ranch Community Facilities District No. 2 for a variety of potential future bond financings and related services.

Discussion and possible action to approve Merrill Ranch Community Facilities District No.2 January 21, 2020 Special Meeting minutes.

On motion of Vice-Chairman Anderson, seconded by Boardmember Hughes, and carried (6-0) to approve the Merrill Ranch Community Facilities District No.2 January 21, 2020 Special Meeting minutes.

ADJOURNMENT

On motion of Boardmember Wall, seconded by Boardmember Larsen, and carried (6-0) to adjourn the meeting.

_____
Tara Walter, Chairman

ATTEST:

_____
Lisa Garcia, District Clerk

I certify that the following is a true and correct copy of the minutes of the Merrill Ranch Community Facilities District No. 2 meeting held on February 18, 2020 and that the meeting was duly called to order and that a quorum was present.

_____
Lisa Garcia, District Clerk

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

MINUTES OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 SPECIAL MEETING HELD ON MONDAY, MARCH 16, 2020 AT 5:30 P.M., OR IMMEDIATELY FOLLOWING THE TOWN OF FLORENCE COUNCIL MEETING, IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Walter called the meeting to order at 5:33 p.m.

ROLL CALL:

Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes
Absent: Bill Hawkins

ADJOURNMENT TO A JOINT EXECUTIVE SESSION WITH MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 AND THE MAYOR AND COUNCIL OF THE TOWN OF FLORENCE.

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3), (A)(4) and (A)(7) to consider its position and instruct its representatives and/or attorneys regarding:

Discussion or consultations regarding a Notice of Claim filed by Merrill Ranch Owner's Agent, L.L.C., CMR/Casa Grande, L.L.C., Roadrunner Resorts, L.L.C. and Florence Copper, Inc. against Merrill Ranch Community Facilities Districts No. 1, Merrill Ranch Community Facilities District No. 2 and the Town of Florence.

Discussion or consultation potential and threated claims against the Town and Districts.

Motioned, seconded, and carried (6-0) to adjourn to a Joint Executive Session with Merrill Ranch Community Facilities District No. 1, Merrill Ranch Community Facilities District No. 2 and the Mayor and Council of the Town of Florence.

Tara Walter, John Anderson (M), Karen Wall (S), Kristen Larsen, Michelle Cordes, Judy Hughes

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO.2 EXECUTIVE SESSION.

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (6-0) to adjourn from Merrill Ranch Community Facilities District No. 2 Executive Session.

ADJOURNMENT

On motion of Boardmember Larsen, seconded by Boardmember Cordes, and carried (6-0) to adjourn from Merrill Ranch Community Facilities District No. 2 meeting.

_____
Tara Walter, Chairman

ATTEST:

_____
Lisa Garcia, District Clerk

I certify that the following is a true and correct copy of the minutes of the Merrill Ranch Community Facilities District No. 2 meeting held on March 16, 2020 and that the meeting was duly called to order and that a quorum was present.

_____
Lisa Garcia, District Clerk

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 10a.**

MEETING DATE: June 15, 2020 **DEPARTMENT:** Community Services **STAFF PRESENTER:** Alison Feliz, Recreation Superintendent **SUBJECT:** Parks and Recreation Month Proclamation	☐ **Action** ☒ **Information Only** ☐ **Public Hearing** ☐ **Resolution** ☐ **Ordinance** ☐ **Regulatory** ☐ **1st Reading** ☐ **2nd Reading** ☐ **Other**

STRATEGIC PLAN REFERENCE:

☒ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance

☐ Partnership and Relationships ☐ Transportation and Infrastructure

☐ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Proclaim July as Parks and Recreation Month in the Town of Florence and encourage residents to get outdoors and enjoy their community through parks and recreation.

BACKGROUND/DISCUSSION:

Since 1985, America has celebrated July as the nation's official Park and Recreation Month. This July is much different from years past due to COVID-19. The Recreation Department is getting creative and working hard to offer virtual programming to keep our community active, engaged, and staying positive during these difficult times. We Are Parks and Recreation!

A VOTE OF NO WOULD MEAN:

Not applicable

A VOTE OF YES WOULD MEAN:

Not applicable

FINANCIAL IMPACT:

None

ATTACHMENTS:

Parks and Recreation Month Proclamation

Proclamation

PARKS AND RECREATION MONTH

WHEREAS, parks and recreation programs are an integral part of communities throughout this country, including the Town of Florence; and are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

WHEREAS, parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS, parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS, parks and recreation areas are fundamental to the environmental well-being of our community; and parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS, our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and the Town of Florence recognizes the benefits derived from parks and recreation resources; and

WHEREAS, the U.S. House of Representatives has designated July as Parks and Recreation Month; and

NOW THEREFORE, BE IT RESOLVED by Mayor Tara Walter that July is recognized as Park and Recreation Month in the Town of Florence.

Dated this 15th day of June 2020.

_____

Tara Walter, Mayor

ATTEST:

_____

Lisa Garcia, Town Clerk

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 10b.**

MEETING DATE: June 15, 2020

DEPARTMENT: Community Development

STAFF PRESENTER: Larry C. Harmer, Senior Planner

SUBJECT: Major General Plan Amendment for Grinders Sports

- ☐ **Action**
- ☒ **Information Only**
- ☐ **Public Hearing**
- ☐ **Resolution**
- ☐ **Ordinance**
  - ☐ **Regulatory**
  - ☐ **1st Reading**
  - ☐ **2nd Reading**
- ☐ **Other**

STRATEGIC PLAN REFERENCE:

☐ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance

☐ Partnership and Relationships ☐ Transportation and Infrastructure

☒ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Presentation only

BACKGROUND/DISCUSSION:

ARS §9-461.06.H. prescribes that Major Amendments to a General Plan may occur only once in a calendar year. On March 2, 2020, the Town Council set the deadline of April 23, 2020 for applications for the 2020 calendar year. One application was received from the Grinders Sports Group, Inc. Following the requirements of ARS §9-461.06.D., staff has distributed copies of the application to neighboring jurisdictions and agencies for a 60 day comment period. A sampling of these agencies includes: Arizona Public Service, Salt River Project, Arizona Department of Water Resources, Pinal County, Central Arizona Governments, City of Coolidge, Town of Queen Creek, Florence Unified School District, Arizona State Land Department, and others. The statute also requires that copies be forwarded to the Planning and Zoning Commission, if one exists, and the governing body; in our case, the Town Council.

The Town Council is not requested to comment at this time. Rather, the application has been provided so that the Council is aware of the proposal. As the result of the 60-day review period, comments received from outside agencies will be made part of the public record when the staff report is being prepared through the Planning and Zoning Commission and, ultimately, the Town Council. Also, for the Council's information, the applicant requested a minor amendment to the Public Hearing dates. This will not

impact the overall process, which must be completed in the calendar year 2020. The adjusted calendar looks as follows:

Completed Application Submittal due:	April 23, 2020 (Unchanged)
Planning and Zoning Commission 1st Public Hearing:	August 20, 2020 (revised from 8/6)
Planning and Zoning Commission 2nd Public Hearing and Recommendation:	September 3, 2020 (Unchanged)
Town Council Public Hearing and Possible Action:	October 5, 2020 (Unchanged)

As a matter of information, the Council may not be able to take formal action on October 5, 2020 as the properties in question will need to be annexed prior to amending the 2020 General Plan. The applicant is currently preparing their application to initiate annexation. This process has been discussed with and approved by Pinal County.

A VOTE OF NO WOULD MEAN:

Not applicable

A VOTE OF YES WOULD MEAN:

Not applicable

FINANCIAL IMPACT:

There would be no direct cost to the Town. The required application fee of $750 plus $36 per acre totaled $13,602 and is intended to cover the Town's costs for processing of a Major General Plan Amendment application. The annexation will have a separate process and fee.

ATTACHMENT

60-Day Notification
2020 Grinders Sports Group, Inc. Major General Plan Amendment Application

Town of Florence
Community Development Department

To: Interested Parties

Subject: Major Amendment to the Town of Florence 2020 General Plan

Date: May 28, 2020

In accordance with Arizona Revised Statutes, a Major General Plan Amendment (MGPA) package is being submitted to you at least sixty days in advance of the notice for the Planning and Zoning Commission and the Town Council hearings that will be held regarding these requests. Provided herein is a copy of the MGPA application to amend the Town of Florence 2020 General Plan.

In this year's MGPA cycle, the Town will be processing one 350-acre applicant-initiated request. Application (PZ-20-21) seeks to amend the Town's 2020 General Plan Land Use Plan in order to locate a "350 acres in the greater Phoenix Metropolitan Area in the Town of Florence in the County of Pinal" to allow for an active "sports and eSports venue providing a world-class training and academic educational destination for aspiring athletes active in major sports including baseball, softball, soccer, lacrosse, basketball, volleyball, tennis, pickleball, football, track and field, and field hockey. A state-of-the-art eSports Venue will also be part of the facility. Additionally, the applicant plans to include a fully equipped medical and rehabilitation facility operated by leading sports medicine and rehabilitation personnel available to address the needs of the athletes, both short and long term. In addition to being the lynchpin in the success of athletes of all kinds, the complex will be a cornerstone for the sports community." The entire narrative and proposed site plan that accompanies this application is attached for you review.

Two Planning and Zoning Commission public hearings will be held to promote public participation. The first meeting will be held at Town of Florence Community Center. The second meeting will be held in the Town Hall Council Chambers. Both meetings will be held at 6:00 pm unless otherwise noticed. The Planning and Zoning Commission will submit recommendations on this case to the Town Council, which is tentatively scheduled to act on these cases on October 5, 2020. For additional information on the annual MGPA cycle or this application, please contact the Town of Florence Community Development Department at (520) 868-7575. Your comments are welcomed and encouraged.

Tentative Public Hearing Dates:

Town of Florence Planning and Zoning Commission:
*August 20 and **September 3, 2020

Mayor and Town Council:
**October 5, 2020 (Tentative – the Town Council will not make a formal action until after annexation of the subject properties is completed)

*Town of Florence Community Center, 778 North Main Street, Florence, AZ 85132
**Town of Florence Town Hall Council Chambers – 775 N. Main Street, Florence, AZ 85132

Please check with the Town to verify public hearing dates, times and locations.

If you have any questions, please contact:

Larry C. Harmer
Maricella Benitez

Town of Florence
Community Development Department
PO Box 2670
224 West 20th Street
Florence, AZ 85132

(520) 868-7575

APPLICATION FOR GENERAL PLAN AMENDMENT

PROJECT NAME: GRINDERS SPORTS COMPLEX/PROJECT RATTLER

APPLICATION TYPE: ☒Major ☐Minor ☐Text

1. Property Owner: Name: Guardian Angel Holdings, LLC
Address: P.O. Box 3712, Gilbert, AZ 85299-3712
Phone: 480-213-9865
Email: guardianangelholdingsllc@outlook.com

2. Applicant/Developer: Name: Grinders Sports Group, Inc.
Address: 845 N. Harris Drive, Mesa, AZ 85203 Attn: Kelly Stinnett, CEO
Phone: (602)318-0850
Email: kstinnett@grinderssportsgroup.com

3. Address or Location of Property: Grinders Sports Complex/Project Rattler. With Site 1 bounded by the northwestern corner at the intersection of Bella Vista Road and Felix Road, and the southeastern corner at Judd Road and Cooper Road. With Site 2 bounded by the northwestern corner at Judd Road and Felix Road, and the southeastern corner at Magma Road and Cooper Road.

4. Attach a Legal Description of Property: If applicable, include Lot(s), Block(s), and Subdivision Name: See attached legal descriptions.

Tax Parcel Number(s): 210440040, 210440020, 210390080, 210390060, 210390050.

Gross Acres: Approximately 350 acres.

5. Current Land Use Classification(s): Low-Medium Density Residential, Commercial and Office.

6. Proposed Land Use Classification(s): Commercial/Residential Mixed Use.

8/10/20

SIGNATURE OF PROPERTY OWNER or REPRESENTATIVE DATE

FOR STAFF USE ONLY:

CASE NO. _____	APPLICATION DATE AND TIME_____
PERMIT NO._____	FEE $ _____
PZ HEARING DATES _____	
TC HEARING DATE_____	REVIEWED BY:_____

Project Narrative

GRINDERS SPORTS COMPLEX / PROJECT RATTLER
NARRATIVE STATEMENT / PROJECT JUSTIFICATION

EXECUTIVE SUMMARY OF THE PROJECT:

Grinders Sports Group, Inc. ("Grinders", the "Complex" and the "Company") will be the first Southwest USA sports and eSports venue providing a world-class training and academic educational destination for aspiring athletes active in major sports including baseball, softball, soccer, lacrosse, basketball, volleyball, tennis, pickleball, football, track and field, and field hockey. A state-of-the-art eSports Venue will also be part of the facility. Additionally, the Company plans to include a fully equipped medical and rehabilitation facility operated by leading sports medicine and rehabilitation personnel available to address the needs of the athletes, both short and long term. In addition to being the lynchpin in the success of athletes of all kinds, the Complex will be a cornerstone for the sports community.

Located on 350 acres in the greater Phoenix Metropolitan Area, in the Town of Florence in the County of Pinal, Grinders plan to bring together top professional sports figures, coaches and academic educators in a new state-of-the-art facility designed to provide a catalyst and mind-body inspiration motivating athletes to become Olympians and professional athletes. The Grinders professional team, combined with the Complex's spectacular facilities, will provide the impetus for these future athletes to create their own legacy of excellence on the field and in their lives. The proposed location for this facility is exceptional because of its proximity to several major highways and international airports.

The plans for the Complex include the following facilities:

- Fifteen Collegiate/Professional Sized Baseball Fields with fixed seating
- One Collegiate/Professional Sized Baseball Stadium (up to 5,000 seats)
- Fifteen Softball/Youth Baseball Sized Fields with fixed seating
- One Softball/Youth Baseball Sized Stadium (up to 1,500 seats)
- MLB style walk-out dugouts
- Twenty Collegiate Sized Soccer/Multi-Use Fields with fixed seating
- One Collegiate Sized Soccer/Multi-Use Stadium with Competition Track (up to 5,000 seats)
- Ten tennis courts and a stadium
- Pickleball facilities
- Approx. 180,000 sf Field House to include:
    - Twelve Collegiate Size Basketball courts - Each transformable into two (2) Volleyball courts
    - One Collegiate Size "Stadium Court" for Basketball and Volleyball
    - Fitness Center for Athletic Performance as well as Adult Fitness
    - Ten tennis courts and stadium
    - Cheerleading

    - Pickleball facility
    - Food Court and Restaurants
    - Executive offices and suites
    - eSports Arena
    - Rehabilitation Center/ Physical Therapy Center
- Team/Player Housing
- Satellite College Campus
- Charter School Campus
- Family Entertainment Center:
    - Miniature Golf Courses
    - E-Sports Venue
    - Bowling Alley
    - Movie Theatre
    - Go Cart Tracks
    - Race Car Simulators
    - Sports Simulators
    - Paint Ball Venues
    - Beach Volleyball Area
- Hospitality Area:
    - Hotels
    - Restaurants
    - Office Space
    - Retail Space

- Residential Element
    - Student Housing

- Police Sub-Station in collaboration with the Town and County
- Firehouse in collaboration with the Town and County
- Water Facility in collaboration with the Town and County
- Sewage Treatment Facility in collaboration with the Town& County

A narrative is required for Town evaluation of all proposed General Plan Amendments. At a minimum, the narrative must address the following questions:

1. Why is the current land use/circulation classification not suitable?

The current General Plan Land Use/Circulation classification is for a mix of Low-Medium Density Residential, Commercial and Office, which is incompatible with the commercial and residential mixed-use development proposed by this project. Specifically, the current classification would not allow for the development of the Grinders Sports Complex and all related facilities such as hotels, restaurants, movie theaters, and other consumer establishments.

2. Does the proposal conform with land use goals? Will the proposed change in land use or circulation do the following:

a. Support the goals and policies of the General Plan;
b. Conform to the proposed range of land uses, densities, and intensity of uses, hierarchy of transportation systems; and
c. Avoid creation of isolated uses that will cause incompatible community form and a burden on services and circulation systems?

The proposal conforms with land use goals of the Town of Florence and County of Pinal to develop much-needed infrastructure and public recreational space to serve the greater community. This development would enhance the water, waste, energy, commercial, and recreational infrastructure of the community. The proposed land uses are not incompatible with the community and will only serve to augment existing services while creating new services in areas of need. On the contrary, the proposed changes to land use will support the demographics of the area and the goals of the town and county in developing infrastructure and amenities to support the demand for amenities.

3. What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?

The development is supported by access via public highways and other major access points such as international airports. The site has access to high quality water sources and existing drainage infrastructure. The site is within the service area for SRP and a nearby SRP substation will minimize the distance for electrical infrastructure.

Currently there is insufficient water and waste infrastructure to support the proposed development. We address this issue in detail in Question 4. We will participate with the Town of Florence to expand water, waste, and energy infrastructure capacity, which will also have the added benefit of serving nearby areas and reduce the strain on their current infrastructure.

4. What is the ability and capacity of the water and sewer system to accommodate development that may occur as a result of the General Plan Amendment without system extensions or improvements?

The development will require both water and sewer system extensions and improvements. New capacity will have to be developed for both water and sewer. We will work with the town to improve the existing water wells and make them suitable for the development.

We will work closely with staff members from the Town of Florence and County of Pinal on the feasibility of these improvements and as to what actions would be required to achieve these goals. We will incorporate all advice and counsel into the planned development such that the capacity and quality of the systems, in addition to fully satisfying the needs of the project, the water and waste improvements can support existing and future development in the area.

This will have the effect of relieving demand on existing infrastructure and enable future development to incorporate the new infrastructure, increasing the economic viability of future projects, thereby making the infrastructure into a net-positive contribution over time.

Grinders is committed to working with the town and county to build out this water, waste, and energy infrastructure.

5. What is the ability of existing police and fire department personnel to provide adequate emergency services according to acceptable response standards set by the community?

Grinders has held preliminary discussions with the town and county to discuss the demand the demand for police and fire services that will be created by the new development. We are committed to work with the town and county to work together to develop and construct a fire station and police substation. While it is reasonable to expect that the development itself will create demand for fire and police services, the construction of new facilities with the input of the respective departments will augment the capabilities of the departments and reduce the existing strain on demand for police and fire services to the community, rendering the impact of the project on such services as a net-zero or net-positive.

6. What is the ability of the proposed public and private open space, recreation, schools, and library facilities to meet the projected demand of future development without reducing services below community standards?

The Grinders Sports Complex will greatly enhance the State of Arizona, County of Pinal and the Town of Florence with its various entertainment, sports, recreation, hospitality and professional services. The facility will help to eliminate the shortage of outdoor and indoor sports/recreation venues for the local community, schools, the town and county. The outdoor fields will create open space areas for recreational activities and provide health and fitness programs for the citizens.

The local school districts will reap the benefits of high-quality sports and recreation facilities. In addition to the health and fitness aspects of the complex, the proposed Health and Rehabilitation services will provide immediate medical services to meet the needs of not only the athletes but also to the citizens of Florence and Pinal County.

In summary, the current community services are inadequate to meet the current demand. The development will greatly increase the town and county's ability to meet current and future demand for recreational facilities for children and adults as well as provide medical services to the area.

7. What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and

services to accommodate projected increases or decreases in population and development that could occur as a result of the General Plan Amendment?

The Grinders Sports Complex will have a positive and healthy economic impact on the State of Arizona, County of Pinal and the Town of Florence with the programs and events scheduled for the venue. The economic development will grow substantially in the first five years of its existence as the project establishes itself as a world-class facility. These events and programs will provide a destination location for players, and families to travel to from the entire country.

The project is primarily a commercial development though it will incorporate some residential units.
The development will offset the following negative impacts on:

a) Schools by lowering the net housing rooftop count, reducing the residential population of the area, and building new school facilities as part of the development.
b) Traffic by building out additional roadways and expanding capacity to lessen the impact on current streets.
c) Safety by constructing a new fire station and police substation and lessening demand for services. A recreational complex has different needs than residential units.
d) Energy by incorporating the use of solar panels.
e) Air quality by incorporating large-scale green landscaping including natural grass and tree planting.

The development will also create the following positive impacts:

a) Creating a high volume of sales tax revenue from multiple diversified revenue streams (e.g. hotels, a family entertainment district, sports and entertainment events at large venues, school facilities, and a medical facility) that will provide for economic stimulus and growth.
b) Creating jobs in the hospitality, construction, service, and professional industries.
c) Accentuate the town and county's master plans for existing parks and trails (e.g. Active Transportation General Plan) by adding new hiking trails and bike-friendly transportation infrastructure.
d) Satisfy pent-up demand for recreational facilities.
e) Drive tourism and outside investment to the area, benefiting businesses downstream from the development (e.g. gas stations, restaurants, grocers, other small businesses.)

In essence, Grinders will be a "One Stop Shop" satisfying the community's demand for amenities while also serving as an economic growth engine for the entire area. The project fits into the master plan with growth and development of infrastructure in the area as well as the residential growth. The fiscal impact will also include the direct creation of over 2,000 jobs for the area, as well as countless new opportunities that will flock to the

region and area as a result of the continuous traffic flood to the area driven by the sports complex.

8. How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?

The Grinders Sports Complex will increase the need in the local area for growth with streets and highways to handle the demand of attending events at the complex. The added visitor traffic will catalyze the local economy and encourage countless large, chain, and new businesses to invest in the community to meet the expanding demand. These new businesses will fill and expand the needs of the current and future residents for essential needs such as housing, grocery and essential shopping, and new schools to meet the increasing population.

Grinders Sports Group has already made a point of emphasis to include a CO2 impact analysis as a part of the full traffic study that is to be completed. Air quality is a vital reason so many residents have chosen to settle here in Arizona and why so many other continue to migrate into our communities year after year. To address the CO2 impact, Grinders will plant a large number of long-life trees and natural grass among other green landscaping within and around the athletic facilities of the property and golf course. This will create an aesthetically pleasing impact on the skyline for our neighbors and ensure the complex has a net positive emissions impact to our valuable air quality.

The complex has also addressed the demand for water and sewage with retention ponds and an on-site water treatment plant in addition to utilizing existing infrastructure serving the current site. The development will also expand infrastructure to meet current and future demand.

Grinders will incorporate solar panels to supplement energy generation. The facilities will utilize quality-controlled lighting to minimize bleeding of ambient light and maintain the atmosphere of Arizona nights. The complex will be serviced by electric vehicles where possible, including for public transit.

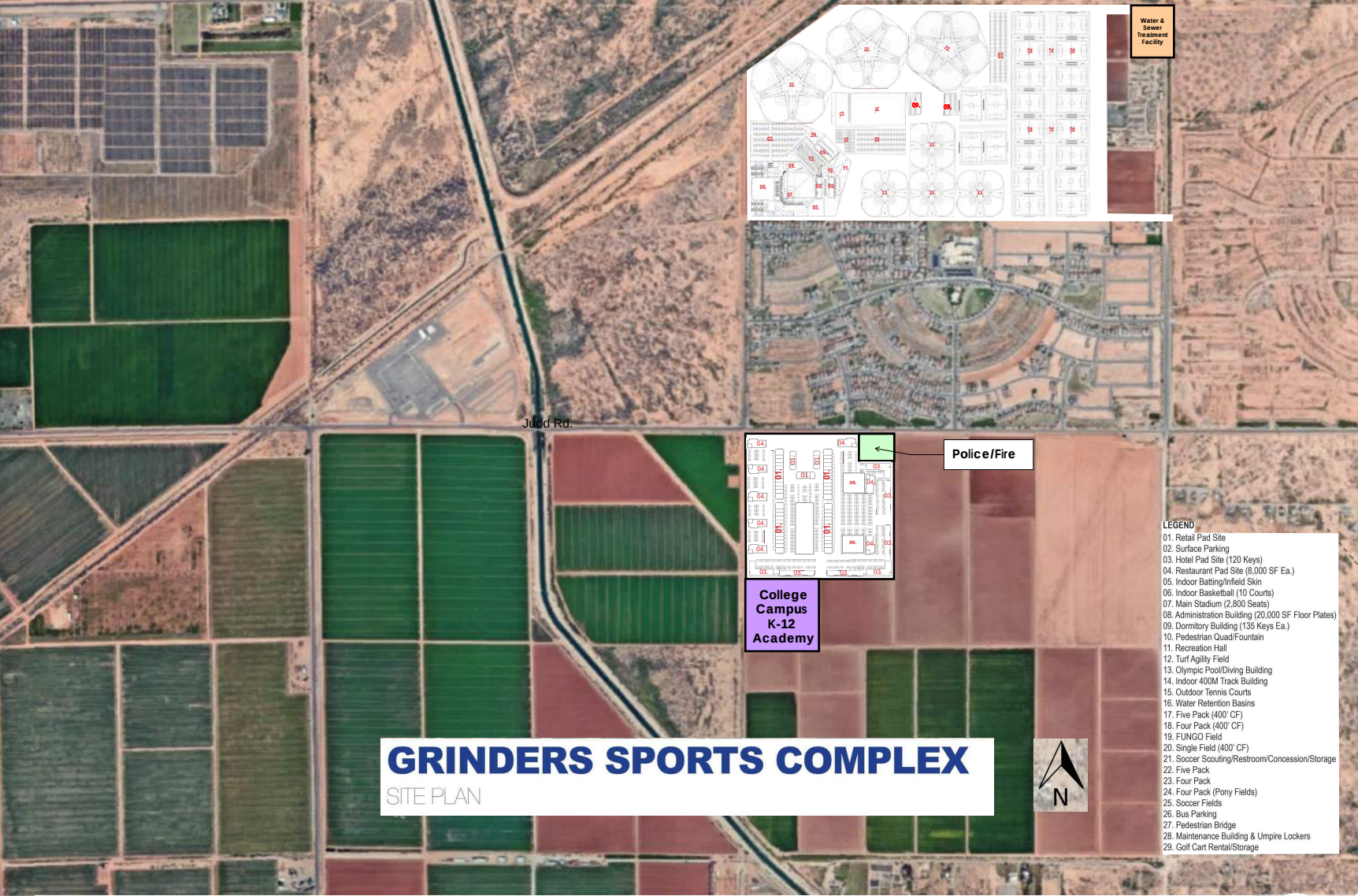
The facilities will incorporate green building and recycling programs to increase sustainability of the construction and lessen the impact on the environment.

9. What changes, if any, in Federal or State laws or policies substantiate the proposed amendment?

Current plans such as the Active Transportation General Plan recently passed by the Town of Florence Council substantiate the proposed amendment in that the project will accentuate and accelerate the goals of the plans to develop recreational public space,

create economic growth and jobs, and maintain the natural and human resources of the area.

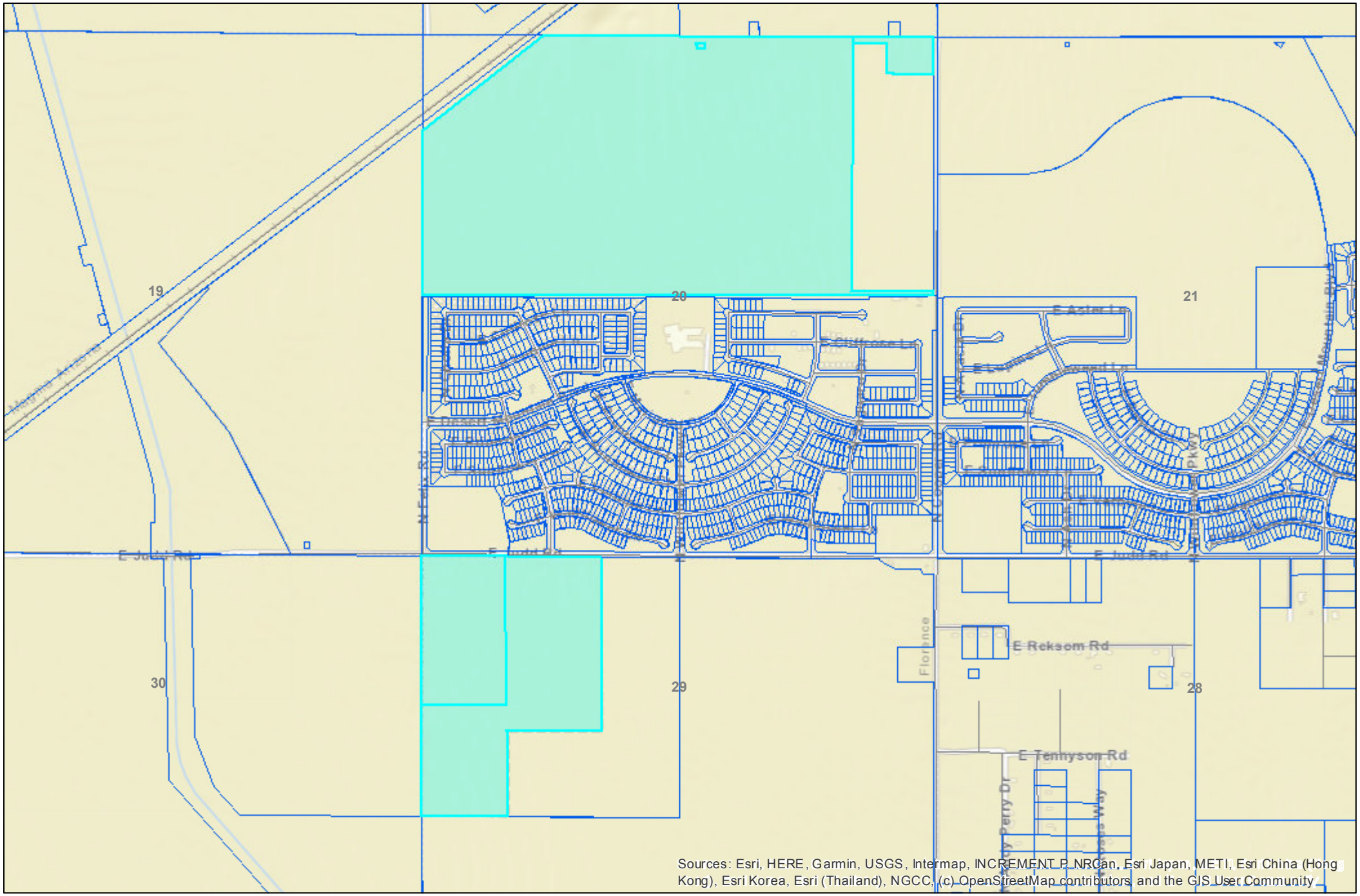
Land Use/ Circulation Exhibit


Water & Sewer Treatment Facility
Judd Rd.
Police/Fire
College Campus K-12 Academy
GRINDERS SPORTS COMPLEX
SITE PLAN
N
LEGEND
01. Retail Pad Site
02. Surface Parking
03. Hotel Pad Site (120 Keys)
04. Restaurant Pad Site (8,000 SF Ea.)
05. Indoor Batting/Infield Skin
06. Indoor Basketball (10 Courts)
07. Main Stadium (2,800 Seats)
08. Administration Building (20,000 SF Floor Plates)
09. Dormitory Building (135 Keys Ea.)
10. Pedestrian Quad/Fountain
11. Recreation Hall
12. Turf Agility Field
13. Olympic Pool/Diving Building
14. Indoor 400M Track Building
15. Outdoor Tennis Courts
16. Water Retention Basins
17. Five Pack (400' CF)
18. Four Pack (400' CF)
19. FUNGO Field
20. Single Field (400' CF)
21. Soccer Scouting/Restroom/Concession/Storage
22. Five Pack
23. Four Pack
24. Four Pack (Pony Fields)
25. Soccer Fields
26. Bus Parking
27. Pedestrian Bridge
28. Maintenance Building & Umpire Lockers
29. Golf Cart Rental/Storage

Assessor’s Parcel Map

PINAL COUNTY
WIDE OPEN OPPORTUNITY

Pinal County Assessor Parcel Viewer · *Assessor Douglas J. Wolf*



Pinal County Assessor's Office
PO Box 709
31 N Pinal St
Florence, AZ 85132
520.866.6361
assessor@pinalcountyaz.gov

Disclaimer: Pinal County does not guarantee that any information contained within this dataset or map is accurate, complete, or current. This data is for informational use only and does not constitute a legal document for the description of these properties. The Pinal County disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data. The boundaries depicted within this dataset or map are for illustrative purposes only. Users should independently research, investigate, and verify all information before relying on this map or using this map in the preparation of legal documents.

Legal Descriptions (All Parcels)

One parcel of land located in the North half of Section 20, Township 3 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, which is more specifically described as follows:

Beginning at the Northeast Corner of said Section 20; thence South 00 degrees 07 minutes 14 seconds East along the East line of said Section 20 a distance of 376.49 feet to the Northeasterly corner of Parcel "B"; thence North 89 degrees 24 minutes 25 seconds West along the North line of said Parcel "B" a distance of 404.67 feet; thence North 00 degrees, 34 minutes 15 seconds East following the boundary of Parcel "B" a distance of 17.22 feet; thence North 87 degrees 03 minutes 31 seconds West following the boundary of Parcel "B" a distance of 64.98 feet; thence North 00 degrees 10 minutes 50 seconds East following the boundary of Parcel "B" a distance of 287.69 feet; thence North 89 degrees 44 minutes 05 seconds West along the Northerly line of Parcel "B" a distance of 349.30 feet; thence North 00 degrees 03 minutes 43 seconds West a distance of 67.27 feet to a point on the North line of said Section 20; thence South 89 degrees 39 minutes 41 seconds East along the North line of Section 20 a distance of 818.06 feet to the Point of Beginning.

Area = 4.5463 acres

Together with the right to pump groundwater from any well located thereon.

Parcel No. 210-39-0050

BEGINNING AT THE WEST 1/4 CORNER OF SECTION 29-3S-9E; THENCE WEST 935.74 FEET; THENCE NORTH 860.23 FEET; THENCE EAST 946.30 FEET; THENCE NORTH 1778.93 FEET; THENCE WEST 980 FEET; THENCE SOUTH 1517.22 FEET; THENCE WEST 923.77 FEET; THENCE SOUTH 1121.84 FEET TO THE POINT OF BEGINNING; SECTION 29-3S-9E, BEING 63.39 ACRES.

Parcel No. 210-44-0040

THE NORTH 1/2 OF SECTION 20-3S-9E; EXCEPT FOR THE EAST 818.73 FEET OF THE NORTH 2526.44 FEET; AND EXCEPT FOR THE 6.37 ACRES PCL IN THE NORTHWEST CORNER SOLD TO CAP AND MAGM RR; AND EXCEPT FOR THE SOUTH 50 FEET OF THE NORTH 118.83 FEET OF THE WEST 80 FEET OF THE EAST 2371.73 FEET THEREOF SECTION 20-3S-9E; BEING 256.06 ACRES.

Parcel No. 210-39-0080

BEGINNING AT THE NORTHEAST CORNER OF SECTION 20-3S-9E; THENCE WEST 2371.73 FEET; THENCE SOUTH 68.83 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 50 FEET; THENCE WEST 80 FEET; THENCE NORTH 50 FEET; THENCE EAST 80 FEET TO THE TRUE POINT OF BEGINNING, SECTION 20-3S-9E, .092 ACRES.

Parcel No. 210-39-0060

BEGINNING, at Northwest corner of Section Twenty-Nine (29), Township Three (3) South, Range Nine (9) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona; thence South 89 Degrees 38 minutes 50 seconds East, along the Northerly line of said Section 29, a distance of 928.75 feet to a point from which the north quarter corner of said Section 29, a distance of 928.75 feet to a point from which the North quarter corner of said Section 29 bears South 89 degrees 38 minutes 50 seconds East, 1699.00 feet distance therefrom; thence South 0 degrees 09 minutes 06 seconds East, 1517.22 feet; thence North 89 degrees 38 minutes 35 seconds West, being parallel with and 1121.84 feet Northerly of the Southerly line of the Northwest quarter of said Section 29, a distance of 932.77 feet to a point of the Westerly line of the Northwest quarter of said Section 29; thence North (assuming bearing) along the Westerly line of said Section 29, a distance of 1517.11 feet to the POINT OF BEGINNING.

EXPECTING AND RESERVING all oil, gas and minerals as set forth in Book 81, of deeds, page 62, Pinal County Records.

Parcel No. 210-44-0020

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF SECTIONS 20 AND 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

VICINITY MAP

LEGAL DESCRIPTION:

PARCEL NO. 1:
THAT PORTION OF THE NORTH HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 20;
THENCE SOUTH 00°07'14" EAST ALONG THE EAST LINE OF SAID SECTION 20, A DISTANCE OF 376.49 FEET;
THENCE NORTH 89°24'25" WEST, A DISTANCE OF 404.67 FEET;
THENCE NORTH 00°34'15" EAST, A DISTANCE OF 17.22 FEET;
THENCE NORTH 87°03'31" WEST, A DISTANCE OF 64.98 FEET;
THENCE NORTH 00°10'50" EAST, A DISTANCE OF 287.69 FEET;
THENCE NORTH 89°44'05" WEST, A DISTANCE OF 348.30 FEET;
THENCE NORTH 00°03'43" WEST, A DISTANCE OF 67.27 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 20;
THENCE SOUTH 89°39'41" EAST ALONG THE NORTH LINE OF SECTION 20, A DISTANCE OF 816.06 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62.

PARCEL NO. 2:
THAT PORTION OF THE NORTH HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 20;
THENCE NORTH 89°39'41" WEST ALONG THE NORTH LINE OF SAID SECTION 20, A DISTANCE OF 2,371.73 FEET;
THENCE SOUTH 00°07'14" EAST PARALLEL WITH THE EAST LINE OF SAID SECTION 20, A DISTANCE OF 68.83 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00°07'14" EAST PARALLEL WITH THE EAST LINE OF SAID SECTION 20, A DISTANCE OF 50.00 FEET;
THENCE NORTH 89°39'41" WEST PARALLEL WITH THE NORTH LINE OF SAID SECTION 20, A DISTANCE OF 80.00 FEET;
THENCE NORTH 00°07'14" WEST PARALLEL WITH THE EAST LINE OF SAID SECTION 20, A DISTANCE OF 50.00 FEET;
THENCE SOUTH 89°39'41" EAST PARALLEL WITH THE NORTH LINE OF SAID SECTION 20, A DISTANCE OF 80.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62.

PARCEL NO. 3:
THE NORTH HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62; AND

EXCEPT THE FOLLOWING DESCRIBED PARCELS:

PARCEL A:
BEGINNING AT THE SOUTHEAST CORNER OF SECTION 20;
THENCE NORTH 00°07'14" WEST ALONG THE EAST LINE OF SECTION 20, A DISTANCE OF 2,663.63 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 89°41'25" WEST, A DISTANCE OF 818.73 FEET;
THENCE NORTH 00°03'43" WEST, A DISTANCE OF 2,548.36 FEET;
THENCE SOUTH 89°44'05" EAST, A DISTANCE OF 348.30 FEET;
THENCE SOUTH 00°10'50" WEST ALONG THE CENTER LINE OF A CONCRETE IRRIGATION DITCH, A DISTANCE OF 287.69 FEET;
THENCE SOUTH 87°03'31" EAST ALONG THE CENTER LINE OF SAID CONCRETE IRRIGATION DITCH, A DISTANCE OF 64.98 FEET;
THENCE SOUTH 00°34'15" WEST, A DISTANCE OF 17.22 FEET;
THENCE SOUTH 89°24'25" EAST, A DISTANCE OF 404.67 FEET;
THENCE SOUTH 00°07'14" WEST, A DISTANCE OF 2,238.75 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL B:
THAT AREA PATENTED TO MAGMA ARIZONA RAILROAD COMPANY IN BOOK 51 OF DEEDS, PAGE 651, DESCRIBED AS FOLLOWS:

BEGINNING AT ENGINEER'S STATION 168 45.93, A POINT ON THE WEST LINE OF SCETION 20, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA FROM WHENCE THE SOUTHWEST CORNER OF SECTION 36, TOWNSHIP 3 SOUTH, RANGE 8 EAST BEARS SOUTH 34°36'47" WEST, 16,635.75 FEET, MORE OR LESS;
THENCE NORTH, 150.64 FEET;
THENCE NORTH 52°48'30" EAST, 611.82 FEET;
THENCE SOUTH 89°51'EAST, 329.74 FEET;
THENCE SOUTH 52°48'30" WEST, 1,025.74 FEET;
THENCE NORTH, 100.42 FEET TO THE POINT OF BEGINNING.

PARCEL 3 CONTINUED:

PARCEL C:
THAT PORTION AS CONVEYED TO THE UNITED STATES OF AMERICA IN WARRANTY DEED RECORDED AS DOCKET 1086, PAGE 27, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 20;
THENCE FROM SAID POINT OF BEGINNING AND ALONG THE NORTH BOUNDARY OF SAID SECTION 20, SOUTH 89°51'31" EAST, A DISTANCE OF 852.65 FEET;
THENCE LEAVING SAID NORTH BOUNDARY, SOUTH 52°36'46" WEST, 1068.36 FEET TO A POINT IN THE WEST BOUNDARY OF SAID SECTION 20;
THENCE ALONG SAID WEST BOUNDARY, NORTH 00°19'58" WEST, 650.81 FEET TO SAID POINT OF BEGINNING.

PARCEL D:
BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 20;
THENCE SOUTH 00°07'14" EAST ALONG THE EAST LINE OF SAID SECTION 20 A DISTANCE OF 376.49 FEET;
THENCE NORTH 89°24'25" WEST A DISTANCE OF 404.67 FEET;
THENCE NORTH 00°34'15" EAST A DISTANCE OF 17.22 FEET;
THENCE NORTH 87°03'31" WEST, A DISTANCE OF 64.98 FEET;
THENCE NORTH 00°10'50" EAST, A DISTANCE OF 287.69 FEET;
THENCE NORTH 89°44'05" WEST, A DISTANCE OF 348.30 FEET;
THENCE NORTH 00°03'43" WEST A DISTANCE OF 67.27 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 20;
THENCE SOUTH 89°39'41" EAST ALONG THE NORTH LINE OF SECTION 20 A DISTANCE OF 816.06 FEET TO THE POINT OF BEGINNING.

PARCEL E:
BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 20;
THENCE NORTH 89°39'41" WEST ALONG THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 2,371.73 FEET;
THENCE SOUTH 00°07'14" EAST PARALLEL WITH THE EAST LINE OF SAID SECTION 20 A DISTANCE OF 68.83 FEET TO THE TRUE POIN OF BEGINNING;
THENCE SOUTH 00°07'14" EAST PARALLEL WITH THE EAST LINE OF SAID
SECTION 20 A DISTANCE OF 50.00 FEET;
THENCE NORTH 89°39'41" WEST PARALLEL WITH THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 80.00 FEET;
THENCE NORTH 00°07'14" WEST PARALLEL WITH THE EAST LINE OF SAID SECTION 20 A DISTANCE OF 50.00 FEET;
THENCE SOUTH 89°39'41" EAST PARALLEL WITH THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 80.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 4:
THAT PORTION OF THE NORTH HALF OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 29;
THENCE SOUTH 00°07'14" EAST ALONG THE EAST LINE OF SAID SECTION 29 A DISTANCE OF 155.69 FEET;
THENCE NORTH 89°42'34" WEST A DISTANCE OF 115.05 FEET;
THENCE NORTH 36°33'05" WEST A DISTANCE OF 53.70 FEET;
THENCE SOUTH 89°32'05" WEST A DISTANCE OF 263.72 FEET;
THENCE NORTH 67°36'32" WEST A DISTANCE OF 62.27 FEET; P
THENCE NORTH 59°23'06" WEST A DISTANCE OF 132.87 FEET;
THENCE NORTH 00°08'02" WEST A DISTANCE OF 25.75 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 29;
THENCE SOUTH 89°42'08" EAST ALONG THE NORTH LINE OF SAID SECTION 29 A DISTANCE OF 582.40 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62.

PARCEL NO. 5:
SECTION 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE NORTHWEST QUARTER THEREOF; AND

EXCEPT THE FOLLOWING DESCRIBED PARCELS:

THAT PORTION AS CONVEYED TO THE UNITED STATES OF AMERICA IN WARRANTY DEED RECORDED AS DOCKET 1086, PAGE 27, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 29;
THENCE ALONG THE WEST BOUNDARY OF SAID SECTION 29, NORTH 00°09'00" WEST, 486.97 FEET TO A POINT IN SAID WEST BOUNDARY THAT BEARS SOUTH 00°09'00" EAST 4776.80 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 29;
THENCE LEAVING SAID WEST BOUNDARY SOUTH 41°44'21" EAST, 486.73 FEET;
THENCE SOUTH 48°25'42" EAST, 184.82 FEET TO A POINT IN THE SOUTH BOUNDARY OF SAID SECTION 29 THAT BEARS SOUTH 89°51'28" WEST 4788.36 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 29;

PARCEL 5 CONTINUED:

THENCE ALONG SAID SOUTH BOUNDARY SOUTH 89°51'28" WEST, 461.03 FEET TO THE POINT OF BEGINNING; AND
EXCEPT BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 29;
THENCE SOUTH 00°07'14" EAST ALONG THE EAST LINE OF SAID SECTION 29, A DISTANCE OF 155.69 FEET;
THENCE NORTH 89°42'34" WEST, A DISTANCE OF 115.05 FEET;
THENCE NORTH 36°33'05" WEST, A DISTANCE OF 53.70 FEET;
THENCE SOUTH 89°32'05" WEST, A DISTANCE OF 263.72 FEET;
THENCE NORTH 67°36'32" WEST, A DISTANCE OF 62.27 FEET;
THENCE NORTH 59°23'06" WEST, A DISTANCE OF 132.87 FEET;
THENCE NORTH 00°08'02" WEST, A DISTANCE OF 25.75 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 29;
THENCE SOUTH 89°42'08" EAST ALONG THE NORTH LINE OF SAID SECTION 29, A DISTANCE OF 582.40 FEET TO THE POINT OF BEGINNING; AND

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62; (COVERS THE NORTH HALF OF SECTION 29); AND

EXCEPT AN UNDIVIDED ONE-HALF (1/2) INTEREST IN ALL OIL, GAS AND MINERALS AS SET FORTH IN DOCKET 26, PAGE 533. (COVERS THE SOUTH HALF OF SECTION 29)

PARCEL NO. 6:
THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 29;
THENCE SOUTH 89°38'50" EAST ALONG THE NORTHERLY LINE OF SAID SECTION 29, A DISTANCE OF 928.15 FEET TO A POINT FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 29 BEARS SOUTH 89°38'50" EAST 1,699.00 FEET DISTANT THEREFROM;
THENCE SOUTH 00°09'06" EAST, 1,517.22 FEET;
THENCE NORTH 89°38'35" WEST, BEING PARALLEL WITH AND 1,121.84 FEET NORTHERLY OF THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 29, A DISTANCE OF 932.77 FEET TO A POINT ON THE WESTERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 29;
THENCE NORTH (ASSUMED BEARING) ALONG THE WESTERLY LINE OF SAID SECTION 29, A DISTANCE OF 1,517.11 FEET TO THE POINT OF BEGINNING;

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62.

PARCEL NO. 7:
THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 29;
THENCE SOUTH 89°38'35" EAST, ALONG THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 29, A DISTANCE OF 935.74 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 0°09'06" WEST, 860.23 FEET;
THENCE SOUTH 89°38'35" EAST, BEING PARALLEL WITH THE SAID SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 29, A DISTANCE OF 946.30 FEET;
THENCE NORTH 00°56'02" EAST, 1778.93 FEET TO A POINT ON THE NORTHERLY LINE OF SAID SECTION 29 AND FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29 BEARS NORTH 89°38'50" WEST, 1908.75 FEET DISTANCE THEREFROM;
THENCE SOUTH 89°38'50" EAST, ALONG THE SAID NORTHERLY LINE OF SECTION 29, A DISTANCE OF 719.00 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 29;
THENCE SOUTH 0°00'01" WEST, ALONG THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 29, A DISTANCE OF 2639.14 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 29;
THENCE NORTH 89°38'35" WEST, ALONG THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 29, A DISTANCE OF 1692.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62.

PARCEL NO. 8:
THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 29; THENCE NORTH (ASSUMED BEARING), ALONG THE WESTERLY LINE OF SAID SECTION 29, A DISTANCE OF 1121.84 FEET TO A POINT FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 29 BEARS NORTH, 1517.11 FEET DISTANT THEREFROM;

PARCEL 8 CONTINUED:

THENCE SOUTH 89°38'35" EAST, BEING PARALLEL WITH THE SOUTHERLY No. NCS-218055-PHX1 LINE OF THE NORTHWEST QUARTER OF SAID SECTION 29, A DISTANCE OF 932.77 FEET;
THENCE NORTH 0°09'06" WEST, 1517.22 FEET TO A POINT ON THE NORTHERLY LINE OF SAID SECTION 29 AND FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29 BEARS NORTH 89°38'50" WEST, 928.75 FEET DISTANT THEREFROM;
THENCE SOUTH 89°38'50" EAST, ALONG THE SAID NORTHERLY LINE OF SECTION 29, A DISTANCE OF 980.00 FEET, TO A POINT FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 29 BEARS SOUTH 89°38'50" EAST, 719.00 FEET DISTANT THEREFROM;
THENCE SOUTH 0°56'02" WEST, 1778.93 FEET;
THENCE NORTH 89°38'35" WEST, BEING PARALLEL WITH AND 860.23 FEET NORTHERLY OF THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 29, A DISTANCE OF 946.30 FEET;
THENCE SOUTH 0°09'06" EAST, 860.23 FEET TO A POINT ON THE SOUTHERLY LINE OF THE SAID NORTHWEST QUARTER OF SECTION 29 AND FROM WHICH POINT THE CENTER QUARTER CORNER OF SAID SECTION 29 BEARS SOUTH 89°38'35" EAST, 1692.00 FEET DISTANCE THEREFROM;
THENCE NORTH 89°38'35" WEST, ALONG THE SOUTHERLY LINE OF THE SAID NORTHWEST QUARTER OF SECTION 29, A DISTANCE OF 935.74 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS AND MINERALS AS RESERVED IN DEED RECORDED AS BOOK 81 OF DEEDS, PAGE 62.

SURVEYOR'S NOTES:

1. THIS SURVEY IS BASED ON A COMMITMENT FOR TITLE INSURANCE ISSUED BY FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NUMBER NCS-218055-PHX1, DATED JANUARY 17, 2006 AT 7:30 A.M.

2. IF A DISCREPANCY IS DISCOVERED IN THE TOPOGRAPHY OF THIS MAP THE SURVEYOR MUST BE CONTACTED TO RESOLVE ANY ISSUES PRIOR TO ANY DESIGN OR CONSTRUCTION.

3. THE LOCATION OF UNDERGROUND UTILITIES AS DEPICTED HEREON IS BASED ON RECOVERABLE FIELD LOCATED SURFACE FEATURES OF THOSE UTILITIES AND SHOULD BE CONSIDERED APPROXIMATE AND POSSIBLY INCOMPLETE. NO EXCAVATIONS WERE MADE TO LOCATE BURIED UTILITIES DURING THE PROGRESS OF OR FOR THE PURPOSE OF THIS SURVEY.

4. RELATIVE TO OPTIONAL TABLE "A" ITEM NO. 16, THERE IS ROAD CONSTRUCTION CURRENTLY BEING PERFORMED ALONG FELIX ROAD, JUDD ROAD AND COOPER ROAD.

5. RELATIVE TO OPTIONAL TABLE "A" ITEM NO. 17, THE SURVEYOR HAS NO KNOWLEDGE OF RIGHT OF WAY CHANGES

6. RELATIVE TO OPTIONAL TABLE "A" ITEM NO. 18, THE SURVEYOR DID NOT OBSERVE ANY TOXIC WASTE DUMPING; HOWEVER THE SURVEYOR IS NOT PROFESSIONALLY TRAINED IN THIS FIELD.

7. THE WORD "CERTIFY" OR "CERTIFICATE" IS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THE FACTS OF THE SURVEY AND DOES NOT CONSTITUTE A GUARANTEE, EXPRESS OR IMPLIED.

CERTIFICATION:

TO: TAYLOR WOODROW/ARIZONA, INC., AN ARIZONA CORPORATION AND FIRST AMERICAN TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS IN 2005, AND INCLUDES ITEMS 1, 2, 3, 4, 5, 7(a) 8, 9, 10, 11(a), 16, 17 & 18 OF TABLE A THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA AND NSPS AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT IN MY PROFESSIONAL OPINION, AS A LAND SURVEYOR REGISTERED IN THE STATE OF ARIZONA, THE RELATIVE POSITIONAL ACCURACY OF THIS SURVEY DOES NOT EXCEED THAT WHICH IS SPECIFIED THEREIN.

JOHN A. STUSSY RLS # 37259 — DATE 05/15/06

SCHEDULE "B" ITEMS:

(2) ANY CHARGE UPON SAID LAND BY REASON OF ITS INCLUSION IN CENTRAL ARIZONA WATER CONSERVATION DISTRICT.

(3) ANY CHARGE UPON SAID LAND BY REASON OF ITS INCLUSION IN NEW MAGMA IRRIGATION AND DRAINAGE DISTRICT.

(4) RESERVATIONS OR EXCEPTIONS IN PATENTS, OR IN ACTS AUTHORIZING THE ISSUANCE THEREOF;

(5) WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.

(6) CERTIFICATION BY THE BOARD OF SUPERVISORS OF FINAL COUNTY, ARIZONA, RECORDED AS DOCKET 375, PAGE 572, PURPORTING TO ESTABLISH A COUNTY ROADWAY. (DOES NOT AFFECT)

(7) AN EASEMENT FOR PUBLIC HIGHWAY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS DOCKET 426, PAGE 260 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 1, 4 AND 5) (PLOTTED)

(8) AN EASEMENT FOR AIRSTRIP AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS DOCKET 852, PAGE 952 AND DOCKET 1436, PAGE 717 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 4 THROUGH 8) (PLOTTED, NO WIDTH DEFINED)

(9) AN EASEMENT FOR ELECTRICAL FACILITIES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS DOCKET 1066, PAGE 437 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 1 AND 3) (PLOTTED)

(10) THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "AGREEMENT RELATING TO EXERCISE OF RESERVED RIGHT-OF-WAY" RECORDED NOVEMBER 13,1986 AS DOCKET 1399, PAGE 908 OF OFFICIAL RECORDS.
AN EASEMENT AS CONTAINED IN THE ABOVE DOCUMENT. FOR: WATER DISTRIBUTION SYSTEM AND INCIDENTAL PURPOSES.
(AFFECTS PARCEL NO. 1) (PLOTTED)

(11) THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "AGREEMENT RELATING TO EXERCISE OF RESERVED RIGHT-OF-WAY" RECORDED NOVEMBER 13,1986 AS DOCKET 1399, PAGE 917 OF OFFICIAL RECORDS.
AN EASEMENT AS CONTAINED IN THE ABOVE DOCUMENT. FOR: WATER DISTRIBUTION SYSTEM AND INCIDENTAL PURPOSES.
(AFFECTS PARCEL NO. 4 AND 5) (PLOTTED)

(12) AN EASEMENT FOR IRRIGATION WATER CARRY DITCH AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 1995-038760 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 5 AND 7) (PLOTTED)

(13) AN EASEMENT FOR IRRIGATION WATER CARRY DITCH AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 1995-038761 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 1) (PLOTTED)

(14) AN EASEMENT FOR GAS LINE AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 2005-107299 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 6) (PLOTTED)

(15) AN EASEMENT FOR GAS LINE AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 2005-107300 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 8) (PLOTTED)

(16) AN EASEMENT FOR GAS LINE AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 2005-107301 OF OFFICIAL RECORDS.
(AFFECTS PARCEL NO. 5) (PLOTTED)

(17) ALL MATTERS AS SET FORTH IN MEMORANDUM OF UNDERSTANDING AND AGREEMENT, RECORDED AUGUST 6, 1984 AS DOCKET 1239, PAGE 26 OF OFFICIAL RECORDS.

(18) ALL MATTERS AS SET FORTH IN SURVEY, RECORDED AS BOOK 1 OF SURVEYS, PAGE 40.

(19) THE EFFECT OF AFFIDAVIT OF CORRECTION FOR PATENT 1760 PURPORTING TO CORRECT LEGAL DESCRIPTION OF PATENT RECORDED NOVEMBER 1, 2002 AS 2002-060000 OF OFFICIAL RECORDS.
(NOTE: SAID DOCUMENT ERRONEOUSLY STATES THAT PATENT HAS NOT BEEN RECORDED. THE PATENT RECORDED AS BOOK 51 OF DEEDS, PAGE 651.)
(AFFECTS PARCEL NO. 3)

REGISTERED LAND SURVEYOR 37259 JOHN A. STUSSY 05/15/06 ARIZONA, U.S.A.

REVISIONS

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF SECTIONS 20 AND 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

Arizona Surveying and Mapping
ABSOLUTE CONFIDENCE SINCE 1988
P.O. BOX 35455
2411 WEST NORTHERN AVENUE, SUITE 110
PHOENIX, ARIZONA 85069-5455
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FIELDWORK BY :	LCD
DRAWN BY :	LCD/JA
CHECKED BY :	JAS
JOB #	P06-027
DATE :	04-12-06

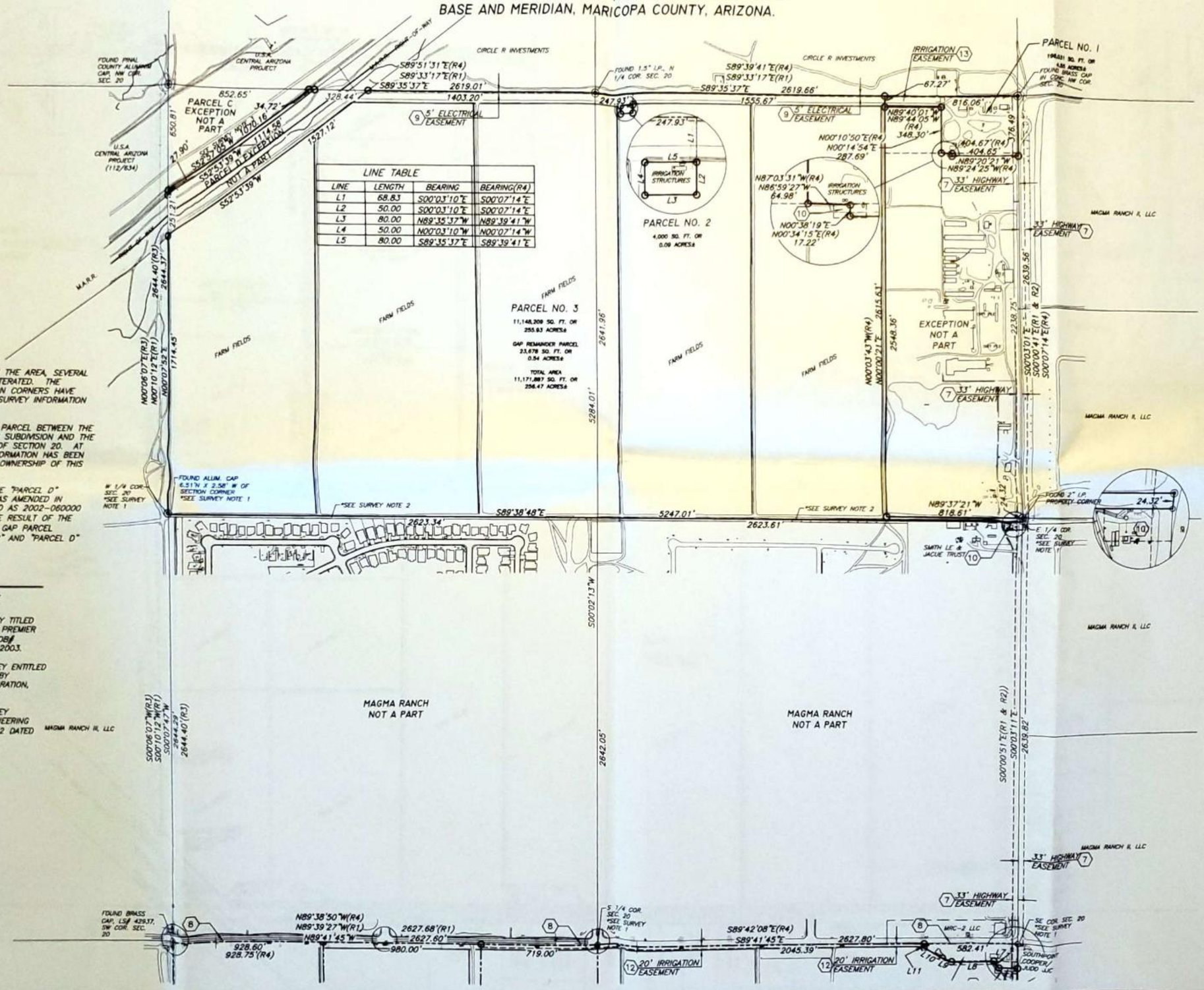
SHEET NO.

1

1 OF 3

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF SECTIONS 20 AND 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.



LINE TABLE			
LINE	LENGTH	BEARING	BEARING(R4)
L1	68.83	S00°03'10"E	S00°07'14"E
L2	50.00	S00°03'10"E	S00°07'14"E
L3	80.00	N89°35'37"W	N89°39'41"W
L4	50.00	N00°03'10"W	N00°07'14"W
L5	80.00	S89°35'37"E	S89°39'41"E

NOTES:

1) DUE TO HEAVY CONSTRUCTION IN THE AREA, SEVERAL SECTION CORNERS HAVE BEEN OBLITERATED. THE POSITIONS FOR THE MISSING SECTION CORNERS HAVE BEEN PERPETUATED FROM RECENT SURVEY INFORMATION BY OTHER SURVEYORS.

2) THERE EXISTS A 15 FOOT WIDE PARCEL BETWEEN THE NORTH LINE OF THE MAGMA RANCH SUBDIVISION AND THE SOUTH LINE OF THE NORTH HALF OF SECTION 20. AT THE TIME OF THIS SURVEY, NO INFORMATION HAS BEEN FOUND OR PROVIDED TO INDICATE OWNERSHIP OF THIS PARCEL.

3) THE LEGAL DESCRIPTION FOR THE "PARCEL D" EXCEPTION FROM PARCEL NO. 3, WAS AMENDED IN AFFIDAVIT OF CORRECTION RECORDED AS 2002-060000 (SCHEDULE B ITEM NO. 19). THE RESULT OF THE NEW LEGAL DESCRIPTION IS A 22'± GAP PARCEL REMAINING BETWEEN THE "PARCEL C" AND "PARCEL D" EXCEPTIONS FOR SAID PARCEL 3.

REFERENCE DATA:

THIS SURVEY IS SUPPORTED BY THE FOLLOWING RECORD INFORMATION:

(R1) ALTA/ACSM LAND TITLE SURVEY TITLED MAGMA RANCH, PREPARED BY PREMIER ENGINEERING CORPORATION, JOB# 2003015 DATED AUGUST 15, 2003.

(R2) ALTA/ACSM LAND TITLE SURVEY ENTITLED MAGMA RANCH II, PREPARED BY PREMIER ENGINEERING CORPORATION, DATED APRIL 20, 2004.

(R3) ALTA/ACSM LAND TITLE SURVEY PREPARED BY CAN-AM ENGINEERING GEOMATICS, PROJECT# 200212 DATED APRIL 02, 2002.

REVISIONS

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF SECTIONS 20 AND 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

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FIELDWORK BY :	LCD
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CHECKED BY :	JAS
JOB #	P06-027
DATE :	04-12-06

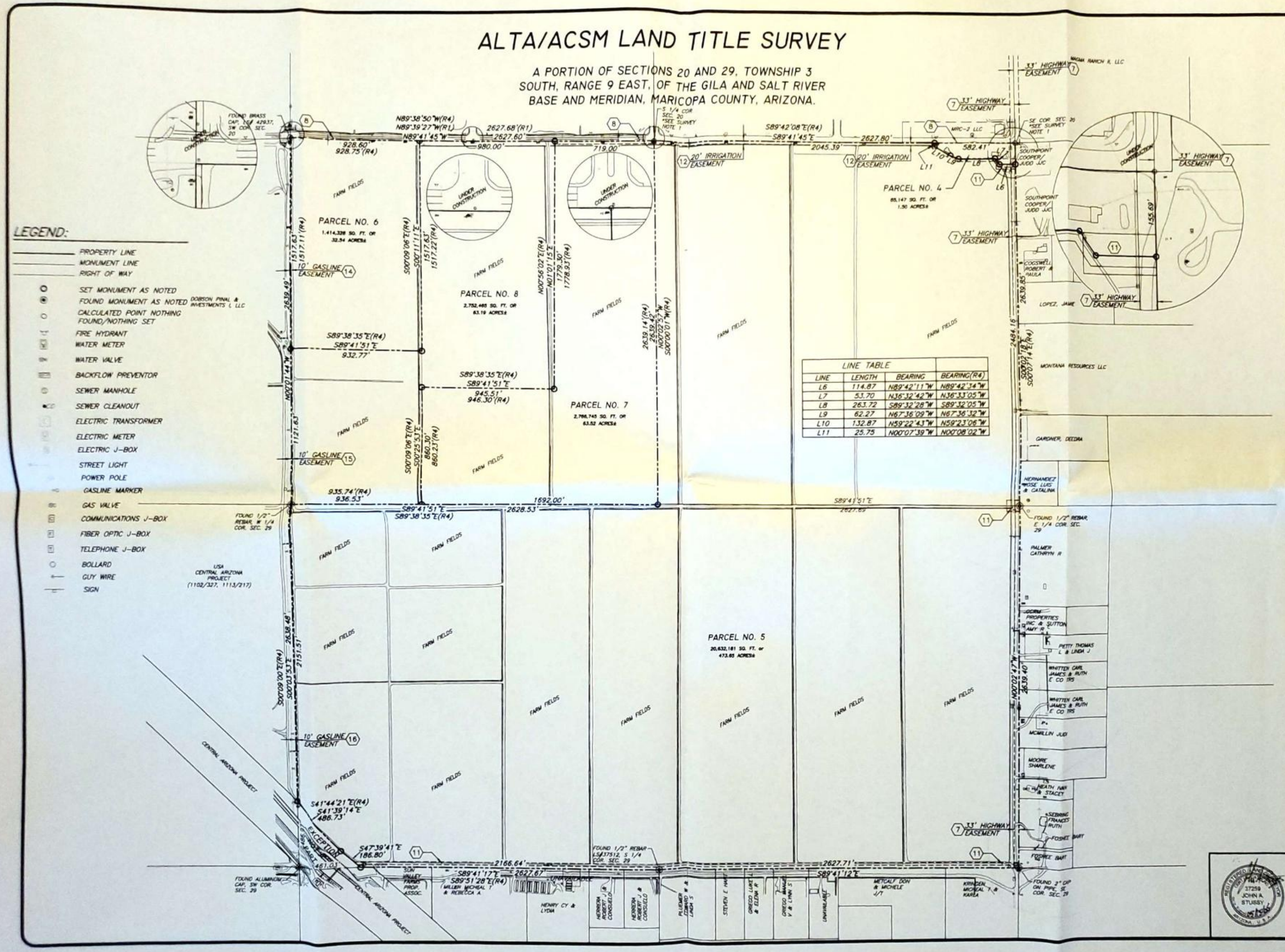
SHEET NO.

2

2 OF 3

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF SECTIONS 20 AND 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.



LINE TABLE			
LINE	LENGTH	BEARING	BEARING(R4)
L6	114.87	N89°42'11"W	N89°42'34"W
L7	53.70	N36°32'42"W	N36°33'05"W
L8	263.72	S89°32'28"W	S89°32'05"W
L9	62.27	N67°36'09"W	N67°36'32"W
L10	132.87	N59°22'43"W	N59°23'06"W
L11	25.75	N00°07'39"W	N00°08'02"W

REVISIONS

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF SECTIONS 20 AND 29, TOWNSHIP 3 SOUTH, RANGE 9 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

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FIELDWORK BY : LCD
DRAWN BY : LCD/JA
CHECKED BY : JAS
JOB # P06-027
DATE : 04-12-06

REGISTERED LAND SURVEYOR 37259 JOHN A. STUSSY ARIZONA U.S.A.

SHEET NO.
3
2 OF 3

Owners' Authorizations

OWNER'S AUTHORIZATION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is **not** the owner of the property.

I/we, the Undersigned, do hereby grant permission to: Grinders Sports Group, Inc.

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat on the following described property:
Town of Florence, County of Pinal, Assessor's Parcel Numbers 210440040, 210440020, 210390080, 210390060, 210390050.

Owner(s) **Guardian Angel Holdings LLC**

Edward F. Barcello
Signature

Edward F. Barcello, Manager
Print or Type Name

Address

P.O. Box 3712, Gilbert, AZ 85299-3712

Telephone

480-213-9865

STATE OF ARIZONA)
) ss
County of maricopa)

On this 28th day of April, 2020, before me, the undersigned Notary Public, personally appeared Edward F. Barcello, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that Edward F. Barcello executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires:
6/25/2022

Sharon Hunnicutt
Notary Public

Notary Public State of Arizona
Maricopa County
Sharon Hunnicutt
My Commission Expires 06/25/2022
Commission Number 546118

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	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 10c.**
MEETING DATE: June 15, 2020 **DEPARTMENT**: Information Technology **STAFF PRESENTER:** Trenton Shaffer Information Technology Manager **SUBJECT:** WaterSmart Presentation for Advanced Metering Infrastructure		☐ **Action** ☒ **Information Only** ☐ **Public Hearing** ☐ **Resolution** ☐ **Ordinance** ☐ **Regulatory** ☐ **1st Reading** ☐ **2nd Reading** ☐ **Other**
STRATEGIC PLAN REFERENCE: ☐ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance ☐ Partnerships and Relationships ☒ Transportation and Infrastructure ☐ Statutory ☐ None		

RECOMMENDED MOTION/ACTION:

None Required

BACKGROUND/DISCUSSION:

Peter Yolles and Rob Steiner founded WaterSmart Software in November 2009. After extensive careers focused on water management, they identified an opportunity to develop a unique combination of digital communications, data analytics, and cloud computing to improve global water management. After winning an inaugural Imagine H2O Water Technology Prize, the company set about building out the platform needed to realize its vision. From its first utility customer in 2011 through today, the company has continued to forge a path of technological innovation in the water industry and is truly changing the way the world uses water.

WaterSmart is an optional component selected for the Advanced Metering Infrastructure replacement project currently underway under the Ferguson Waterworks contract approved by Town Council on May 19, 2019.

WaterSmart provides an interface for water utility customers to see their daily water usage, bill estimate, prior bills and includes monitoring and notifications for usage, leak detection, bill alerts, etc.

This presentation will go over the WaterSmart product and its provided benefits to the Town and Town water utility customers.

A VOTE OF NO WOULD MEAN:

Informational material, no vote is necessary.

A VOTE OF YES WOULD MEAN:

Informational material, no vote is necessary.

FINANCIAL IMPACT:

The fiscal impact for utilizing the service is $2.50 per water customer, or $8,995 annually.

ATTACHMENTS:

- None – Live presentation over Zoom

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 11a.**
MEETING DATE: June 15, 2020 **DEPARTMENT**: Fire Department **STAFF PRESENTER:** David Strayer, Fire Chief **SUBJECT:** Agreement with Pinal County for CERT vehicle		☒ **Action** ☐ **Information Only** ☐ **Public Hearing** ☐ **Resolution** ☐ **Ordinance** ☐ **Regulatory** ☐ **1st Reading** ☐ **2nd Reading** ☐ **Other**
STRATEGIC PLAN REFERENCE: ☒ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance ☐ Partnerships and Relationships ☐ Transportation and Infrastructure ☐ Statutory ☐ None		

RECOMMENDED MOTION/ACTION:

Authorization to enter into an agreement with Pinal County for the placement of a CERT vehicle with the Fire Department.

BACKGROUND/DISCUSSION:

Pinal County has received an Emergency Management Performance Grant from the Federal Emergency Management Agency (FEMA). The County has purchased a number of vehicles for the Community Emergency Response Teams (CERT) located in the County with the Grant Funds.

It has been determined that placement of a CERT Vehicle with the Florence Fire Department would provide a faster and more comprehensive response by Florence CERT in the event of an emergency. Under the terms of the agreement, grant funding will cover 75% of the cost of the vehicle and the Town would be responsible for 25% of the cost. Upon receipt of the Town's payment of its portion of the matching funds, the County will transfer the title of the CERT Vehicle to the Town.

A VOTE OF NO WOULD MEAN:

The Town of Florence would not proceed with the acquisition of the CERT vehicle.

A VOTE OF YES WOULD MEAN:

The Town of Florence would proceed with the acquisition of the CERT vehicle.

FINANCIAL IMPACT:

The purchase price of the vehicle is $34,542.83. Under the terms of the agreement, the Town of Florence will provide 25% of the cost of the vehicle in an amount not to exceed $8,635.71.

ATTACHMENT:

Pinal County Agreement

AGREEMENT FOR THE PLACEMENT
OPERATION AND USE OF CERT VEHICLES
Between
PINAL COUNTY AND THE TOWN OF FLORENCE

THIS AGREEMENT is made effective this ____ day of _____, 2020, between Pinal County, a political subdivision of the State of Arizona, (hereinafter referred to as "Pinal") and the Town of Florence, an Arizona municipal corporation on behalf of its Fire Department, (hereinafter referred to as "the Department").

RECITALS

WHEREAS, Pinal County is authorized by A.R.S. § 26-308A to purchase and distribute equipment, materials and supplies for emergency management purposes; and,

WHEREAS, the Department operates a Community Emergency Response Team ("CERT") to provide response and assistance in times of emergency; and,

WHEREAS, Pinal County has received an Emergency Management Performance Grant (Grant) from the Federal Emergency Management Agency (FEMA); and

WHEREAS, the Grant requires the County to provide a fifty percent (50%) match of the grant funds provided; and

WHEREAS, Pinal County has purchased a number of vehicles (may want to provide more detail) for emergency response and management ("CERT Vehicles") with the Grant Funds; and,

WHEREAS, it has been determined that placement of a CERT Vehicle with the Department would provide a faster and more comprehensive response in the event of an emergency; and

WHEREAS, the Department wishes to take title to and possession of, maintain and use the CERT Vehicle as specified in this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED by and between each and all of the signatories hereto as follows:

1. The County will provide to the Department one CERT Vehicle. The Department is not restricted from purchasing additional CERT Vehicles with its own funds.

2. The Department will reimburse the County for twenty five percent (25%) of the cost of the CERT Vehicle as the Department's portion of the matching funds for the Grant.

3. Upon receipt of the Department's payment of its portion of the matching funds, the

County will transfer the deliver, and transfer title to, the CERT Vehicle to the Department subject to the following restrictions:

a) The CERT Vehicle must be used only for the purpose of providing emergency response, including training, consistent with the terms of this Agreement;

b) The Department shall not encumber the CERT Vehicle without approval of the Federal Emergency Management Agency;

c) The Department shall use, manage and dispose of the CERT Vehicle in compliance with 2 CFR 200.313(c) through (e).

4. The Department is responsible for the proper storage, use, and maintenance of the CERT Vehicle, including the costs for all maintenance and repair, during the term of this Agreement. The CERT Vehicle will be kept in a safe and secure area that is readily accessible to the Department.

5. The CERT Vehicle may be used by the Department to assist neighboring areas during large-scale disasters or when other CERT teams are overwhelmed in their response efforts.

6. The CERT Vehicle is only to be used for CERT response to emergency and disaster incidents, CERT training and exercises and to pick up or drop off CERT related supplies and equipment. Under no circumstance will the CERT Vehicle be utilized for personal use or any personal matters. Violation of this requirement may result in the removal of the CERT Trailer from the Department and/or criminal prosecution.

7. In the event of an accident involving the CERT Vehicle, the Department is to immediately report the incident to the relevant authorities and then contact the Pinal County Office of Emergency Management Duty Officer when it is safe to do so.

8. The Department shall indemnify, hold harmless, and defend the County against all damages, liability, claims and lawsuits resulting from the use or operation of the CERT Vehicle by any of the Department or any of its employees, agents, contractors or servants. The Department shall be solely responsible for the costs of repair of damage to the CERT Vehicle or its contents. The Parties agree they are not joint employers for the purpose of workers compensation coverage and that any person assigned by a Party to carrying out the obligations of the Agreement shall remain an employee of such Party.

9. This Agreement shall be effective for a period of 5 years and shall thereafter be automatically renewed for an additional period of 5 years unless either party notifies the other in writing 60 days prior to the expiration of the existing term.

10. During the term of this Agreement, **t**he Department shall maintain insurance necessary to adequately cover the value of the CERT Vehicle and its contents.

11. In the event that it is determined that the Department or any of its employees, officers, agents of contractors has used the CERT Vehicle in violation of the terms of this Agreement, The Department shall reimburse the County for the full purchase price of the CERT Vehicle, minus the 25% match paid by the Department prior to receipt of the CERT Vehicle.

12. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or affect the legal liability of any party to the Agreement by imposing any standard of care different from the standard of care imposed by law.

13. This Agreement constitutes the entire Agreement between the parties. The Agreement shall not be modified, altered or amended except through a written amendment signed by the parties. This Agreement shall be governed by the laws of the State of Arizona.

14. The requirements of A.R.S. § 38-511 apply to this Agreement. The Parties may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Party is, at any time while this Agreement or any extension is in effect, an employee, agent or consultant of Party with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties executed this AGREEMENT the day and year first written above.

_____ on behalf of the Town of Florence

By:_____
Brent Billingsley, Town Manager

Date:_____

Pinal County, a political subdivision of the State of Arizona

By:_____
Chairman of the Board of Supervisors

Date:_____

Attest:

_____

Lisa Garcia, Town Clerk

Attest:

_____

Clerk of the Board of Supervisors

Approved as to Form:

_____

Clifford L. Mattice, Town Attorney

Approved as to Form:

_____

Kevin S. Costello Deputy Pinal County Attorney
Civil Division

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 11b.**
MEETING DATE: June 15, 2020 **DEPARTMENT**: Public Works **STAFF PRESENTER:** Christopher A. Salas, P.E. Public Works Director/Town Engineer **SUBJECT:** Purchase a new Merit 50 Hp gas engine with a 4-speed gearbox concrete saw		☒ **Action** ☐ **Information Only** ☐ **Public Hearing** ☐ **Resolution** ☐ **Ordinance** ☐ **Regulatory** ☐ **1st Reading** ☐ **2nd Reading** ☐ **Other**
STRATEGIC PLAN REFERENCE: ☐ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance ☐ Partnerships and Relationships ☒ Transportation and Infrastructure ☐ Statutory ☐ None		

RECOMMENDED MOTION/ACTION:

Approval to purchase a new Merit 50 Hp gas engine with a 4-speed gear box concrete saw, from Grabber Power Products, in an amount not to exceed $32,260.05.

BACKGROUND/DISCUSSION:

The Town of Florence Public Works Department, Streets Division, has had their current concrete saw for 21 years. Unfortunately, due to the saw's age, spare parts are no longer available and repairing the saw is either very costly or impossible

During this time, the Town has used this saw extensively. The saw is worn out and does not have the depth capacity for some of the recent projects as it can only cut up to 9" deep. Recently, 12-inch valley gutters needed to be cut, and it was unable to get through.

The Merit saw has a cutting depth up to 13", with a 30" blade. It also comes with both a 24" and an 18" blade, to assist with various size jobs. It has a 50Hp gas Kubota engine, with a 4-speed gear box and rear pivot control. This concrete saw would give the Department the opportunity to have a reliable machine that has all the capabilities that are needed to accomplish their tasks.

A VOTE OF NO WOULD MEAN:

The Town of Florence Public Works Department, Streets Division, would need to outsource deeper cuts and eventually outsource all saw cutting needs.

A VOTE OF YES WOULD MEAN:

The Town of Florence Public Works Department would have an efficient and updated concrete saw that would meet the needs and purposes of the Streets Department.

FINANCIAL IMPACT:

The cost to purchase the Merit concrete saw shall not exceed $32,260.05. This includes the cost of the saw and any monies that would be necessary for shipping, taxes, or other costs not included but necessary for the purchase of the saw.

Bids were received for three comparable horsepower and blade size concrete saws. The least expensive saw is from the only known area distributor.

Grabber Power	Merit 50Hp Concrete Saw w/30" blade	$28,052.22 (tax included)
Grabber Power	Husqvarna 48Hp Concrete Saw w/30" blade	$40,895.31 (tax included)
Ace Cutting Equipment	Husqvarna 47.6Hp Concrete Saw w/30" blade	$34,165.00 (tax not included)

Services will be obtained following the Town's Purchasing Policy, Section 5.63 Purchases of $25,000 or more.

ATTACHMENTS:

- Grabber Power Products Quote – Merit 50HP gas Kubota engine SS 400 frame
- Specifications

Quote

GRABBER POWER PRODUCTS

Order Number: 0084835
Order Date: 5/20/2020

Salesperson: 0000
Customer Number: CITYFLO

Sold To:
TOWN OF FLORENCE
PO BOX 2670
ATTN: DOROTHY CARDENAS
FLORENCE, AZ 85132

Ship To:
TOWN OF FLORENCE
PO BOX 2670
ATTN: DOROTHY CARDENAS
FLORENCE, AZ 85132

Customer P.O.	Terms
LARRY	C.O.D.

Item Number	Unit	Ordered	Shipped	Back Order	Price	Amount
GRABBER POWER IS PLEASED TO QUOTE THE FOLLOWING:						
/MISC	EACH	1.00	0.00	0.00	24,575.25	24,575.25
MERIT 400SS-50G-R4-1110 50HP						
50HP GAS KUBOTA ENGINE ON 400 FRAME. REAR PIVOT SAW WITH 4-SPEED GEAR BOX.						
/BLADEGUARD20FS	EACH	1.00	0.00	0.00	385.00	385.00
18"/20" F/S BLADEGUARD						
/BLADEGUARD24FS	EACH	1.00	0.00	0.00	460.00	460.00
24" F/S BLADEGUARD						
/BLADEGUARD30FS	EACH	1.00	0.00	0.00	530.00	530.00
30" F/S BLADEGUARD						

Net Order:	25,950.25
Less Discount:	0.00
Freight:	0.00
Sales Tax:	2,101.97
Order Total:	28,052.22

***** PLEASE DO NOT PAY FROM THIS SALES ORDER, INVOICE TO FOLLOW. *****

226 South Price Road - Tempe, Arizona 85281-3192 (480) 967-2545

M400SS-50G Flat Saw

FIND A DEALER

PRODUCT DETAILS | TECHNICAL SPECIFICATIONS | PRODUCT DOWNLOADS

Raise & Lower Control	Button or lever
Air Filter	2 stage
Blade Mounting	Left and right
Blade Sizes	14 in. - 30 in.
Blade Shaft Drive	1 in. with 4 in. arbors
Approx. Weight	1150 lbs.
Drive Speed	0-240 FPM
Depth Control	Mechanical
Spindle Size	1.44 in. with tapered roller bearings
Arbor Size	1 in.
Engine Manufacturer	Kubota
Fuel Capacity	6.5 gallons

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 11c.**

MEETING DATE: June 15, 2020

DEPARTMENT: Public Works

STAFF PRESENTER: Christopher A. Salas, P.E.
Public Works Director/Town Engineer

SUBJECT: Approval to enter into a letter of agreement with the Florence Unified School District to provide a 3" asphalt overlay on Van Haren Street.

☒ **Action**
☐ **Information Only**
☐ **Public Hearing**
☐ **Resolution**
☐ **Ordinance**
- ☐ **Regulatory**
- ☐ **1st Reading**
- ☐ **2nd Reading**

☐ **Other**

STRATEGIC PLAN REFERENCE:

☒ Community Vitality ☐ Economic Prosperity ☒ Leadership and Governance
☒ Partnership and Relationships ☒ Transportation and Infrastructure
☐ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Authorization to enter into a Letter of Agreement with the Florence Unified School District to provide a 3" asphalt overlay on Van Haren Street.

BACKGROUND/DISCUSSION:

Van Haren Street is an 800' x 28" Town street that provides access to the Mormon Church and Florence High School adjacent to South Main Street. There are no residents on this street. Van Haren Street was chip sealed approximately four years ago but is falling apart and extremely bumpy. This street has heavy bus traffic during the school year from Florence High School. The total cost for the project is $122,055.71, plus 15% contingency of $18,308.36 making the not to exceed amount $140,364.74. The Florence Unified School District has agreed to contribute $49,999.83 towards the project. If the school district fails to sign the agreement the project will be cancelled.

The next item on the agenda is a contract with Cactus Asphalt which will be contract to complete the street repairs. Both items require approval to proceed with the Van Haren Street Project.

A VOTE OF NO WOULD MEAN:

Van Haren Street would continue to deteriorate and be an unsafe passage for school buses.

A VOTE OF YES WOULD MEAN:

Van Haren Street would be reconstructed, and the Town would receive $49,999.83.

FINANCIAL IMPACT:

There is no cost to the Town for the letter of agreement.

5.632 Vendor Selection

5.6321 Alternative purchase methods are identified if approved by necessity or by the Town Manager as indicated by Emergency / Sole Source Purchase, cooperative purchase, state contract or any other method authorized. The Finance Director reviews for budget availability and bidding procedures. The Town Manager reviews for need.

4.12 Purchasing Policy

Department Heads must approve all purchases regardless of dollar value. This does not preclude the Department Head from obtaining the necessary approval from the Town Manager and/or Town Council, nor does this allow them to have signature authority on contracts. The Town Manager has signature authority on purchases up to $24,999. Town Council is required on any purchases of $25,000 or more.

ATTACHMENTS:

- Letter of Agreement
- Exhibit 1

LETTER OF AGREEMENT

RE: Van Haren Street
Florence Unified School District – Town of Florence

This Letter of Agreement is written to finalize a verbal agreement between Chris Salas (Florence Public Works Director) and Florence Unified School District, regarding the reconstruction of Van Haren Street adjacent to the school district's frontage. The letter will document the responsibilities of each party regarding the reconstruction of Van Haren Street.

Per our verbal discussions, we have mutually agreed that:

1. The Town will procure a contractor.

2. The Town will award a construction contract.

3. The Town will process and obtain the necessary permits.

4. The Town will manage the construction project.

5. The Town will perform all engineering inspections necessary.

6. The Town will handle all contract administration as well as processing any invoices regarding the project.

7. The Florence Unified School District will pay the Town $49,999.83 within 30 days of the Town receiving the final invoice from the contractor.

AGREEMENT

IN CONSIDERATION of the mutual covenants contained in this Agreement the parties agree as follows:

1. TERM. This Agreement shall commence upon execution by both parties hereto and shall terminate one (1) year thereafter unless terminated sooner as provided in paragraph 9 below.

2. INDEMNIFICATION BY TOWN OF FLORENCE. To the extent provided by law, Town of Florence shall indemnify, defend and hold harmless Florence Unified School District, its officials, employees and agents from all suits, actions, claims, demands, losses, costs or damages of every kind and description, including any attorneys' fees, arbitration and litigation expenses, which may be brought or made against or incurred by Florence Unified School District on account of injuries, death or damages received or sustained by any person, persons, or property on account of any negligent or willful act, omission, neglect or misconduct of Town of Florence, its employees, agent or anyone acting on Town of Florence's behalf or under its direction, arising under this Agreement. Such indemnity shall not be limited by reasons of remuneration of any insurance coverage.

3. INDEMNIFICATION BY FLORENCE UNIFIED SCHOOL DISTRICT. To the extent provided by law, Florence Unified School District shall indemnify, defend and hold harmless the Town of Florence, its officials, employees and agents from all suits, actions, claims, demands, losses, costs or damages of every kind and description, including any attorneys' fees, arbitration and litigation expenses, which may be brought or made against or incurred by the Town of Florence on account of injuries, death or damages received or sustained by any person, persons, or property on account of any negligent or willful act, omission, neglect or misconduct of Florence Unified School District, its employees, agent or anyone acting on Florence Unified School District behalf or under its direction, arising under this Agreement. Such indemnity shall not be limited by reasons of remuneration of any insurance coverage.

4. INDEPENDENT CONTRACTOR. The parties acknowledge and agree that all services provided under this Agreement are being performed by Florence Unified School District as an independent contractor and not as an employee or agent of Town of Florence. This Agreement is not intended to constitute, create, give rise to or otherwise recognize any agency, partnership or joint venture agreement or relationship of any kind or create an employer/employee relationship between Florence Unified School District and Town of Florence and their respective employees, subcontractors, subcontractors' employees or any other persons.

5. NO THIRD-PARTY BENEFICIARY. This Agreement shall not create any third-party beneficiary right to any person or entity who is not a party to this Agreement.

6. WORKERS COMPENSATION. Each party hereto shall be responsible for its own employees' workers' compensation claim, if any arises under the performance of this Agreement.

7. ASSIGNMENT. This Agreement is non-assignable in whole or in part by either party hereto.

8. NOTICE. All notices and other communications connected with this Agreement shall be in writing and shall be deemed to have been given when delivered personally or deposited in a U.S. mail box, in a postage, prepaid envelope addressed to the other party to the address provided herein:

Florence Unified School District
Chris Knutsen
PO Box 2850
Florence, Arizona 85132

Town of Florence
Attn. Clerk's Office
P.O. Box 2670
Florence, Arizona 85132

9. TERMINATION. This Agreement may be terminated at any time and for any reason by either party giving the other party at least thirty (30) days prior written notice of such termination.

10. APPLICABLE LAW. This Agreement shall be governed by and construed under the laws of the state of Arizona, and any litigation shall take place only in Pinal County, Arizona.

11. ENTIRE AGREEMENT. This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated into this Agreement.

12. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by all parties hereto or their respective successors in interest.

13. SEVERABILITY. The provisions of this Agreement shall be deemed severable and should any provision of this Agreement be declared or be determined by a Court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement, notwithstanding any other provision of this Agreement to the contrary.

14. CANCELLATION. This Agreement is subject to cancellation for conflict of interest without penalty or further obligation as provided by A.R.S. § 38-511.

15. ISRAEL BOYCOTT PROVISION. Each party to this Agreement certifies to the other that it is not currently engaged in and agrees for the duration of this Agreement not to engage in a boycott of Israel as defined in A.R.S. § 35-393.

16. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original.

TOWN OF FLORENCE, a political subdivision Arizona municipal corporation of the State of Arizona and the Florence Unified School District.

By: _____ _____

Brent Billingsley, Town Manager Date

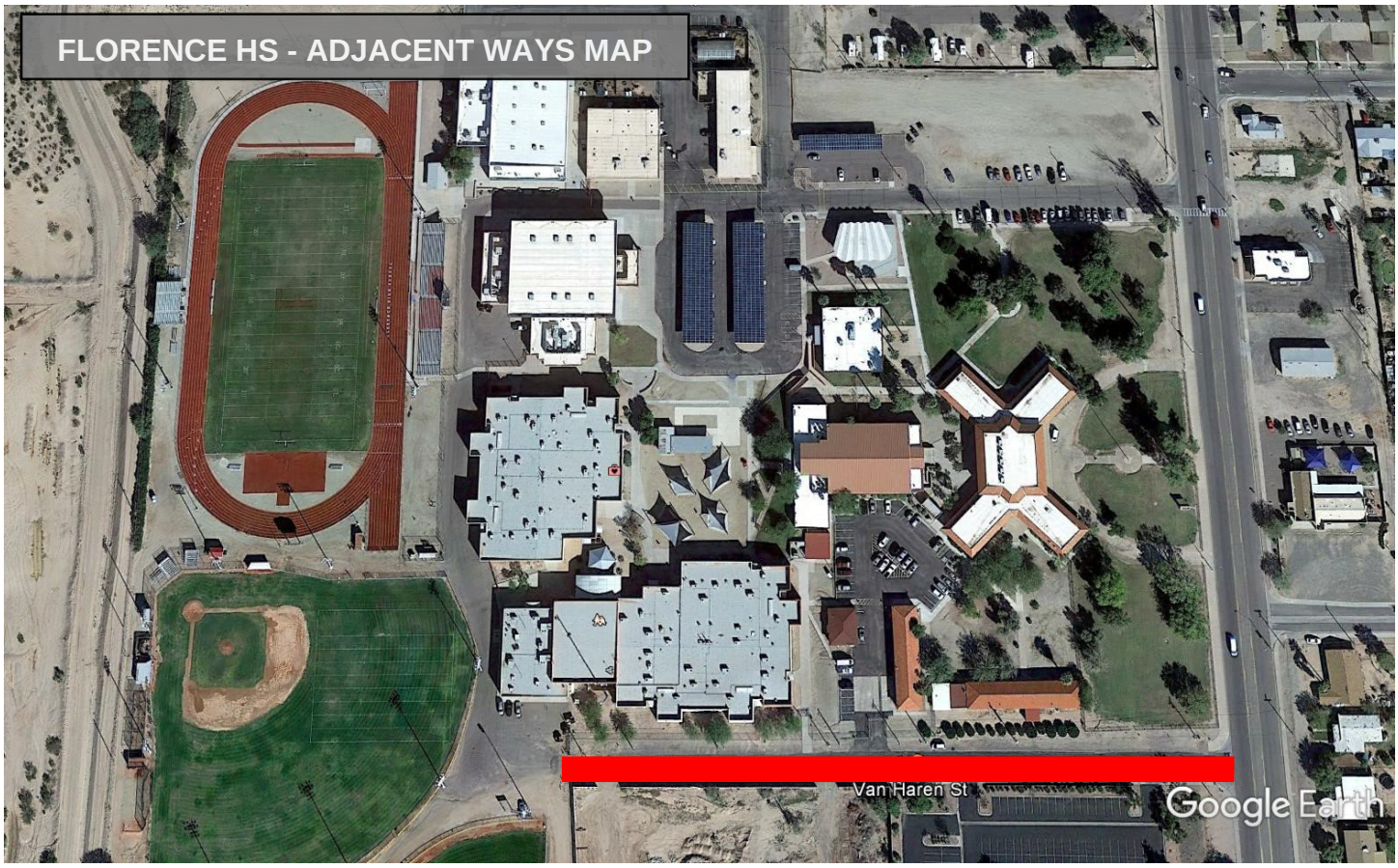
By: _____ _____

Chris Knutsen Date

APPROVED AS TO FORM AND WITHIN
THE POWERS AND AUTHORITY
GRANTED TOWN OF FLORENCE UNDER
THE LAWS OF THE STATE OF ARIZONA:

_____

Town Attorney



Google Earth

feet 800

meters 200

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 11d.**

MEETING DATE: June 15, 2020

DEPARTMENT: Public Works

STAFF PRESENTER: Christopher A. Salas, P.E.
Public Works Director/Town Engineer

SUBJECT: Cactus Asphalt Contract

- ☒ **Action**
- ☐ **Information Only**
- ☐ **Public Hearing**
- ☐ **Resolution**
- ☐ **Ordinance**
  - ☐ **Regulatory**
  - ☐ **1st Reading**
  - ☐ **2nd Reading**
- ☐ **Other**

STRATEGIC PLAN REFERENCE:

☐ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance

☒ Partnership and Relationships ☒ Transportation and Infrastructure

☐ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Authorization to enter into a contract with Cactus Transport, dba Cactus Asphalt, for asphalt overlay on Van Haren Street and a patch on Butte Avenue, in an amount not to exceed $147,478.04.

BACKGROUND/DISCUSSION:

Staff will use the cooperative contract through Pinal County, ROQ175923, to remove existing AC and ABC up to 7" deep, prepare subgrade, place and finish 4" of ABC with a 3" asphalt overlay on Van Haren Street (CIP T-69 – Pavement Preservation) and a patch on Butte Avenue. This will include traffic control.

Van Haren Street (exhibit 1) is an 800' x 28" street that provides access to the Jesus Christ of Latter Day Saints Church and Florence High School adjacent to South Main Street. There are no residents on this street. Van Haren Street was chip sealed approximately four years ago but is falling apart and is extremely bumpy. This street has heavy bus traffic during the school year from Florence High School. Florence Unified School District is contributing $50,000 towards the project. The project will be cancelled if the Florence Unified School District fails to sign the agreement.

There is also a small patch that needs to occur on Butte Avenue. Public Works tried to patch this with our existing materials, but the patch is too large. A hot mix asphalt patch is required and will be provided by the contractor.

Pinal County has an existing contract with Cactus Asphalt. The Town of Florence has the opportunity to utilize the Pinal County public bid with Cactus Asphalt. On May 22, 2018, Pinal County entered a contract with Cactus Asphalt to provide pavement fog seal. This contract renewal expires June 26, 2020.

Per section 4.12 of the Town's Purchasing Policy, Department Heads must approve all purchases regardless of dollar value. This does not preclude the Department Head from obtaining the necessary approval from the Town Manager and/or Town Council, nor does this allow them to have signature authority on contracts. The Town Manager has signature authority on purchases up to $24,999. Town Council approval is required on any purchases of $25,000 or more.

A VOTE OF NO WOULD MEAN:

Van Haren Street would continue to deteriorate and be an unsafe passage for school buses.

A VOTE OF YES WOULD MEAN:

Van Haren Street would be reconstructed with a new subbase and 3" of fresh asphalt creating a smooth and structurally sound road.

FINANCIAL IMPACT:

The cost to contract with Cactus Asphalt is $128,241.77, plus 15% contingency of $19,236.27 making the not to exceed amount $147,478.04.

5.632 Vendor Selection

5.6321 Alternative purchase methods are identified if approved by necessity or by the Town Manager as indicated by Emergency/Sole Source Purchase, cooperative purchase, state contract or any other method authorized. The Finance Director reviews for budget availability and bidding procedures. The Town Manager reviews for need.

4.12 Purchasing Policy

Department Heads must approve all purchases regardless of dollar value. This does not preclude the Department Head from obtaining the necessary approval from the Town Manager and/or Town Council, nor does this allow them to have signature authority on contracts. The Town Manager has signature authority on purchases up to $24,999. Town Council is required on any purchases of $25,000 or more.

ATTACHMENTS:

- Exhibit 1 - Cactus Asphalt - Scope of Work – Van Haren Street
- Exhibit 2 - Cactus Asphalt - Scope of Work – Butte Avenue Patch
- Exhibit 3 - Pinal County Contract Extension
- Exhibit 4 - Pinal county Purchase Order
- Exhibit 5 - Revised Pricing

- Exhibit 6 - Map Van Haren Street
- Exhibit 7 - Map Butte Avenue Patch
- Exhibit 8 - Cooperative Cover Contract for Cactus Asphalt

To:	TOWN OF FLORENCE	**Contact:**	Dan Cisco
Address:	PO BOX 2670, 444 NORTH WARNER	**Phone:**	520-868-7621
	FLORENCE, AZ 85232	**Fax:**	520-868-7637
Project Name:	Van Haren Road Reconstruct	**Bid Number:**	
Project Location:	Van Haren Road, Florence, AZ	**Bid Date:**	1/22/2020

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
Demo, 4" ABC, 3" AC					
6-1	Asphalt Concrete Pavement (Marshall 1/2" Mix Low Traffic) <500 TNS	405.00	TON	$123.75	$50,118.75
9-1	Traffic Control (Not For Items No. 1-5)	1.00	LS	$6,000.00	$6,000.00
9-7	Miscellaneous Removals And Other Work Remove Existing AC And ABC Up To 7" Thick, Prepare Subgrade, Place And Finish 4" Thick ABC Approx Area 2,400 SY	1.00	LS	$58,000.00	$58,000.00

Total Price for above Demo, 4" ABC, 3" AC Items:	**$114,118.75**
Bid Price Subtotal:	**$114,118.75**
Pinal County, State And Florence 6.96%:	**$7,936.96**
Total Bid Price:	**$122,055.71**

Notes:

- Standard Terms and Conditions to follow.
- All scheduling contingent upon mutual agreement of Owner and Cactus Asphalt.
- Prices above based on completing each task in one mobilization. If an additional mobilization is required, charges may apply.
- Quoted prices valid for 60 days unless otherwise noted.
- Cactus is not responsible for notification, nor removal of vehicles and property from work areas.
- Cactus will require this proposal with exclusions be included in any contractual agreement.
- In the event that quantities differ from above, billing will reflect agreed upon measured quantities.
- EXCLUSIONS (Unless Otherwise Specified): Permits, Plans, Engineering, Survey, Staking, As-Builts, Inspection, Landscape Areas, Weed Killer, Crack Routing, Crack-Sealing, Asphalt Patching, Landscape Materials, Vegetation Replacement, Preservative Seals, Prime Coat, Concrete Structures, Irrigation or Pipe Work, Utility Removal or Relocation, Drywells, Rip/Rap, Structural Backfill, Striping, Signage, Parking Bumpers Removal or Replacement, Import, Excavation, Subgrade Stabilization, Removal of Debris Generated by Other Trades, Erosion Control, Thickened Pavement Edge, Project Information Sign And Any Special Insurance Requirements.
- Pricing Based off Pinal County JOC #175923

ACCEPTED:	**CONFIRMED:**
The above prices, specifications and conditions are satisfactory and hereby accepted.	**Cactus Asphalt**
Buyer: _____	
Signature: _____	Authorized Signature: _____
Date of Acceptance: _____	Estimator: Jeff Smith

To:	TOWN OF FLORENCE	**Contact:**	Dan Cisco
Address:	PO BOX 2670, 444 NORTH WARNER	**Phone:**	520-868-7621
	FLORENCE, AZ 85232	**Fax:**	520-868-7637
Project Name:	Butte Avenue Patch	**Bid Number:**	
Project Location:	Butte Avenue, Florence, AZ	**Bid Date:**	6/1/2020

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
6-16	Asphaltic Concrete Patching (Remove And Replace): 980 SF X 3" Excludes Traffic Control And Testing.	19.00	TON	$275.00	$5,225.00
6-20	Saw Cut Asphaltic Concrete Pavement (Per Inch Foot): 56 LF X 3" Thick	168.00	LF	$0.35	$58.80
9-7	Miscellaneous Removals And Other Work: Low Quantity Mobilization	1.00	LS	$500.00	$500.00
				Bid Price Subtotal:	**$5,783.80**
				Pinal County, State And Florence 6.96%:	**$402.26**
				Total Bid Price:	**$6,186.06**

Notes:

- Standard Terms and Conditions to follow.
- All scheduling contingent upon mutual agreement of Owner and Cactus Asphalt.
- Prices above based on completing each task in one mobilization. If an additional mobilization is required, charges may apply.
- Quoted prices valid for 60 days unless otherwise noted.
- Cactus is not responsible for notification, nor removal of vehicles and property from work areas.
- Cactus will require this proposal with exclusions be included in any contractual agreement.
- In the event that quantities differ from above, billing will reflect agreed upon measured quantities.
- EXCLUSIONS (Unless Otherwise Specified): Permits, Plans, Engineering, Survey, Staking, Traffic Control, As-Builts, Testing, Inspection, Gradework, Landscape Areas, Weed Killer, Crack Routing, Crack-Sealing, ABC or Landscape Materials, Vegetation Replacement, Preservative Seals, Prime Coat, Concrete Structures, Irrigation or Pipe Work, Utility Removal or Relocation, Drywells, Rip/Rap, Structural Backfill, Striping, Signage, Parking Bumpers Removal or Replacement, Import, Export, Excavation, Subgrade Stabilization, Removal of Debris Generated by Other Trades, Erosion Control, Thickened Pavement Edge, Project Information Sign And Any Special Insurance Requirements.
- Pricing Based off Pinal County JOC #175923

ACCEPTED:	**CONFIRMED:**
The above prices, specifications and conditions are satisfactory and hereby accepted.	**Cactus Asphalt**
Buyer: _____	
Signature: _____	Authorized Signature: _____
Date of Acceptance: _____	Estimator: Jeff Smith

Louis M. Andersen
County Manager

Levi Gibson
Director of Finance

PINAL COUNTY
WIDE OPEN OPPORTUNITY

Leo Lew
Deputy County Manager

Himanshu Patel
Deputy County Manager

March 31, 2020

Jeff Abram
Cactus Asphalt
jabram@cactusasphalt.com

Dear Mr Abram:

The purpose of this letter is to notify you that Pinal County intends to exercise its option to extend Contract ROQ 175923 JOC Asphalt Maintenance & Repair Services with your company for another term. The current contract term will expire on June 26, 2020. The next term will begin on June 27, 2020 and continue through June 26, 2021.

After approval of the extension by Pinal County, the contract extension documents will be available at: https://pinalcountyaz.bonfirehub.com/portal/?tab=publicContracts.

If you have any questions, please notify me in writing at the email address below within the next 10 business days.

Pinal County thanks you for your continued service to the County and looks forward to continuing our partnership.

Sincerely,

Lorina Gillette

Lorina Gillette, CPPB
Procurement Officer
520-866-6639
Lorina.Gillette@pinal.gov

Purchase Order

Pinal County Finance Department
Purchasing Division
P.O. Box 1348
Florence, AZ 85132

PO Number
241831
This number must appear on all documents pertaining to this order.

PO Date: 9/9/2019
Page: 1 of 1

Mail Invoice to:	Ship to:	Supplier:
Pinal County Finance Department P.O. Box 1348 Florence, AZ 85132 Phone: 520-866-6223	PUBLIC WORKS 140 N. FLORENCE ST BUILDING F FLORENCE AZ 85132	CACTUS TRANSPORT INC 8211 W SHERMAN ST TOLLESON AZ 85353 Phone: 602 - 242-9983 Fax: 602 - 242-9984 (FAX)
Or email invoice to: FinanceInvoices@pinalcountyaz.gov		**Confirming to:**

Buyer: Lorina Gillette, CPPB
Phone: 520 - 8666639 **Fax: 520 - 8662903**
Email: Lorina.Gillette@pinalcountyaz.gov

Requested Delivery Date: 6/30/2020
Payment Terms: Net 30
Shipping Terms: FOB Destination

Reference: PC Contract: ROQ 175923 Exp 6/26/20

S.O.W. FY 19/20 Pavement Preservation

Department Contact: Joe Ramirez - 520-251-2301; joe.ramirez@pinalcountyaz.gov OR Joe Ortiz 520.866.6413; joe.ortiz@pinalcountyaz.gov

PO emailed to: Jeff Abram jabram@cactusasphalt.com
Jeff Smith jsmith@cactusasphalt.com

Line	Quantity	UOM	Item Number	Item Description	Unit Cost	Extended Cost
1.00		LS		FY 19/20 Pavement Preservation .	$0.00	$650,000.00

Total Order: $650,000.00

Failure to send invoice to above address will result in delay of payment.
Direct all payment questions to Accounts Payable at 520-866-6223.
Direct all other inquiries to the Buyer specified above.

By accepting this Purchase Order the supplier agrees to the terms and conditions contained on the Purchasing website:
http://www.pinalcountyaz.gov/Finance/Documents/Downloads/Standard%20PO%20Terms.pdf

09/10/2019
DATE

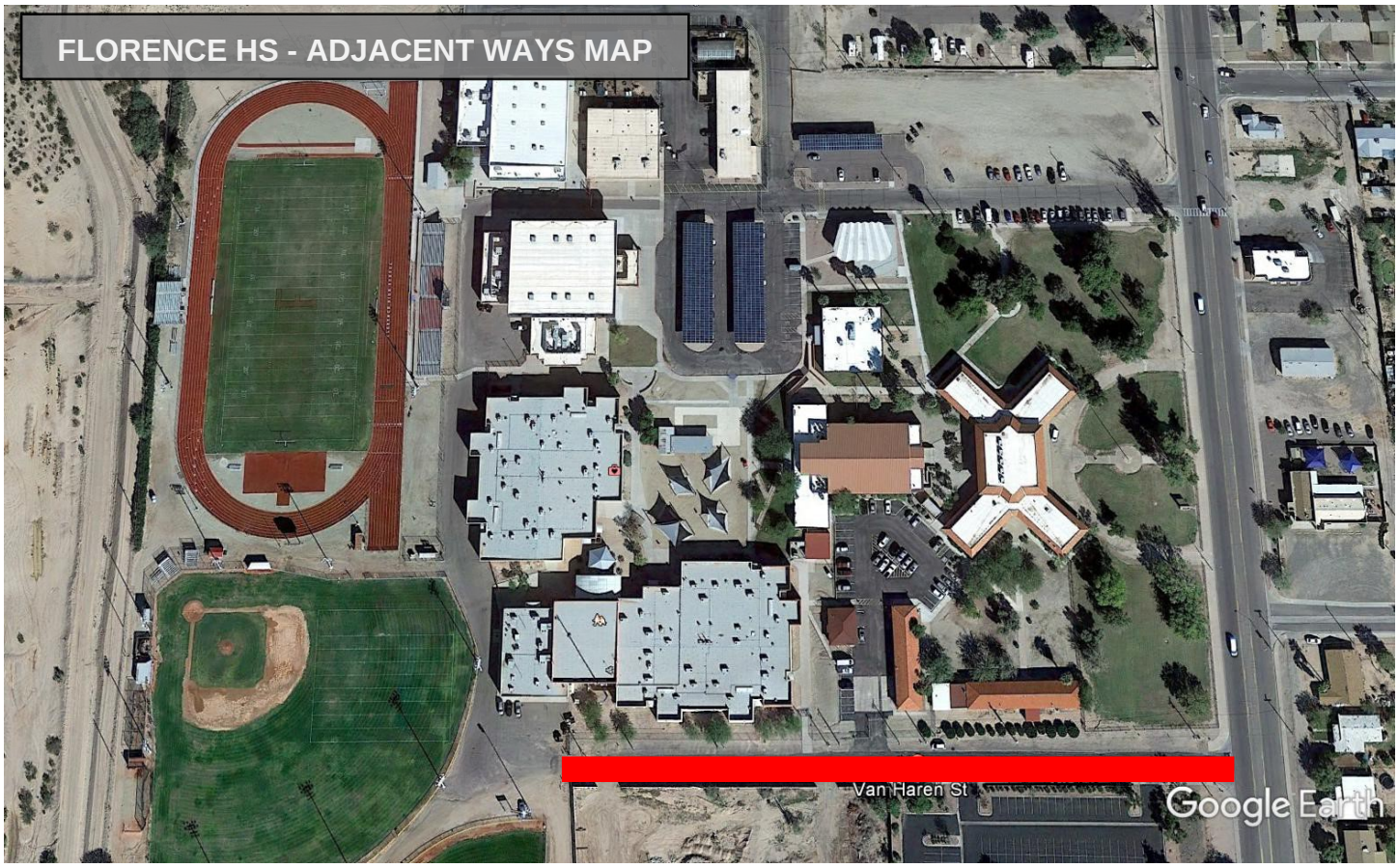
Buyer Signature

Cactus		ADOT $ -	$422.00	$480.00	$472.00	$444.00	$434.00
		Δ $	-	$58.00	$50.00	$22.00	$12.00
Item #	Quantity	% Asphalt	As Bid: June 2016	FY '19-'20			
				July, August, September	October, November, December	January, February, March	April, May, June
Asphalt Emulsion Fog Seal							
SS-1 / CSS-1				$36.54	$31.50	$13.86	$7.56
3-1	< 50 T	63%	$325.00	$361.54	$356.50	$338.86	$332.56
3-2	> 50 T		$223.00	$259.54	$254.50	$236.86	$230.56
TRMSS				$17.40	$15.00	$6.60	$3.60
3-3	< 50 T	30%	$589.00	$606.40	$604.00	$595.60	$592.60
3-3	> 50 T		$549.00	$566.40	$564.00	$555.60	$552.60
PASS-QB				$34.80	$30.00	$13.20	$7.20
3-5	< 50 T	60%	$447.00	$481.80	$477.00	$460.20	$454.20
3-6	> 50 T		$414.00	$448.80	$444.00	$427.20	$421.20
CQS-TR				$18.56	$16.00	$7.04	$3.84
3-7	< 50 T	32%	$591.00	$609.56	$607.00	$598.04	$594.84
3-8	> 50 T		$566.00	$584.56	$582.00	$573.04	$569.84
CQS-LM				$18.56	$16.00	$7.04	$3.84
3-9	< 50 T	32%	$609.00	$627.56	$625.00	$616.04	$612.84
3-10	> 50 T		$583.00	$601.56	$599.00	$590.04	$586.84
TR-Fog				$18.56	$16.00	$7.04	$3.84
3-11	< 50 T	32%	$457.00	$475.56	$473.00	$464.04	$460.84
3-12	> 50 T		$435.00	$453.56	$451.00	$442.04	$438.84
Chip Seal Binder							
AC15-5TR				$53.94	$46.50	$20.46	$11.16
4-1	< 100 T	93%	$708.00	$761.94	$754.50	$728.46	$719.16
4-2	> 100 T		$691.00	$744.94	$737.50	$711.46	$702.16
MC-800 TR				$58.00	$50.00	$22.00	$12.00
4-3	< 100 T	100%	$724.00	$782.00	$774.00	$746.00	$736.00
4-4	> 100 T		$707.00	$765.00	$757.00	$729.00	$719.00

Cactus		ADOT $ -	$422.00	$480.00	$472.00	$444.00	$434.00
		Δ $	-	$58.00	$50.00	$22.00	$12.00
Item #	Quantity	% Asphalt	As Bid: June 2016	FY '19-'20			
				July, August, September	October, November, December	January, February, March	April, May, June
Asphalt Rubber (PG 64-16, 18%)				$47.56	$41.00	$18.04	$9.84
4-5	< 100 T	82%	$671.00	$718.56	$712.00	$689.04	$680.84
4-6	> 100 T		$486.00	$533.56	$527.00	$504.04	$495.84
Asphalt Rubber (PG 58-22, 18% TR)				$47.56	$41.00	$18.04	$9.84
4-7	< 100 T	82%	$671.00	$718.56	$712.00	$689.04	$680.84
4-8	> 100 T		$486.00	$533.56	$527.00	$504.04	$495.84
RAB (Rubberized Asphalt Binder, Field Blend)				$47.56	$41.00	$18.04	$9.84
4-9	< 100 T	82%	$739.00	$786.56	$780.00	$757.04	$748.84
4-10	> 100 T		$554.00	$601.56	$595.00	$572.04	$563.84
Polymer Modified Asphalt Rubber (PG 64-16, 16% TR, 3% SBS)				$47.56	$41.00	$18.04	$9.84
4-11	< 100 T	82%	$761.00	$808.56	$802.00	$779.04	$770.84
4-12	> 100 T		$576.00	$623.56	$617.00	$594.04	$585.84
Polymer Modified Asphalt Rubber (PG 58-22, 16% TR, 3% SBS)				$47.56	$41.00	$18.04	$9.84
4-13	< 100 T	82%	$761.00	$808.56	$802.00	$779.04	$770.84
4-14	> 100 T		$576.00	$623.56	$617.00	$594.04	$585.84
CRS-TR				$34.80	$30.00	$13.20	$7.20
4-15	< 100 T	60%	$579.00	$613.80	$609.00	$592.20	$586.20
4-16	> 100 T		$566.00	$600.80	$596.00	$579.20	$573.20
CRS-2P				$40.02	$34.50	$15.18	$8.28
4-17	< 100 T	69%	$513.00	$553.02	$547.50	$528.18	$521.28
4-18	> 100 T		$500.00	$540.02	$534.50	$515.18	$508.28
PASS CR				$40.02	$34.50	$15.18	$8.28
4-29	< 100 T	69%	$718.00	$758.02	$752.50	$733.18	$726.28
4-30	> 100 T		$702.00	$742.02	$736.50	$717.18	$710.28

Cactus		ADOT $ -	$422.00	$480.00	$472.00	$444.00	$434.00
		Δ $	-	$58.00	$50.00	$22.00	$12.00
Item #	Quantity	% Asphalt	As Bid: June 2016	FY '19-'20			
				July, August, September	October, November, December	January, February, March	April, May, June
Scrub Seal Binder							
Rubberized Asphalt Scrub Seal (Blended Base, 10% TR, 2% SBS)				$51.04	$44.00	$19.36	$10.56
4-20	< 100 T	88%	$810.00	$861.04	$854.00	$829.36	$820.56
4-21	> 100 T		$626.00	$677.04	$670.00	$645.36	$636.56
Micro Surface Binder							
LMCQSTR-MS				$37.70	$32.50	$14.30	$7.80
5-1	< 100 T	65%	$1,155.00	$1,192.70	$1,187.50	$1,169.30	$1,162.80
5-2	> 100 T		$1,050.00	$1,087.70	$1,082.50	$1,064.30	$1,057.80
MSE (MAG Spec.)				$37.70	$32.50	$14.30	$7.80
5-3	< 100 T	65%	$1,112.00	$1,149.70	$1,144.50	$1,126.30	$1,119.80
5-4	> 100 T		$958.00	$995.70	$990.50	$972.30	$965.80
CQSLM				$37.12	$32.00	$14.08	$7.68
5-5	< 100 T	64%	$1,112.00	$1,149.12	$1,144.00	$1,126.08	$1,119.68
5-6	> 100 T		$958.00	$995.12	$990.00	$972.08	$965.68
CQSPM				$37.12	$32.00	$14.08	$7.68
5-7	< 100 T	64%	$1,052.00	$1,089.12	$1,084.00	$1,066.08	$1,059.68
5-8	> 100 T		$1,015.00	$1,052.12	$1,047.00	$1,029.08	$1,022.68
CQSLM TR				$37.12	$32.00	$14.08	$7.68
5-9	< 100 T	64%	$1,155.00	$1,192.12	$1,187.00	$1,169.08	$1,162.68
5-10	> 100 T		$1,049.00	$1,086.12	$1,081.00	$1,063.08	$1,056.68
Slurry Seal Binder							
LMCQSTR				$37.12	$32.00	$14.08	$7.68
5-11	< 100 T	64%	$1,167.00	$1,204.12	$1,199.00	$1,181.08	$1,174.68
5-12	> 100 T		$1,044.00	$1,081.12	$1,076.00	$1,058.08	$1,051.68

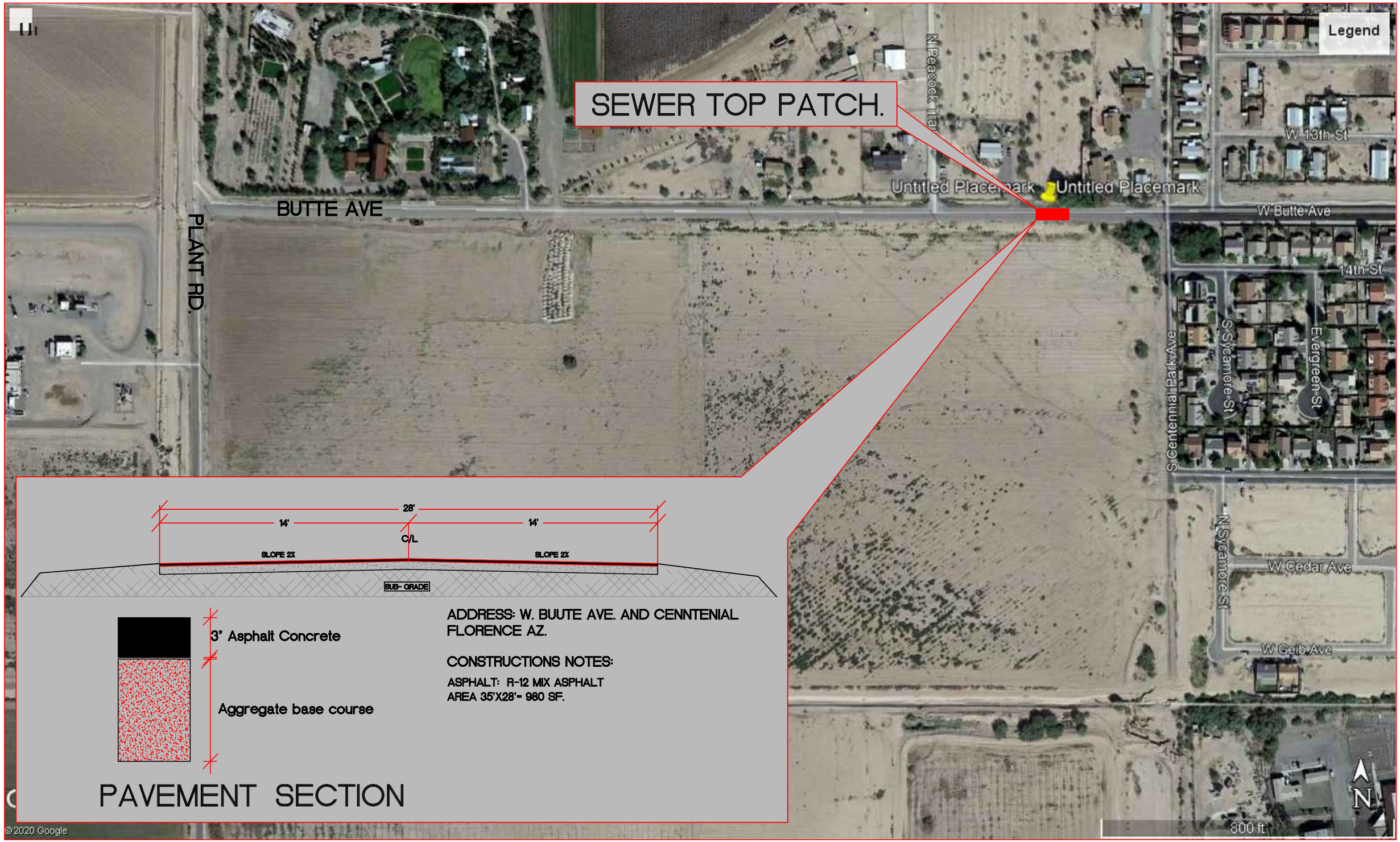
Cactus		ADOT $ -	$422.00	$480.00	$472.00	$444.00	$434.00
		Δ $	-	$58.00	$50.00	$22.00	$12.00
Item #	Quantity	% Asphalt	As Bid: June 2016	FY '19-'20			
				July, August, September	October, November, December	January, February, March	April, May, June
LMCQS				$37.12	$32.00	$14.08	$7.68
5-13	< 100 T	64%	$981.00	$1,018.12	$1,013.00	$995.08	$988.68
5-14	> 100 T		$843.00	$880.12	$875.00	$857.08	$850.68
PMCQS (Solid Polymer SBS)				$37.12	$32.00	$14.08	$7.68
5-15	< 100 T	64%	$1,102.00	$1,139.12	$1,134.00	$1,116.08	$1,109.68
5-16	> 100 T		$883.00	$920.12	$915.00	$897.08	$890.68
PMQS h				n/a	n/a	n/a	n/a
5-17	< 100 T	n/a	NO BID	n/a	n/a	n/a	n/a
5-18	> 100 T		NO BID	n/a	n/a	n/a	n/a
CQS				$36.54	$31.50	$13.86	$7.56
5-19	< 100 T	63%	$863.00	$899.54	$894.50	$876.86	$870.56
5-20	> 100 T		$790.00	$826.54	$821.50	$803.86	$797.56
CQSLM				$36.54	$31.50	$13.86	$7.56
5-21	< 100 T	63%	$982.00	$1,018.54	$1,013.50	$995.86	$989.56
5-22	> 100 T		$843.00	$879.54	$874.50	$856.86	$850.56
CQS TR				$36.54	$31.50	$13.86	$7.56
5-23	< 100 T	63%	$1,068.00	$1,104.54	$1,099.50	$1,081.86	$1,075.56
5-24	> 100 T		$941.00	$977.54	$972.50	$954.86	$948.56
CQSLM TR				$36.54	$31.50	$13.86	$7.56
5-25	< 100 T	63%	$1,167.00	$1,203.54	$1,198.50	$1,180.86	$1,174.56
5-26	> 100 T		$1,044.00	$1,080.54	$1,075.50	$1,057.86	$1,051.56



Google Earth

feet 800

meters 200



ADDRESS: W. BUUTE AVE. AND CENNTENIAL
FLORENCE AZ.

CONSTRUCTIONS NOTES:

ASPHALT: R-12 MIX ASPHALT
AREA 35'X28'= 980 SF.

TOWN OF FLORENCE, ARIZONA
CONTRACT FOR COOPERATIVE USE OF THE PINAL COUNTY JOB ORDER CONTRACT NO. 175923 FOR ASPHALT MAINTENANCE & REPAIR SERVICES

THIS CONTRACT (the "Contract") is made and entered into effective as of the 15th day of June, 2020 ("Effective Date"), by and between the Town of Florence, Arizona (the "Town"), and Cactus Transport, Inc, dba Cactus Asphalt (the "Contractor") and together with the Contract Documents referred to and incorporated herein, is the "resultant contract" contemplated in Pinal County RFP & Contract No. 175923, originally entered into on June 27, 2018, to provide asphalt maintenance & repair services. The term of the contract is extended through June 26, 2020. The Town and the Contractor are sometimes referred to in this Contract collectively as the "Parties" and each individually as a "Party".

1. **SCOPE OF WORK**: The Contractor shall provide the Town all necessary labor, material, transportation services and equipment to perform Bridge, Road and Parking Lot Repair, Maintenance and Construction services per contract specifications described in the attached scope of materials and services set forth in **Exhibit "1" and Exhibit "2"** (the "Services"). The Contractor shall provide the Services in accordance with the schedule attached in **Exhibit "1" and Exhibit "2"**, the Terms and Conditions in **Exhibit "1" and Exhibit "2"**, and the Contract Documents, including all exhibits to the Master Contract including but not limited to any Standard Terms and Conditions, Special Terms and Conditions and Detailed Specifications, Uniform Instructions, Uniform Terms and Conditions, Compensation Documents, Construction Task Catalog, Construction Task Catalog Technical Specifications, Attachments and Exhibits. Contractor agrees, at its own cost and expense, to do all of the work and furnish all of the equipment, personnel and materials necessary to provide in a good and substantial manner, and to the satisfaction of the Town, the Services.

2. **PRIORITY OF DOCUMENTS**. It is further expressly agreed by and between the Parties that should there be any conflict between the terms of this Contract, the Master Contract, or the Contractor's Proposal, then this Contract and the provisions of the Contract Documents shall control and nothing herein shall be considered as an acceptance of the terms of the said Contractor's Proposal conflicting herewith or with the Master Contract, unless expressly stated herein.

3. **INCORPORATION**: For and in consideration of this Contract and other good and valuable consideration, the Contractor agrees that the master cooperative contract with Pinal County RFP & Contract No. 175923, originally entered into on June 27, 2018, to provide asphalt maintenance & repair services. is in full force and effect, and all terms and conditions of the Master Contract are incorporated by reference into this Contract, creating an agreement identical in terms between the Town and Contractor. In the Master Contract, the terms: "Owner", "State of Arizona", "State", "Department", "Eligible Agency", "Co-Op Buyer", "State of

Arizona", shall be deemed to be and refer to the Town of Florence; the terms: "Maricopa County", shall be deemed to be and refer to Pinal County; the terms: "Pavement Manager", shall be deemed to be and refer to the Florence Town Engineer, Town of Florence, 425 E. Ruggles Street, Florence, AZ 85132; and the terms: "Bidder", "Contractor," and "Offeror", shall be deemed to be and refer to the Contractor under this Contract.

4. **CONTRACT DOCUMENTS**: This Contract consists of the following contract documents, which by reference are incorporated herein:

   A. This signed Contract.

   B. The solicitation Documents for, including, but not limited to: Invitation for Bid, Instructions to Bidders, Fee Schedules; Notices; Checklists; Requirements for Proposers; Standard Terms and Conditions; Special Terms and Conditions; Scope of Work; Work Schedule; Certificates of Compliance; Warranties for Work; Work Forms; Attachments; Price Sheets; Questionnaires; Response Forms; Special Provisions and Specifications; Technical Provisions and Specifications; Schedules; Cooperative Authorizations; Exhibits; Solicitation Amendments (the "Contract Documents" or "Master Contract").

5. **CONTRACT PRICING**: Contract pricing shall be consistent with the Contract Documents and Contractor's Proposal and is listed in **Exhibit "1" and Exhibit "2"** (Price Sheet) and shall not exceed **$ 147,478.04**.

6. **TERM OF CONTRACT**: The term of this Contract shall be from the Effective Date through satisfactory completion of the Services or delivery of Goods and acceptance of the Services and/or Goods by the Town. Time is of the essence to the terms of this Contract.

7. **COMPLIANCE WITH FEDERAL AND STATE LAWS**

   A. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

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

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

D. The Town retains the legal right to inspect the papers of any Contractor or Subcontractor's employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

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

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

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

8. **METHOD OF PAYMENT**. Method of payment shall be set forth in **Exhibit "1" and Exhibit "2"**. If payment is to be made monthly, Contractor shall prepare monthly invoices and progress reports which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices shall be for Services completed or Goods accepted by the Town.

9. **TERMINATION**. Town, at any time and for any reason and without cause, may terminate, suspend or abandon any portion, or all, of this Contract at Town's convenience without penalty or recourse. Contractor shall receive payment for Services or Goods satisfactorily completed and accepted by Town, as determined by Town in its reasonable discretion, based on the Goods and/or Services requirements and schedule for payment.

10. **INDEPENDENT CONTRACTOR**. It is understood that Contractor shall be an independent contractor with respect to Services and/or Goods provided under this Contract, and shall not be deemed to be a partner, employee, joint venture, agent, or to have any other legal relationship with Town.

11. **NOTICES**. Any notice to be given under this Contract shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows: Town: Town of Florence, Town Clerk,

775 N. Main Street, PO Box 2670, Florence, AZ 85132; and Contractor: Statutory Agent: National Registered Agents Inc. 3800 N. Central Ave, Suite 460, Phoenix, AZ 85012.

12. **INDEMNIFICATION**. To the fullest extent permitted by law, the Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless the Town of Florence, its Mayor and Council members, its agents, officers, officials, representatives and employees, from and against all demands, claims proceedings, suits, damages, losses and expenses (including but not limited to attorneys' fees, court costs, and the costs of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, Goods or Services of the Contractor, its agents, employees or any tier of Contractor's subcontractors related to the Goods or Services in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify Town of Florence, its Mayor and Council members, its agents, officers, officials, representatives and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Goods, Services in the performance of this Contract including any employee of the Contractor, any tier of Contractor's subcontractors or any other person for whose acts, errors, mistakes, omissions, Goods, Services the Contractor may be legally liable.

13. **WARRANTY**. Contractor warrants that the Goods and Services will conform to the requirements of this Contract. Additionally, Contractor warrants that all Services will be performed in a good, workman-like and professional manner. The Town's acceptance of Goods or Services provided by Contractor shall not relieve Contractor from its obligations under this warranty. If any Goods or Services are of a substandard or unsatisfactory manner as determined by the Town, Contractor, at no additional charge to the Town, will provide Goods or redo such Services until they are in accordance with this Contract and to the Town's reasonable satisfaction. Unless otherwise agreed, Contractor, warrants that Goods will be new, unused, of most current manufacture and not discontinued, will be free of defects in materials and workmanship, will be provided in accordance with manufacturer's standard warranty for at least one (1) year, unless otherwise specified, and will perform in accordance with manufacturer's published specifications.

14. **PURCHASING POLICY**. The Town of Florence Town Code and Purchasing Policy govern this procurement and are incorporated as part of this Contract by this reference.

15. **GOVERNING LAW**. This Contract shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the laws of the State of

Arizona, without reference to choice of law or conflicts of laws principles thereof. The exclusive forum selected for any proceeding or suit in law or equity arising from or incident to this Contract shall be Pinal County, Arizona.

16. **PROHIBITED BOYCOTT**. Pursuant to A.R.S. 35-393.01, the Contractor, by execution of this Contract, certifies that it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of Israel.

IN WITNESS WHEREOF, the Parties have executed this Contract effective as of the Effective Date set forth above.

TOWN OF FLORENCE, A municipal corporation

Date:_____

By: _____
Tara Walter, Mayor

ATTEST:

_____
Lisa Garcia, Town Clerk

Approved as to Form

_____
Cliff Mattice, Town Attorney

CONTRACTOR

Date:_____

By: _____

Its: _____

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 11e.**
MEETING DATE: June 15, 2020 **DEPARTMENT**: Public Works **STAFF PRESENTER:** Christopher A. Salas, P.E. Public Works Director/Town Engineer **SUBJECT:** Acceptance of AMR Unit 35A and Unit 37		☒ **Action** ☐ **Information Only** ☐ **Public Hearing** ☐ **Resolution** ☐ **Ordinance** ☐ **Regulatory** ☐ **1st Reading** ☐ **2nd Reading** ☐ **Other**
STRATEGIC PLAN REFERENCE: ☐ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance ☐ Partnerships and Relationships ☒ Transportation and Infrastructure ☐ Statutory ☐ None		

RECOMMENDED MOTION/ACTION:

Approve the acceptance of the improvements of the warranty period which shall begin June 15, 2020 for Anthem @ Merrill Ranch Units 35A and Unit 37.

BACKGROUND/DISCUSSION:

The Town Engineer has found that all of the pavements, utilities, storm sewer, grading/drainage improvements and all other required improvements within the right-of-way/easements have been constructed in accordance with the requirements of the Town Code and specified Engineering Standards.

The properties are located in the Anthem @ Merrill Ranch Subdivision owned by DR Horton. DR Horton has completed the public improvements necessary for the development of Unit 35A and Unit 37 of the Anthem @ Merrill Ranch subdivision and has requested the Town of Florence accept the completed improvements for ownership and maintenance.

All improvements in the public right-of-way or easements have been constructed under inspection and approval of the Town Engineer/Public Works Department and/or utility company having jurisdiction. The improvements with regards have been completed and are subject to a one (1) year warranty period prior to acceptance for maintenance; grading, paving, concrete, water, sewer, signing, pavement markings, and storm drain. Street lighting has been completed and is subject to a two (2) year warranty period prior

to maintenance acceptance. Acceptance of maintenance of these improvements will be by separate document at the end of the warranty period.

The developer shall maintain the subdivision improvements, free from defects, for the warranty period and shall promptly correct any defect which they have noticed or which the Town discovers which occurs prior to the terminus of the warranty period from the date of the acceptance of all improvements.

A VOTE OF NO WOULD MEAN:

Cities and towns are required to accept public improvements into their maintenance program once all improvements are completed, inspected and accepted by the City/Town Engineer.

A VOTE OF YES WOULD MEAN:

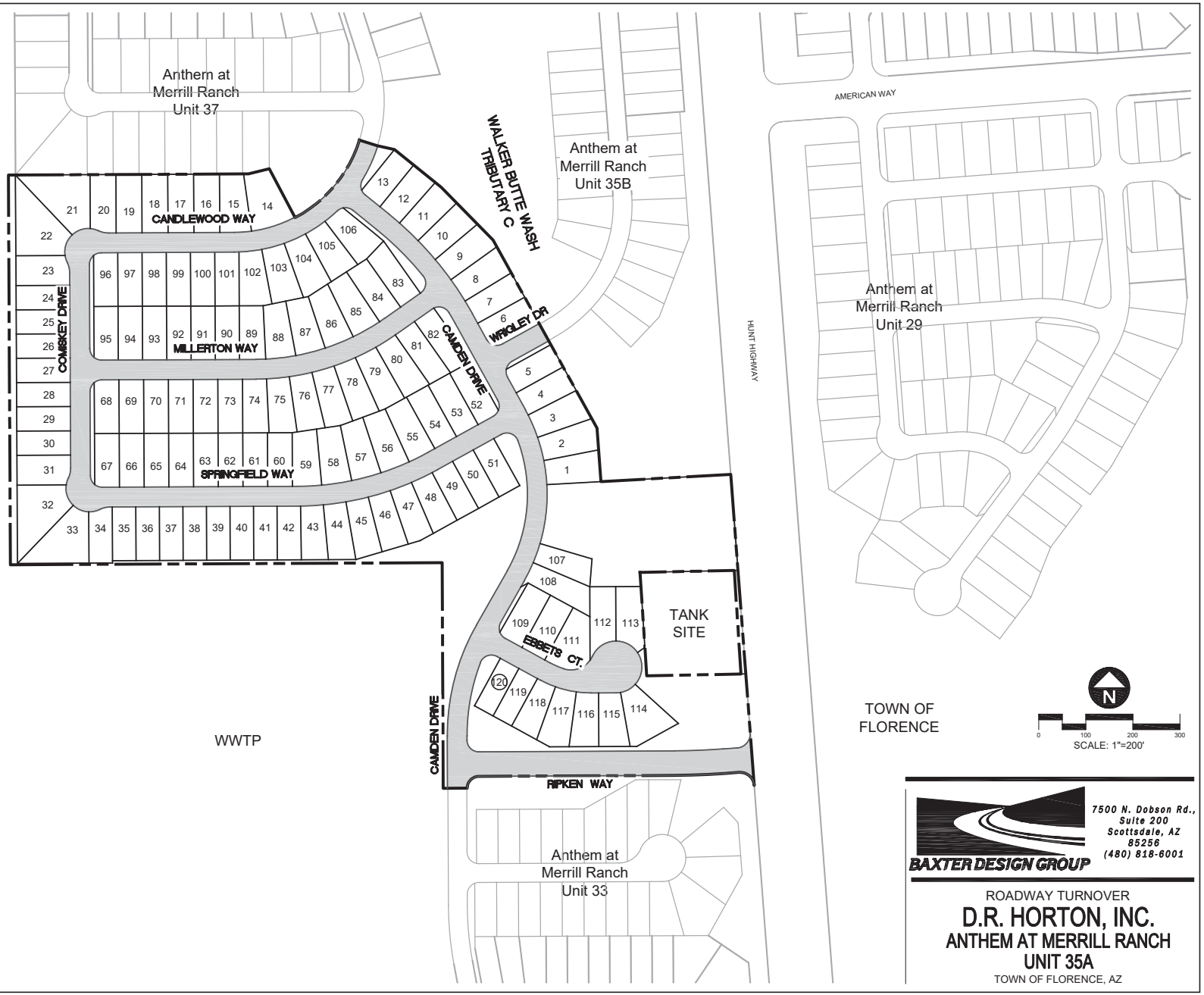
Cities and towns are required to accept public improvements into their maintenance program once all improvements are completed, inspected and accepted by the City/Town Engineer.

FINANCIAL IMPACT:

Acquisition of infrastructure assets will be based upon acceptance of assets by the Town Council recorded as specified in the Capital Asset Policy and Procedure prior to acceptance for maintenance/replacement by the Town. A summary of quantities for each asset will be accepted into the Town's maintenance system, (excepting water/sewer utilities).

ATTACHMENTS:

Exhibit – Road Turn Over Unit 35A
Exhibit – Road Turn Over Unit 37



BAXTER DESIGN GROUP
7500 N. Dobson Rd., Suite 200
Scottsdale, AZ 85256
(480) 818-6001

ROADWAY TURNOVER

D.R. HORTON, INC.

ANTHEM AT MERRILL RANCH UNIT 35A

TOWN OF FLORENCE, AZ

ISSUE DATE: DEC. 6, 2018

path: R:\039 DR Horton\AMR\UNITS\UNIT-35A-AMR\09-EXHIBITS\Turnover Exhibit\ file name: 039-U35A-Road Turn over Exhibit-120618.dwg | plot date: December 06, 2018 | plotted by: jrogers

BAXTER DESIGN GROUP
7500 N. Dobson Rd.,
Suite 200
Scottsdale, AZ
85256
(480) 818-6001

ROADWAY TURNOVER

D.R. HORTON, INC.

ANTHEM AT MERRILL RANCH UNIT 37

TOWN OF FLORENCE, AZ

ISSUE DATE: DEC. 5, 2018

path:R:\039 DR Horton\AMR\UNITS\UNIT-37-AMR\09-EXHIBITS\Turnover Exhibit\ file name:039-U37-Road Turn over Exhibit-120518.dwg | plot date: December 05, 2018 | plotted by: jrogers

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 11f.**

MEETING DATE: June 15, 2020

DEPARTMENT: Public Works

STAFF PRESENTER: Christopher Salas, P.E.
Public Works Director/Town Engineer

SUBJECT: Purchase of two 2020 Silverado trucks from Enterprise Fleet Management Trust

☒ **Action**
☐ **Information Only**
☐ **Public Hearing**
☐ **Resolution**
☐ **Ordinance**
- ☐ **Regulatory**
- ☐ **1st Reading**
- ☐ **2nd Reading**

☐ **Other**

STRATEGIC PLAN REFERENCE:

☐ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance

☐ Partnership and Relationships ☒ Transportation and Infrastructure

☐ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Authorization to purchase two 2020 Chevy Silverado trucks from Enterprise Fleet Management Trust, in an amount not to exceed amount of $92,211.33.

BACKGROUND/DISCUSSION:

The purchase will replace two street vehicles that are 18 – 20 years old with high mileage.

The Town has been researching the possibility of moving towards a lease program in order to reduce the total costs of owning and maintaining a fleet. Enterprise Fleet Management was identified as one such provider, utilizing the Sourcewell Cooperative Purchasing Agreement #060618-EFM.

The Town is still in the process of determining all the options available and has not made a determination to start the lease program.

Town Council previously approved the purchase of these same two Public Works HURF trucks from Midway Chevrolet in September of 2019. Due to a variety of reasons, the trucks were not able to be supplied and are still not available.

Enterprise Fleet Management has two brand new vehicles in their fleet that will fit the needs of the department. There is a small increase per vehicle of $740.42, but the new

trucks are 4-wheel drive and has some additional options. Public Works would prefer to have a certain percentage of its fleet be 4-wheel drive and this assists in meeting that percentage.

The included paperwork is for a lease, but the Town is paying for all costs up front. This is the same method other local governments have used to purchase vehicles through Enterprise. Fleet Management. The Town is currently a member of Sourcewell with an ID number of 28640.

A VOTE OF NO WOULD MEAN:

A vote of no would mean that the Town will continue with costly maintenance and vehicles that are not dependable and unsafe.

A VOTE OF YES WOULD MEAN:

A vote of yes would allow a new low maintenance, dependable, safe police vehicles.

FINANCIAL IMPACT:

The cost is $83,828.48 plus a 10% contingency of $8,382.85, for a not to exceed amount of $92,211.33, utilizing the Sourcewell Cooperative Purchasing Agreement #060618-EFM.

Services will be obtained following the Town's Purchasing Policy, Section 5.63 Purchases of $25,000 or More (specifically, 5.6321 of Vendor Selection)

5.632 Vendor Selection

5.6321 Alternative purchase methods are identified if approved by necessity or by the Town Manager as indicated by Emergency/Sole Source Purchase, cooperative purchase, state contract or any other method authorized. The Finance Director reviews for budget availability and bidding procedures. The Town Manager reviews for need.

4.12 Purchasing Policy

Department Heads must approve all purchases regardless of dollar value. This does not preclude the Department Head from obtaining the necessary approval from the Town Manager and/or Town Council, nor does this allow them to have signature authority on contracts. The Town Manager has signature authority on purchases up to $24,999. Town Council is required on any purchases of $25,000 or more.

ATTACHMENTS:

Enterprise Quote
EFM Government Credit Application
Full Maintenance Agreement – Florence

Master Equity Lease Agreement – Florence
TOF Addendum to Equity MLA
TOF Addendum to FMA
TOF Addendum to MMA

enterprise
FLEET MANAGEMENT

MAINTENANCE AGREEMENT

This Maintenance Agreement (this "Agreement") is made and entered into this _____ day of _____, by Enterprise Fleet Management, Inc., a Missouri corporation ("EFM"), and _____ ("Lessee").

WITNESSETH

1. LEASE. Reference is hereby made to that certain Master Lease Agreement dated as of the _____ day of _____, by and between Enterprise FM Trust, a Delaware statutory trust, as lessor ("Lessor"), and Lessee, as lessee (as the same may from time to time be amended, modified, extended, renewed, supplemented or restated, the "Lease"). All capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Lease.

2. COVERED VEHICLES. This Agreement shall only apply to those vehicles leased by Lessor to Lessee pursuant to the Lease to the extent Section 4 of the Schedule for such vehicle includes a charge for maintenance (the "Covered Vehicle(s)").

3. TERM AND TERMINATION. The term of this Agreement ("Term") for each Covered Vehicle shall begin on the Delivery Date of such Covered Vehicle and shall continue until the last day of the "Term" (as defined in the Lease) for such Covered Vehicle unless earlier terminated as set forth below. Each of EFM and Lessee shall each have the right to terminate this Agreement effective as of the last day of any calendar month with respect to any or all of the Covered Vehicles upon not less than sixty (60) days prior written notice to the other party. The termination of this Agreement with respect to any or all of the Covered Vehicles shall not affect any rights or obligations under this Agreement which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to termination, and such rights and obligations shall continue to be governed by the terms of this Agreement.

4. VEHICLE REPAIRS AND SERVICE. EFM agrees that, during the Term for the applicable Covered Vehicle and subject to the terms and conditions of this Agreement, it will pay for, or reimburse Lessee for its payment of, all costs and expenses incurred in connection with the maintenance or repair of a Covered Vehicle. This Agreement does not cover, and Lessee will remain responsible for and pay for, (a) fuel, (b) oil and other fluids between changes, (c) tire repair and replacement, (d) washing, (e) repair of damage due to lack of maintenance by Lessee between scheduled services (including, without limitation, failure to maintain fluid levels), (f) maintenance or repair of any alterations to a Covered Vehicle or of any after-market components (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans) or other equipment (including, without limitation, lift gates and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle, (g) any service and/or damage resulting from, related to or arising out of an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or Lessee's failure to maintain the Covered Vehicle as required by the Lease, (h) roadside assistance or towing for vehicle maintenance purposes, (i) mobile services, (j) the cost of loaner or rental vehicles or (k) if the Covered Vehicle is a truck, (i) manual transmission clutch adjustment or replacement, (ii) brake adjustment or replacement or (iii) front axle alignment. Whenever it is necessary to have a Covered Vehicle serviced, Lessee agrees to have the necessary work performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to EFM. In every case, if the cost of such service will exceed $50.00, Lessee must notify EFM and obtain EFM's authorization for such service and EFM's instructions as to where such service shall be made and the extent of service to be obtained. Lessee agrees to furnish an invoice for all service to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM will not be obligated to pay for any unauthorized charges or those exceeding $50.00 for one service on any Covered Vehicle unless Lessee has complied with the above terms and conditions. EFM will not have any responsibility to pay for any services in excess of the services recommended by the manufacturer, unless otherwise agreed to by EFM. Notwithstanding any other provision of this Agreement to the contrary, (a) all service performed within one hundred twenty (120) days prior to the last day of the scheduled "Term" (as defined in the Lease) for the applicable Covered Vehicle must be authorized by and have the prior consent and approval of EFM and any service not so authorized will be the responsibility of and be paid for by Lessee and (b) EFM is not required to provide or pay for any service to any Covered Vehicle after 100,000 miles.

5. ENTERPRISE CARDS: EFM may, at its option, provide Lessee with an authorization card (the "EFM Card") for use in authorizing the payment of charges incurred in connection with the maintenance of the Covered Vehicles. Lessee agrees to be liable to EFM for, and upon receipt of a monthly or other statement from EFM, Lessee agrees to promptly pay to EFM, all charges made by or for the account of Lessee with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM reserves the right to change the terms and conditions for the use of the EFM Card at any time. The EFM Card remains the property of EFM and EFM may revoke Lessee's right to possess or use the EFM Card at any time. Upon the termination of this Agreement or upon the demand of EFM, Lessee must return the EFM Card to EFM. The EFM Card is non-transferable.

6. PAYMENT TERMS. The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within twenty (20) days after its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth

in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an overmileage maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

7. NO WARRANTIES. Lessee acknowledges that EFM does not perform maintenance or repair services on the Covered Vehicles but rather EFM arranges for maintenance and/or repair services on the Covered Vehicles to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR OR SERVICE WILL NOT RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF THE MONTHLY MAINTENANCE FEES AND OTHER CHARGES DUE UNDER THIS AGREEMENT.

8. LESSOR NOT A PARTY. Lessor is not a party to, and shall have no rights, obligations or duties under or in respect of, this Agreement.

9. NOTICES. Any notice or other communication under this Agreement shall be in writing and delivered in person or sent by facsimile, recognized overnight courier or registered or certified mail, return receipt requested and postage prepaid, to the applicable party at its address or facsimile number set forth on the signature page of this Agreement, or at such other address or facsimile number as any party hereto may designate as its address or facsimile number for communications under this Agreement by notice so given. Such notices shall be deemed effective on the day on which delivered or sent if delivered in person or sent by facsimile, on the first (1st) business day after the day on which sent, if sent by recognized overnight courier or on the third (3rd) business day after the day on which mailed, if sent by registered or certified mail.

10. MISCELLANEOUS. This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri (without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and Lessee have executed this Maintenance Agreement as of the day and year first above written.

LESSEE:	_____	EFM:	Enterprise Fleet Management, Inc.
Signature:	_____	Signature:	_____
By:	_____	By:	_____
Title:	_____	Title:	_____
Address:	_____	Address:	_____
	_____		_____
	_____		_____
Attention:	_____	Attention:	_____
Fax #:	_____	Fax #:	_____
Date Signed:	_____, _____	Date Signed:	_____, _____

Initials: EFM_____ Lessee_____

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enterprise

FLEET MANAGEMENT

MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

This Agreement is entered into as of the _____ day of _____, by and between Enterprise Fleet Management, Inc., a Missouri corporation, doing business as "Enterprise Fleet Management" ("EFM"), and _____ (the "Company").

WITNESSETH:

1. ENTERPRISE CARDS: Upon request from the Company, EFM will provide a driver information packet outlining its vehicle maintenance program (the "Program") and a card ("Card") for each Company vehicle included in the Company's request. All drivers of vehicles subject to this Agreement must be a representative of the Company, its subsidiaries or affiliates. All Cards issued by EFM upon request of the Company shall be subject to the terms of this Agreement and the responsibility of the Company. All Cards shall bear an expiration date.

Cards issued to the Company shall be used by the Company in accordance with this Agreement and limited solely to purchases of certain products and services for Company vehicles, which are included in the Program. The Program is subject to all other EFM instructions, rules and regulations which may be revised from time to time by EFM. Cards shall remain the property of EFM and returned to EFM upon expiration or cancellation.

2. VEHICLE REPAIRS AND SERVICE: EFM will provide purchase order control by phone or in writing authorizing charges for repairs and service over $75, or such other amount as may be established by EFM from time to time under the Program. All charges for repairs and services will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of potential manufacturer's warranties, application of potential discounts and unnecessary, unauthorized repairs.

Notwithstanding the above, in the event the repairs and service are the result of damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to the Company's Fleet Manager. If the Company prefers that EFM handle the damage repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this service will be up to $125.00 per claim and the Company agrees to reimburse for repairs as outlined in this agreement. If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file for the Company.

3. BILLING AND PAYMENT: All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within ten (10) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company's business. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement. The Company will use its best efforts to obtain and return any such cancelled Card.

4. RENTAL VEHICLES: The Card will authorize the Company's representative to arrange for rental vehicles with a subsidiary of Enterprise Rent-A-Car Company for a maximum of two (2) days without prior authorization. Extensions beyond two (2) days must be granted by an EFM representative. The Company assumes all responsibility for all rental agreements arranged by EFM with a subsidiary of Enterprise Rent-A-Car Company through an EFM representative or through the use of the Card. All drivers must be at least 21 years of age, hold a valid driver's license, be an employee of the Company or authorized by the Company through established reservation procedures and meet other applicable requirements of the applicable subsidiary of Enterprise Rent-A-Car Company.

5. NO WARRANTY: EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, repair or service will not relieve the Company from its obligations under this Agreement, including without limitation the payment to EFM of monthly invoices.

6. CANCELLATION: Either party may cancel any Card under this Agreement or this Agreement in its entirety at any time by giving written notice to the other party. The cancellation of any Card or termination of this Agreement will not affect any rights or obligations under this Agreement, which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to such cancellation or termination. A Card shall be immediately returned to EFM upon cancellation to: Enterprise Fleet Management, 600 Corporate Park Drive, St. Louis, MO 63105, Attention: Enterprise Card Department. Notice to EFM regarding the cancellation of any Card shall specify the Card number and identify the Company's representative. In the case of a terminated representative, such notice shall include a brief description of the efforts made to reclaim the Card.

7. NOTICES: All notices of cancellation or termination under this Agreement shall be mailed postage prepaid by registered or certified mail, or sent by express overnight delivery service, to the other party at its address set forth on the signature page of this Agreement or at such other address as such party may provide in writing from time to time. Any such notice sent by mail will be effective three (3) days after deposit in the United States mail, duly addressed, with registered or certified mail postage prepaid. Any such notice sent by express overnight delivery service will be effective one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company will promptly notify EFM of any change in the Company's address.

Initials: EFM_____ Company_____

8. FEES: EFM will charge the Company for the service under this Agreement $_____ per month per Card, plus a one time set-up fee of $_____.

9. MISCELLANEOUS: This Agreement may be amended only by an agreement in writing signed by EFM and the Company. This Agreement is governed by the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and the Company have executed this Maintenance Management and Fleet Rental Agreement as of the day and year first above written.

Company:	_____	EFM:	Enterprise Fleet Management, Inc.
Signature:	_____	Signature:	_____
By:	_____	By:	_____
Title:	_____	Title:	_____
Address:	_____	Address:	_____
	_____		_____
	_____		_____
Date Signed:	_____, _____	Date Signed:	_____, _____

Initials: EFM_____ Company_____

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enterprise
FLEET MANAGEMENT

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this _____ day of _____, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - $2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

State of Vehicle Registration	Coverage
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	$500,000 Combined Single Limit Bodily Injury and Property Damage or $100,000 Bodily Injury Per Person, $300,000 Per Occurrence and $50,000 Property Damage (100/300/50) - No Deductible
All Other States	$300,000 Combined Single Limit Bodily Injury and Property Damage or $100,000 Bodily Injury Per Person, $300,000 Per Occurrence and $50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of $500 per occurrence - Collision and $250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered

Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be $0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue

at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: _____

Signature: _____

By: _____

Title: _____

Address: _____

_____

_____

Date Signed: _____, _____

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc. its attorney in fact

Signature: _____

By: _____

Title: _____

Address: _____

_____

_____

Date Signed: _____, _____

Initials: EFM_____ Customer_____

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enterprise FLEET MANAGEMENT

GOVERNMENT CREDIT APPLICATION

Please complete all applicable items.

Company Name _____ Credit Applicant _____ Year Business Started _____

Street Address _____ City _____ State _____ Zip _____

E-mail _____ Phone # _____ Fax # _____

Government Entity Type: ☐ State ☐ County ☐ City ☐ Other: _____

Type of Business _____ Duns Number _____

Parent Company or Affiliates(Name & Address): _____

PRIMARY CONTACT INFORMATION

Name _____ E-mail _____ Phone # _____

Fleet Manager Address _____

FINANCIAL INFORMATION

Are your books prepared by an outside Accountant? ☐ Yes ☐ No

Accountant Name _____ Email Address _____ Phone # _____

ENCLOSING WITH APPLICATION

Three years of Financial Statements (with footnotes) ☐ Audited ☐ Opinioned ☐ Internal

Published Annual Reports ☐ Yes ☐ No

Income Tax Returns (3 years) ☐ Yes ☐ No

Other Items Included: _____

Federal ID Number: _____

Fiscal Year End (Month): _____

CURRENT VEHICLE SUPPLIER

Principle Suppliers	Phone #	E-Mail Address	Acct #	# of Vehicles
Current Vehicle Suppliers	**Phone #**	**E-Mail Address**	**Acct #**	**# of Vehicles**
☐ Purchasing ☐ Leasing ☐ Finance				

INSURANCE

Company _____ Agent _____ Policy # _____ Exp. Date _____

Street Address _____ City _____ State _____ Zip _____

Phone # _____ Fax # _____

ACH AUTHORIZATION AGREEMENT

LESSEE INFORMATION

Company Name _____ FEIN _____

Street Address _____ City _____ State _____ Zip _____

Contact Name _____ Phone # _____ Fax # _____

Email Address _____

BANK INFORMATION

Bank Name _____ Checking Account Only _____

Street Address _____ City _____ State _____ Zip _____

Bank Contact Name _____ Phone # _____ Fax # _____

ABA / Routing Number: _____ Account Number: _____

****PLEASE ATTACH A VOIDED CHECK FOR THE ACCOUNT LISTED ABOVE****

Upon approval of this Credit Application, I (we) hereby authorize Enterprise Fleet Management, Inc., hereinafter called "EFM", to initiate, if necessary, credit entries and adjustments for any debit entries in error, to my/our checking account indicated above and to further authorize the depository named above, hereinafter called "DEPOSITORY", to debit and/or credit the same to such account. I (we) covenant and agree to instruct any and all banks or other financial institution specified in this Credit Application and ACH authorization to process debits using the Automated Clearing House funds-transfer system.

This transaction will be completed in accordance with the following provisions:

1. The withdrawal will occur on the 20th of each month. If the 20th of each month falls on a weekend, amounts will be withdrawn on the next business day.
2. An electronic copy of the invoice and/or statement will be available on EFM's website (http://efmfleetaccess.efleets.com) by the 5th business day of each month. The Lessee will be expected to review the invoice/statement prior to the 15th of each month. The Lessee reserves the right to call EFM and dispute a charge by the 15th of the month. EFM will withdraw the entire invoice amount each month if no charges have been disputed by the 15th of each month. Upon request to EFM, a hard copy of an invoice or statement will be mailed to the lessee each month via the United States Postal Service.
3. For any amount owed by the Lessee to EFM that is not paid due to insufficient funds on the date the debit should occur, a $25 non-sufficient funds transaction fee will be assessed. The transaction fee shall be paid by the Lessee to EFM on demand.
4. This authorization is to remain in full force and effect until EFM has received written notification from the Lessee of its termination in such time and in such manner as to afford EFM and DEPOSITORY a reasonable opportunity to act on it. Cancellation will also occur if EFM has sent the Lessee a ten day written notice for EFM's termination of the agreement. Cancellation requests for this agreement should be forwarded to:

ARBilling@efleets.com

STATEMENT OF POLICY AND PROCEDURES

Enterprise Fleet Management, Inc. and affiliates will use the information provided in this for the purpose of fleet and rental related services/programs.

Enterprise Fleet Management, Inc. reserves the right to return this application if all sections are not completed or determined misleading.

Enterprise Fleet Management, Inc. will conduct future inquiries on an annual basis as part of the annual credit review process or as fleet size increases, and reserves the right to ask for additional or updated financial information as the need warrants as part of the credit underwriting process.

AUTHORIZED SIGNERS FOR MOTOR VEHICLE LEASE(S)

RESOLVED, The undersigned hereby certifies (i) that he/she is the duly appointed _____ (Title) for _____ (Entity legal name) hereafter known as "The Entity", (ii) that he/she is authorized by The Entity to execute and deliver on behalf of The Entity to Enterprise Fleet Management, hereafter known as "Enterprise" ("Lessor") and the Master Lease Agreement between Enterprise and the Entity) the ("Lessee"), and (iii) that the following individuals are authorized and empowered on behalf of and in the name of The Entity to execute and deliver to Enterprise Schedules to the Lease for individual motor vehicles, together with any other necessary documents in connection with those Schedules:

RESOLVED FURTHER, that:

Print Name	Title
Print Name	Title
Print Name	Title
Print Name	Title
Print Name	Title
Print Name	Title

Bond Rating: _____ Rating Agency: _____ Federal ID#: _____

RESOLVED FURTHER, that EFM is authorized to act upon this authorization until written notice of its revocation is received by EFM.

I do herby certify that the information contained in this Credit Application is accurate in all material aspects as required by law. Further, I do hereby certify

Print Name	Title
Signature	Company Name

Date

For the purpose of seeking to secure credit from Enterprise Fleet Management, Inc. (together with its affiliates, successors, assigns and third party service providers, "EFM"), Credit Applicant (a) authorizes (i) EFM to run a credit report, investigate and verify the information in this Credit Agreement, and/or obtain financial and/or credit information from any person or entity with which Credit Applicant has or had financial dealings, including banks, lending institutions and trade or credit references, whether or not such person or entity is identified in this Credit Application, which information may include financial statements, tax returns, and banking records, (ii) EFM to contact any of Credit Applicant's current or former employers or creditors to verify any information contained herein or received in connection with this Credit Application if Credit Applicant is a sole proprietor, and (iii) any third party who may have relevant information to provide such information to EFM, (b) will notify EFM if there is any change in name, address, or any material adverse change (i) in any of the information contained in this Credit Application, (ii) in Credit Applicant's financial condition, or (iii) in Credit Applicant's ability to perform their respective obligations to EFM, and (c) represents and warrants that any and all information provided to EFM by Credit Applicant is true, correct and complete as of the date hereof. The lack of any notice of change in the representations and warranties included in this Credit Application shall be considered a continuing statement that the information provided in this Credit Application remains true, correct and complete.

As permitted by law, EFM may also release information about EFM's credit experience with Credit Applicant. Credit Applicant understands and agrees that all reports and records developed by EFM or any third party agent in connection with the foregoing investigations are the sole property of EFM and will not be provided to Credit Applicant unless otherwise required by applicable law or agreed to by EFM in writing.

The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that Credit Applicant has the capacity to enter into a binding contract); because all or part of Credit Applicant's income derives from any public assistance program; or because Credit Applicant has in good faith exercised any right under the Consumer Credit Protection Act. If this credit application is denied, Credit Applicant may have the right to a written statement of the specific reason(s) for the denial. To request to obtain the statement, Credit Applicant may contact EFM at: 600 Corporate Park Drive, ATTN: EFM Credit Department, St. Louis, MO 63105, within 60 days from the date Credit Applicant is notified of the denial. If applicable, within 30 days of EFM's receipt of the request, EFM will send Credit Applicant a written statement specifying the reason(s) for the denial.

The person signing below personally represents and warrants to EFM that he/she is authorized to make this application for credit on behalf of Credit Applicant.

Please note that this Credit Application is an application and does not commit or require EFM to extend any credit whatsoever to Credit Applicant.

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Open-End (Equity) Lease Rate Quote

Quote No: 4650107

Prepared For: Town of Florence

Date 05/20/2020
AE/AM 6JB

Unit #
Year 2020 **Make** Chevrolet **Model** Silverado 2500HD
Series Work Truck 4x4 Crew Cab 8 ft. box 172 in. WB
Vehicle Order Type Ordered **Term** 48 **State** AZ **Customer#** 575892

All language and acknowledgments contained in the signed quote apply to all vehicles that are ordered under this signed quote.

$ 41,914.24		Capitalized Price of Vehicle[1]
$ 0.00	*	Sales Tax 0.0000% **State** AZ
$ 4.00	*	Initial License Fee
$ 0.00	*	Registration Fee
$ 200.00		Other: (See Page 2)
$ 4,209.26	*	Capitalized Price Reduction
$ 387.25	*	Tax on Capitalized Price Reduction
$ 0.00		Gain Applied From Prior Unit
$ 0.00	*	Tax on Gain On Prior
$ 0.00	*	Security Deposit
$ 763.60	*	Tax on Incentive(Taxable Incentive Total : $8,300.00)
$ 37,904.98		Total Capitalized Amount (Delivered Price)
$ 511.72		Depreciation Reserve @ 1.3500%
$ 155.51		Monthly Lease Charge (Based on Interest Rate - Subject to a Floor)[2]
$ 667.23		**Total Monthly Rental Excluding Additional Services**
		Additional Fleet Management
		Master Policy Enrollment Fees
$ 0.00		Commercial Automobile Liability Enrollment
		Liability Limit $0.00
$ 0.00		Physical Damage Management — Comp/Coll Deductible 0 / 0
$ 0.00		Full Maintenance Program[3] Contract Miles 0 — OverMileage Charge $ 0.00 Per Mile
		Incl: # Brake Sets (1 set = 1 Axle) 0 — # Tires 0 — Loaner Vehicle Not Included
$ 0.00		**Additional Services SubTotal**
$ 61.39		Transaction Privilege Tax 9.2000% — **State** AZ
$ 728.62		**Total Monthly Rental Including Additional Services**
$ 13,342.42		Reduced Book Value at 48 Months
$ 395.00		Service Charge Due at Lease Termination

Order Information

Driver Name	
Exterior Color	(0 P) Summit White / Black Front Grille
Interior Color	(0 I) Jet Black w/Cloth Seat Trim
Lic. Plate Type	Unknown
GVWR	0

Quote based on estimated annual mileage of 15,000
(Current market and vehicle conditions may also affect value of vehicle)
(Quote is Subject to Customer's Credit Approval)

Notes

Enterprise FM Trust will be the owner of the vehicle covered by this Quote. Enterprise FM Trust (not Enterprise Fleet Management) will be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle.

ALL TAX AND LICENSE FEES TO BE BILLED TO LESSEE AS THEY OCCUR.

Lessee hereby authorizes this vehicle order, agrees to lease the vehicle on the terms set forth herein and in the Master Equity Lease Agreement and agrees that Lessor shall have the right to collect damages in the event Lessee fails or refuses to accept delivery of the ordered vehicle.
Lessee certifies that it intends that more than 50% of the use of the vehicle is to be in a trade or business of the Lessee.

LESSEE Town of Florence

BY _____ **TITLE** _____ **DATE** _____

* INDICATES ITEMS TO BE BILLED ON DELIVERY.

[1] Capitalized Price of Vehicle May be Adjusted to Reflect Final Manufacturer's Invoice. Lessee Hereby Assigns to Lessor any Manufacturer Rebates And/Or Manufacturer Incentives Intended for the Lessee, Which Rebates And/Or Incentives Have Been Used By Lessor to Reduce the Capitalized Price of the Vehicle.

[2] Monthly Lease Charge Will Be Adjusted to Reflect the Interest Rate on the Delivery Date (Subject to a Floor).

[3] The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this [Invoice/Schedule/Quote], all such maintenance services are to be performed by Enterprise Fleet Management, Inc., and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc.; provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc.

Aftermarket Equipment Total

Description	(B)illed or (C)apped	Price
Sun Country 40550	C	$ 8,418.51
Total Aftermarket Equipment Billed		$ 0.00
Total Aftermarket Equipment Capitalized		$ 8,418.51
Aftermarket Equipment Total		$ 8,418.51

Other Totals

Description	(B)illed or (C)apped	Price
Pricing Plan Delivery Charge	B	$ 100.00
Courtesy Delivery Fee	C	$ 200.00
Total Other Charges Billed		$ 100.00
Total Other Charges Capitalized		$ 200.00
Other Charges Total		$ 300.00

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Open-End (Equity) Lease Rate Quote

Quote No: 4650107

VEHICLE INFORMATION:

2020 Chevrolet Silverado 2500HD Work Truck 4x4 Crew Cab 8 ft. box 172 in. WB - US
Series ID: CK20943

Pricing Summary:

	INVOICE	MSRP
Base Vehicle	$ 39,542.80	$ 41,800.00
Total Options	$ 657.93	$ 723.00
Destination Charge	$ 1,595.00	$ 1,595.00
Total Price	**$ 41,795.73**	**$ 44,118.00**

SELECTED COLOR:

Exterior: GAZ / GRIL - (0 P) Summit White / Black Front Grille
Interior: H0U - (0 I) Jet Black w/Cloth Seat Trim

SELECTED OPTIONS:

CODE	DESCRIPTION	INVOICE	MSRP
1WT	Preferred Equipment Group 1WT	NC	NC
5N5	SEO: Rear Camera Kit	$ 66.43	$ 73.00
9J4	Rear Bumper Delete	Included	Included
9L3	Delete Spare Tire & Wheel	Included	Included
A2X	10-Way Power Driver Seat Adjuster w/Lumbar (Fleet)	$ 263.90	$ 290.00
A52	Front 40/20/40 Split-Bench Seat w/No Storage	Included	Included
A68	Rear 60/40 Folding Bench Seat (Folds Up)	Included	Included
AEQ	Power Rear Windows w/Express Down	Included	Included
AKP	Solar Absorbing Tinted Glass	Included	Included
AQQ	Remote Keyless Entry	Included	Included
BG9	Rubberized-Vinyl Floor Covering	Included	Included
BLUE	Bluetooth For Phone	Included	Included
CAP	Capped Fuel Fill	Included	Included
CLOTH	Cloth Seat Trim	NC	NC
CTDDEL	12 Fixed Cargo Tie Downs Delete	Included	Included
CTTDEL	Hitch Guidance Delete	Included	Included
DBG	Heated Vertical Trailering Mirrors	Included	Included
GAZ_01	(0 P) Summit White	NC	NC
GRIL	Black Front Grille	Included	Included
GT4	3.73 Rear Axle Ratio	STD	STD
H0U_02	(0 I) Jet Black w/Cloth Seat Trim	NC	NC
IOR	Radio: Chevrolet Infotainment 3 System	STD	STD
JGF	GVWR: 10,650 lbs (4,831 kg)	Included	Included
JL1_	Integrated Trailer Brake Controller (Fleet)	$ 250.25	$ 275.00
K34	Electronic Cruise Control w/Set & Resume Speed	Included	Included
KI4	120-Volt Instrument Panel Power Outlet	$ 136.50	$ 150.00
KW7	170 Amp Alternator	Included	Included
L8T	Engine: 6.6L Gas V8 w/Direct Injection & VVT	STD	STD
L8TBAT	720 Cold-Cranking Amps Heavy-Duty Battery	Included	Included
MCAP	Black Mirror Caps	Included	Included
MYD	Transmission: HD 6-Speed Automatic	STD	STD
N33	Manual Tilt-Wheel Steering Column	Included	Included
NQF	2-Speed Electronic Shift Transfer Case	Included	Included
PYN	Wheels: 17" Silver Painted Steel	Included	Included
QHQ	Tires: LT245/75R17E AS BW	Included	Included
SFW	SEO: Back-Up Alarm Calibration	Included	Included
STPDEL	Black BedStep Delete	Included	Included
UDC	3.5" Diagonal Monochromatic Display DIC	Included	Included

UQF	6-Speaker Audio System	Included	Included
UVCDEL	Rear Vision Camera Delete	Included	Included
V46	Chrome Front Bumper	$ 91.00	$ 100.00
WARANT	Fleet Customer Powertrain Limited Warranty	NC	NC
Z82DEL	Trailering Package Delete	Included	Included
Z85	Suspension Package	STD	STD
ZHQ	Spare LT245/75R17E AS BW Tire	$ 345.80	$ 380.00
ZLQ	WT Fleet Convenience Package	$ 555.10	$ 610.00
ZW9	Pickup Bed Delete	$ -1,051.05	$ -1,155.00
ZY1	Solid Paint	STD	STD

CONFIGURED FEATURES:

Body Exterior Features:

Number Of Doors 4
Driver And Passenger Mirror: power remote heated manual folding side-view door mirrors with turn signal indicator
Convex Driver Mirror: convex driver and passenger mirror
Mirror Type: manual extendable trailer mirrors
Door Handles: black
Front And Rear Bumpers: chrome front and rear bumpers with black rub strip
Front Tow Hooks: 2 front tow hooks
Body Material: galvanized steel/aluminum body material
: trailering with brake controller
Fender Flares: black fender flares
Grille: black grille

Convenience Features:

Air Conditioning manual air conditioning
Cruise Control: cruise control with steering wheel controls
Power Windows: power windows with front and rear 1-touch down
Remote Keyless Entry: keyfob (all doors) remote keyless entry
Illuminated Entry: illuminated entry
Auto Locking: auto-locking doors
Steering Wheel: steering wheel with manual tilting
Day-Night Rearview Mirror: day-night rearview mirror
Front Cupholder: front cupholder
Overhead Console: mini overhead console
Glove Box: locking glove box
Driver Door Bin: driver and passenger door bins
Rear Door Bins: rear door bins
Dashboard Storage: dashboard storage
IP Storage: covered bin instrument-panel storage
Driver Footrest: driver's footrest
Retained Accessory Power: retained accessory power
Power Accessory Outlet: 1 12V DC power outlet
AC Power Outlet: 1 AC power outlet

Entertainment Features:

radio AM/FM/Satellite-prep with seek-scan
Speakers: 6 speakers
1st Row LCD: 1 1st row LCD monitor
Wireless Connectivity: wireless phone connectivity
Antenna: fixed antenna

Lighting, Visibility and Instrumentation Features:

Headlamp Type delay-off aero-composite halogen headlamps
Cab Clearance Lights: cargo bed light
Front Wipers: variable intermittent wipers
Tinted Windows: light-tinted windows
Dome Light: dome light with fade
Front Reading Lights: front and rear reading lights
Variable IP Lighting: variable instrument panel lighting
Display Type: analog display
Tachometer: tachometer
Voltometer: voltmeter
Exterior Temp: outside-temperature display
Low Tire Pressure Warning: tire specific low-tire-pressure warning
Trip Computer: trip computer
Trip Odometer: trip odometer
Oil Pressure Gauge: oil pressure gauge
Water Temp Gauge: water temp. gauge
Engine Hour Meter: engine hour meter
Clock: in-radio display clock
Systems Monitor: systems monitor
Check Control: redundant digital speedometer
Oil Pressure Warning: oil-pressure warning

Water Temp Warning: water-temp. warning
Battery Warning: battery warning
Low Oil Level Warning: low-oil-level warning
Low Coolant Warning: low-coolant warning
Lights On Warning: lights-on warning
Key in Ignition Warning: key-in-ignition warning
Low Fuel Warning: low-fuel warning
Low Washer Fluid Warning: low-washer-fluid warning
Door Ajar Warning: door-ajar warning
Brake Fluid Warning: brake-fluid warning
Turn Signal On Warning: turn-signal-on warning
Transmission Fluid Temperature Warning: transmission-fluid-temperature warning
Brake Pad Wear: brake pad wear

Safety And Security:
ABS four-wheel ABS brakes
Number of ABS Channels: 4 ABS channels
Brake Assistance: brake assist
Brake Type: DuraLife four-wheel disc brakes
Vented Disc Brakes: front and rear ventilated disc brakes
Daytime Running Lights: daytime running lights
Driver Front Impact Airbag: driver and passenger front-impact airbags
Driver Side Airbag: seat-mounted driver and passenger side-impact airbags
Overhead Airbag: curtain 1st and 2nd row overhead airbag
Occupancy Sensor: front passenger airbag occupancy sensor
Height Adjustable Seatbelts: height adjustable front seatbelts
Seatbelt Pretensioners: front seatbelt pre-tensioners
3Point Rear Centre Seatbelt: 3 point rear centre seatbelt
Side Impact Bars: side-impact bars
Rear Child Safety Locks: rear child safety locks
Ignition Disable: immobilizer
Panic Alarm: panic alarm
Electronic Stability: StabiliTrak w/Proactive Roll Avoidance electronic stability stability control with anti-roll
Traction Control: ABS and driveline traction control
Front and Rear Headrests: manual adjustable front head restraints
Rear Headrest Control: 2 rear head restraints

Seats And Trim:
Seating Capacity max. seating capacity of 6
Front Bucket Seats: front split-bench 40-20-40 seats
Number of Driver Seat Adjustments: 8-way driver and passenger seat adjustments
Reclining Driver Seat: power reclining driver and manual reclining passenger seats
Driver Lumbar: power 2-way driver and passenger lumbar support
Driver Height Adjustment: power height-adjustable driver and passenger seats
Driver Fore/Aft: power driver and passenger fore/aft adjustment
Driver Cushion Tilt: power driver and passenger cushion tilt
Front Centre Armrest Storage: front centre armrest
Rear Seat Type: rear 60-40 split-bench seat
Rear Folding Position: rear seat fold-up cushion
Leather Upholstery: cloth front and rear seat upholstery
Headliner Material: full cloth headliner
Floor Covering: full vinyl/rubber floor covering
Cabback Insulator: cabback insulator
Shift Knob Trim: urethane shift knob

Standard Engine:
Engine 401-hp, 6.6-liter V-8 (regular gas)

Standard Transmission:
Transmission 6-speed automatic w/ OD and auto-manual

AMENDMENT TO MASTER EQUITY LEASE AGREEMENT

THIS AMENDMENT ("Amendment") dated this ____ day of May, 2020 is attached to, and made a part of, the MASTER EQUITY LEASE AGREEMENT entered into on the ____ day of May, 2020 ("Agreement") by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor") and Town of Florence, Arizona ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 4 of the Master Equity Lease Agreement is amended to read as follows:

Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. The vehicles may enter Canada or Mexico for short durations or a period of time that does not require such vehicles to become subject to the titling and/or registration laws of such other country. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place as mutually agreed upon by Lessor and Lessee and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

Section 8(a) of the Master Equity Lease Agreement is amended to read as follows:

Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

Section 12 of the Master Equity Lease Agreement is amended to read as follows:

INDEMNITY: To the extent permitted by Arizona state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to Arizona State law.

The Town of Florence, Arizona is a public institution and, as such, any indemnification, liability limitation, or hold harmless provision will be limited as required by Arizona law. Therefore, notwithstanding any other provision of this Agreement to the contrary, Town of Florence, Arizona's liability under any claim for indemnification shall not exceed

any limits imposed by applicable law and shall not extend to matters for which the Town of Florence, Arizona is barred by law from providing indemnity.

Section 15, first paragraph of the Master Equity Lease Agreement is amended to read as follows:

Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason. Notwithstanding the foregoing, the Lessee is not waiving its right to otherwise pursue claims against the Lessor and Lessor's Servicer (Enterprise Fleet Management, Inc.) in any manner not inconsistent with the provisions of this Agreement.

Section 17 of the Master Equity Lease Agreement is amended to read as follows:

Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Arizona (determined without reference to conflict of law principles).

Section 19 of the Master Equity Lease Agreement is amended to read as follows:

NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the Arizona State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the Town of Florence, Arizona to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the Town of Florence, Arizona fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, the parties agree that Lessor may recover the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement). This Agreement is subject to cancellation pursuant to the provisions of Arizona Revised Statute § 38-511 regarding Conflict of Interest.

Sections 20, 21, and 22 of the Master Equity Lease Agreement are additional paragraphs and read as follows:

Section 20 No Boycotting Israel. Lessor hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 21 NON-DISCRIMINATION The parties shall comply with all applicable state and federal laws, rules, regulations and executive orders governing Equal Employment Opportunity, Non-Discrimination (Executive Order 11246), affirmative action, and Immigration (Executive Order 13465 – Employment Eligibility Verification, E-Verify; 73 FR 67704). If applicable, Lessor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin.

Section 22 INSPECTION AND AUDIT: The Lessor agrees to keep all books, accounts, reports, files and other records relating to this Agreement for five (5) years after completion of this Agreement. In addition, the Lessor agrees that such books, accounts, reports, files and other records shall be subject to audit pursuant to A.R.S. § 35-214.

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of the _____ day of May, 2020.

_____	_____
Town of Florence, Arizona (Lessee)	Enterprise FM Trust (Lessor) By: Enterprise Fleet Management, Inc., its attorney in fact
By_____	By_____
Title:_____	Title:_____

AMENDMENT TO MAINTENANCE AGREEMENT

THIS AMENDMENT ("Amendment") dated this ____ day of May, 2020 is attached to, and made a part of, the MAINTENANCE AGREEMENT entered into on the ____ day of May, 2020 ("Agreement") by and between Enterprise Fleet Management Inc., a Missouri corporation ("EFM") and Town of Florence, Arizona ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 10 of the Maintenance Agreement is amended to read as follows:

This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Arizona (without reference to conflict of law principles). This Agreement is subject to cancellation pursuant to the provisions of Arizona Revised Statute §38-511 regarding Conflict of Interest.

Section 11, 12, and 13 of the Maintenance Agreement are additional paragraphs and read as follows"

Section 11 No Boycotting Israel. Lessor hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 12 NON-DISCRIMINATION The parties shall comply with all applicable state and federal laws, rules, regulations and executive orders governing Equal Employment Opportunity, Non-Discrimination (Executive Order 11246), affirmative action, and Immigration (Executive Order 13465 – Employment Eligibility Verification, E-Verify; 73 FR 67704). If applicable, Lessor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin.

Section 13 INSPECTION AND AUDIT: The Lessor agrees to keep all books, accounts, reports, files and other records relating to this Agreement for five (5) years after completion of this Agreement. In addition, the Lessor agrees that such books, accounts, reports, files and other records shall be subject to audit pursuant to A.R.S. § 35-214.

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, EFM and Lessee have executed this Amendment to Maintenance Agreement as of the __ day of May, 2020.

_____	_____
Town of Florence, Arizona (Lessee)	ENTERPRISE FLEET MANAGEMENT, INC.
By_____	By_____
Title:_____	Title:_____

AMENDMENT TO MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

THIS AMENDMENT ("Amendment") dated this ____ day of May, 2020 is attached to, and made a part of, the MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT entered into on the ____ day of May, 2020 ("Agreement") by and between Enterprise Fleet Management Inc., a Missouri corporation ("EFM") and Town of Florence, Arizona ("Company"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 9 of the Maintenance Management and Fleet Rental Agreement is amended to read as follows:

This Agreement may be amended only by an agreement in writing signed by EFM and the Company. This Agreement is governed by the substantive laws of the State of Arizona (determined without reference to conflict of law principles). The venue for any dispute under this Agreement shall be within the courts in the State of Arizona This Agreement is subject to cancellation pursuant to the provisions of Arizona Revised Statute § 38-511 regarding Conflict of Interest.

Additional Sections 10, 11 and 12 are added to the Maintenance Agreement and read as follows:

No Boycotting Israel. Lessor hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

NON-DISCRIMINATION The parties shall comply with all applicable state and federal laws, rules, regulations and executive orders governing Equal Employment Opportunity, Non-Discrimination (Executive Order 11246), affirmative action, and Immigration (Executive Order 13465 – Employment Eligibility Verification, E-Verify; 73 FR 67704). If applicable, Lessor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin.

INSPECTION AND AUDIT: The Lessor agrees to keep all books, accounts, reports, files and other records relating to this Agreement for five (5) years after completion of this Agreement. In addition, the Lessor agrees that such books, accounts, reports, files and other records shall be subject to audit pursuant to A.R.S. § 35-214.

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Company and EFM have executed this Amendment to Maintenance Management and Fleet Rental Agreement as of the ____ day of May, 2020.

_____	_____
Town of Florence, Arizona (Company)	ENTERPRISE FLEET MANAGEMENT, INC.
By_____	By_____
Title:_____	Title:_____

MINUTES OF THE TOWN OF FLORENCE COUNCIL REGULAR MEETING HELD ON MONDAY, MAY 4, 2020, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Walter called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: *Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes
(*All Councilmembers appeared by Video Conference via Zoom)
Absent: Judy Hughes

MOMENT OF SILENCE

Mayor Walter called for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Walter led the Pledge of Allegiance.

CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

There were no public comments.

PRESENTATIONS

Proclaim May 2020 as Water Safety Month.

Mr. John Nixon, Interim Community Services Director, stated water safety is important for anyone around water. National Water Safety Month is an annual awareness campaign coordinated by the Association of Pool & Spa Professionals with support from the National Recreation & Parks Association, the American Red Cross and the World Waterpark Association.

Mr. Nixon stated that these organizations represent businesses and other individuals and agencies involved in bringing safe, enjoyable aquatic activities to the American public, from home pools and spas, to waterparks and resort, to public swimming and water recreation facilities.

Mr. Nixon stated that all department facilities are closed, and programming is suspended in compliance with the Governor's executive orders regarding COVID-19. It is unknown when restrictions will be lifted; however, when orders are issued to lift closures and restrictions, they will

then celebrate Water Safety Month with the annual Water Safety Day and season opening of the Aquatic Center. There will be a delay from when the orders are lifted and when they actually open because staff will still need to be trained and certified before they can open to the public.

Mayor Walter played a slide show of her reading the proclamation and declaring May 2020 as Water Safety Month.

Proclaim May 2020 as Historic Preservation Month.

Ms. Barbara Rice, Community Development Director, stated that the month of May is designated as National Historic Preservation Month throughout the country. By proclaiming May 2020 as Historic Preservation Month, the Town has the opportunity to highlight the contributions that historic preservation makes throughout Florence.

Ms. Rice stated that the celebration of National Historic Preservation Month gives the Town of Florence the opportunity to recognize our community's integrity as well as the individuals who have contributed their time and expertise to improving that integrity. Historic preservation provides an opportunity for all residents to be meaningfully involved in preserving the history of our community. The full benefits of historic preservation require the whole community to understand, support and demand excellence in the preservation of the historic fabric of their community.

Mayor Walter played a slide show of her reading the proclamation and declaring May 2020 as Historic Preservation Month.

Redevelopment Plan and General Plan updates due to COVID-19 precautions.

Ms. Rice stated that the Redevelopment Plan is on track and moving forward. The 2nd Public Open House was held on March 12, 2020 and there were approximately 30 participants who had the opportunity to review the potential land use map and several development scenarios. The input was gathered by the consultants and they are using the feedback to prepare a draft document. The online citizen's survey will remain on the Town's website to receive any additional comments. Staff expects to receive an initial draft around the first of May but may change due to the Covid-19 restrictions. Public Participation will continue once the COVID-19 precautions are lifted. That participation will include public meetings with the Planning and Zoning Commission, the Historic District Advisory Commission and, ultimately, the Town Council for adoption. They are still compliant with the Scope of Work per the contract. A hard timeline is not specified in the contract and, as such, no amendment to the original contract is necessary at this time.

Ms. Rice stated that regarding the General Plan Update, the Town's consultant is still in the research and data gathering stage of the project. The Scope of Work does not anticipate formal public input to be initiated until around mid-summer of this year. Staff is currently working with the consultant on gathering information and other preliminary work. We anticipate receiving initial data to review in the near future. They are still compliant with the Scope of Work per the contract. A hard timeline is not specified in the contract and, as such, no amendment to the original contract is necessary at this time. The only time sensitive issue might be at the end of the project in order to meet the schedule for a fall 2022 public vote as prescribed by State Statute.

Vice-Mayor Anderson inquired if there is a target date for the draft.

Ms. Rice stated that a target date has not be set as the consultants are also following Governor Ducey's Executive Order and they too have personnel restrictions regarding the Covid-19 pandemic. There may be an approximate 30-day delay from the original anticipated date.

CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

Resolution No. 1737-20:

Mayor Walter read Resolution No. 1737-20 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AUTHORIZING THE TOWN TO ENTER INTO A GRANT AGREEMENT WITH THE CITY OF TUCSON POLICE DEPARTMENT REGARDING THE ARIZONA HIGH INTENSITY DRUG TRAFFICKING AREA. (Bruce Walls/Jennifer Evans)

Resolution No. 1738-20:

Mayor Walter read Resolution No. 1738-20 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2021 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL. (Rebecca Jimenez)

Authorization to contract with SJ Anderson Company, to address age and weather-related deterioration of the exterior of Town Hall, in an amount not to exceed $58,623.92. (Chris Salas)

Approval of accepting the register of demands ending March 31, 2020, in the amount of $2,021,754.84. (Rebecca Jimenez)

On motion of Vice-Mayor Anderson and Councilmember Wall, seconded by Councilmember Larsen, and carried (5-0) to approve the Consent Agenda, as written.

NEW BUSINESS

Discussion/Approval/Disapproval of a contract with Terracon Consultants Inc., for construction material testing, in an amount not to exceed $150,000 and void the existing professional services contract entered into on September 3, 2019.

Mr. Chris Salas, Public Works Director, stated that the Town previously entered into a contract with Terracon Consultants, Inc. for construction material testing consulting services related to geotechnical investigations as well as soil reports for structural design of roadways. The Town has already used the approved amount for the original contract for an asbestos investigation, a

geotechnical investigation and some construction materials testing. There are other projects that they would like to use Terracon Consultants Inc. for; however, they will need to enter into another contract for funding.

Vice-Mayor Anderson inquired what the $150,000 will be used for.

Mr. Salas stated that they will utilize them for construction materials testing for the Arizona Farms Road Overlay Project and Hunt Highway Project, for an approximate amount of $40,000. The rest would be used for future projects.

Vice-Mayor Anderson inquired what line item will be expensed.

Mr. Salas stated that it will be expensed from HURF funds.

On motion of Councilmember Wall, seconded by Vice-Mayor Anderson, and carried (5-0) to approve the contract with Terracon Consultants Inc., for construction material testing, in an amount not to exceed $150,000 and void the existing professional services contract entered into on September 3, 2019.

MANAGER'S REPORT

Mr. Brent Billingsley, Town Manager, stated that The Town of Florence Transportation Planning Study was completed in draft form on January 3, 2020. It was advertised for public comment from January 7, 2020 to January 21, 2020 with the second public open house meeting held on January 21, 2020. Outside of Town staff, the project had over 32 participants attend two public open house meetings to provide comments and input. Input and guidance was also provided throughout the process from three meetings of the Technical Advisory Committee that included 20 participants, including representatives from the Town of Florence, CAG, Pinal County, Central Arizona Regional Transit (CART), ADOT, MAG, and Pulte Homes. All comments were integrated into a final document on February 28, 2020. There is a future presentation planned once the pandemic is better under control to present the final form. There will be one final public hearing which will take place once the Council meetings are open to the public to attend in person. The hearings scheduled in April have been pushed to May and now to June.

Mr. Billingsley provided an update on Covid-19. The numbers continue to increase, which is due to increased testing. They are as follows:

<u>Covid-19 Cases</u>:

In Arizona:	8,918 confirmed cases
	362 deaths
In Pinal County:	468 confirmed cases
	13 deaths
In Florence Zip Code:	75 confirmed cases

Mr. Billingsley stated that Governor Ducey held a press conference in which he discussed re-opening the Arizona economy starting on May 8, 2020 in which barbers and salons will be able to

re-open in a limited capacity and will need to adhere to the CDCs guidelines. Restaurants will be permitted to open on May 11, 2020 and they too must follow the CDCs guidelines. The State is still under the Stay Home Initiative, unless you are considered essential services, and they will re-evaluate it on May 15, 2020. The State is still recommending telecommute and telework as a best practice.

Mr. Billingsley stated with regards to Covid-19, they are as follows:

Eyman Unit	5 confirmed cases
Florence	47 confirmed cases with an additional 13 pending tests
ADOC	46 staff members with confirmed cases; 24 staff members have recovered
ICE Facility	10 confirmed cases
GEO	Information not provided
Core Civic	Information not provided

Mr. Billingsley stated that the Police Department is now operating on 12-hour shifts which the officers have requested this for several years. He had been working with Chief Dan Hughes (retired chief) since last year to implement the change. The change in shift hours increases staffing levels from four officers to five and there will be a sergeant on each shift. There will also be a reduction in overtime. He explained the benefits in working as teams and the growth that can occur from this change.

Mayor Walter inquired about the database that the prison utilizes to report their COVID-19cases. She stated that there have been deaths in the 85132 zip code; however, the prison numbers for COVID-19 are not showing up on the zip code report. She stated that the numbers vary based on what report or agency you speak with. Unfortunately, staff tries to use the best information they receive. There seems to be mathematical discrepancies on the various reports and within the various agencies.

Mr. Billingsley stated that per Governor Ducey's most recent address, the Governor stated that he is reinvigorating the economy by allowing some businesses to reopen. He is meeting with the Department Managers as well as meeting with Pinal County to discuss how to proceed with re-opening. One consideration is to move from Phase 2 to Phase 1, which could mean opening up some of the Town's facilities; however, this is just in the discussion phase.

Mayor Walter thanked Police Chief Bruce Walls for him and his staff's services and added patrol on Main Street; specifically, with regards to the most recent issues.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Larsen asked the public to support local businesses and is looking forward to some unique ways to socialize while still keeping the citizens safe.

Councilmember Wall stated that she attended the virtual Pinal Partnership Meeting. It is interesting how various communities are dealing with the COVID-19 Pandemic slowdown. Mr.

Billingsley did a great job presenting Florence's challenges, specifically as it relates to the prisons in our community. Some of the suggestions included:

- Drive through library
- Cross-training amongst employees
- Budget planning – is challenging
- How best to restart the Town services and businesses being impacted

Councilmember Wall stated that the week of May 3 – May 9, 2020 is National Clerk's Week. She thanked Ms. Garcia for her service to the Town and for all that she does for the Council.

Councilmember Wall inquired if the POWWOW event for May 23, 2020 has been cancelled.

Mr. Billingsley stated that it has not been decided as of yet if there will be a POWWOW event in May. If so, it will be advertised on the Town's social media platforms.

Councilmember Cordes stated that other communities have had POWWOW events throughout the state. Everything was already packaged, and you just drove through to obtain your produce. She stated that she is eager for businesses to re-open and understand everyone's concerns. She stated that she is a small business owner and has to go without a paycheck and lay off employees. The impacts are being felt worldwide and it will be quite some time before things return to normal. She asked everyone to help each other.

Vice-Mayor Anderson stated that he is disappointed that the people of Florence who are active in historical preservation cannot be recognized at this time because they are not able to attend the meeting due to social distancing. He asked that the Town do some type of recognition for them at one of the Town's events once the social distancing is lifted.

Vice-Mayor Anderson stated that the Greater Florence Chamber of Commerce has been promoting the trainings being offered.

Mayor Walter stated that some businesses have taken advantage of the trainings and two businesses have received funding.

Mayor Walter thanked everyone for their assistance in keeping the community informed. She thanked everyone who helps with historic preservation. Her hope is that the Council meetings can resume in the Council chambers in June.

ADJOURNMENT

On motion of Councilmember Wall, seconded by Councilmember Cordes, and carried (5-0) to adjourn the meeting at 6:42 p.m.

_____

Tara Walter, Mayor

ATTEST:

_____
Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on May 4, 2020, and that the meeting was duly called to order and that a quorum was present.

_____
Lisa Garcia, Town Clerk

MINUTES OF THE TOWN OF FLORENCE COUNCIL SPECIAL MEETING HELD ON TUESDAY, MAY 12, 2020, AT 6:00 P.M., TELEPHONICALLY DUE TO THE RISKS TO PUBLIC HEALTH CAUSED BY THE POSSIBLE SPREAD OF THE COVID-19.

CALL TO ORDER

Mayor Walter called the meeting to order at 6:02 p.m**.**

ROLL CALL:

Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes

ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(1), (A)(3), and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding:

a. **Town's position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325, including counterclaims.**
b. **Town's position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.**
c. **Discussion on possible contract negotiations with Magma Flood Control District.**

On motion of Councilmember Wall, seconded by Vice-Mayor Anderson and carried to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Wall, seconded by Vice-Mayor Anderson, and carried to adjourn the meeting at 7:16 p.m.

_____
Tara Walter, Mayor

ATTEST:

_____
Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on May 12, 2020, and that the meeting was duly called to order and that a quorum was present.

_____

Lisa Garcia, Town Clerk

MINUTES OF THE TOWN OF FLORENCE COUNCIL MEETING HELD ON MONDAY, MAY 18, 2020, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, the Town of Florence has determined that public meetings will be indefinitely held through technological means. Meetings will be open to the public through technological means. In reliance on, and in compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, and in conjunction with the Emergency Proclamation signed by Mayor Tara Walter, on March 18, 2020. The Town of Florence provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

CALL TO ORDER

Mayor Walter called the meeting to order at 6:00 pm.

ROLL CALL:

Present: ***Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes (***all Councilmembers appeared telephonically)

MOMENT OF SILENCE

Mayor Walter called for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Walter led the Pledge of Allegiance.

CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

There were no public comments.

PRESENTATIONS

Proclaim May 2020 as Motorcycle Safety and Awareness Month.

Mayor Walter read the proclamation for the record and proclaimed May 2020 as Motorcycle Safety and Awareness Month.

Presentation on Fiscal Year 2019-2020 Third Quarter Financial Report.

Ms. Jimenez provided a presentation, in which she outlined the following:

- General Fund Revenue
  - Focused on seven revenue sources that make up 80% of the Town's revenue
    - City Sales Tax
    - Food Tax
    - Property Taxes
    - Building Permits
    - State Shared Sales Tax
    - State Shared Income Tax
    - Auto License Tax
- General Fund- Revenue FY19-20

TITLE	3rd Quarter FY18-19	BUDGET	3rd Quarter FY19-20	FORECAST	Quarter comparison
City Sales Tax	$1,746,678	$2,862,437	$1,495,604	$1,801,300	▼
City Food Tax	$232,695	$310,686	$241,682	$310,000	▲
Property Tax	$750,847	$1,166,611	$803,796	$1,092,190	▲
Building Permits	$534,688	$809,822	$1,015,067	$1,250,000	▲
State Sales Tax	$1,727,128	$2,721,685	$1,810,876	$2,350,000	▲
State Income Tax	$2,368,162	$3,416,358	$2,562,289	$3,416,358	▲
Auto License Tax	$1,093,920	$1,633,773	$1,155,234	$1,633,773	▲
Total General Fund Revenue	**$7,141,587**	**$16,369,437**	**$11,363,849**	**$15,107,849**	▲

- Anticipate a decrease in revenue due to Covid-19 pandemic.
  - $427,000 less revenue to be received

- General Fund-Expense FY 19-20

TITLE	3rd Quarter FY18-19	BUDGET	3rd Quarter FY19-20	FORECAST	Quarter comparison
General Fund	$10,784,819	*$17,012,550	$10,848,044	$15,636,971	▲

- *Will correct budget amount to reflect $16,369,437 instead of the $17,012,550 as listed above.
  - There has been a reduction in salaries and overall spending which resulted in staying within the budget.
    - Anticipate the budget coming in $390,000 in the black.

- Other Funds-Major Revenue FY 19-20

TITLE	3rd Quarter FY18-19	BUDGET	3rd Quarter FY19-20	FORECAST	Quarter comparison
General Capital Fund	$1,352,428	$2,253,000	$2,336,025	$2,772,623	▲
HURF Fund	$2,322,635	$3,605,915	$2,664,420	$3,794,220	▲
Water Fund	$2,901,252	$4,326,237	$3,137,335	$4,203,001	▲
Sewer Fund	$2,996,466	$4,530,200	$3,109,132	$4,173,000	▲
Sanitation Fund	$721,473	$921,300	$760,069	$976,309	▲

- Overall, the forecasted amount will be higher than estimated.

- Other Funds-Expenses FY 19-20

TITLE	3rd Quarter FY18-19	BUDGET	3rd Quarter FY19-20	FORECAST	Quarter comparison
General Capital Fund	$650,962	$4,314,198	$713,288	$1,534,519	▲
HURF Fund	$2,623,754	$6,893,944	$2,624,842	$4,147,153	▲
Water Fund	$2,605,604	$7,560,536	$2,342,484	$4,786,194	▼
Sewer Fund	$2,515,010	$5,472,821	$1,980,635	$3,742,819	▼
Sanitation Fund	$687,051	$1,279,252	$813,917	$1,023,381	▲

- Will come in underbudget
  - Capital projects may have not been completed or have been moved out.

- Cash in Bank-FY 19-20

Cash in Bank-General Checking	$ 6,722,169	Interest in Sweep - .5%
Cash in Bank-Credit Cards in Transit	$ 127,568	
LGIP	$ 278,429	Interest Rate- 1.32% Annualized
PFM Investments	$58,214,077	Interest Rate- 3.00% Annualized
Police Evidence	$ 20,995	
Total Cash in Bank	$65,353,842	

- Finance Department Activities
  - Focused on the budget revenue and expenditure estimates for this year and next and have developed a budget. The Budget Committee is currently reviewing.
  - Worked on three Policies: Travel, Uniform and Purchasing.

- Due to COVID 19 Pandemic - Phase II, half of staff is working every other week. Customer service has suffered a bit, but on the other hand, customers are using electronic means to pay their water and sewer bills, and drop box usage has increased. Submission of payment requests has become electronic and documents file into a repository and are retrieved and processed.
- Started Training Development for Procurement, new forms and processes. We are going to educate staff on different procurement options and train on how to advertise and what is necessary for compliance with audit standards and state law.
- We have, through attrition, consolidated two positions and absorbed into existing staff.
- Future projects include education on accounting and budget process with Town staff.
- We are now beginning audit preparation.

Mayor Walter stated that the Town has seen an increase in single family home permits. She inquired if a formulary for residents was added to those permits (average of residents per household) to determine what the anticipated number will be for the census.

Ms. Jimenez stated that the average amount of residents is 2.4 residents per household. She did not include those residents into the revenue because the state shared revenue are two years in arrears.

CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

Approval of the Application and Affidavit for Uniform Video Service License by Cox Communications Arizona, LLC, for a term not to exceed 10 years. (Trenton Shaffer)

Authorize the Mayor to enter into a Letter of Engagement between the Town of Florence, and Fester & Chapman, Certified Public Accountants, to perform the Town's annual audit for Fiscal Year ending June 30, 2020, in an amount not to exceed $32,000. (Becki Jimenez)

Approve the Assignment of Lease for Silver King Marketplace, Suite 101, from Florence Mosaic Church of the Nazarene, to Corey Ecenbarger (dba Florence Fudge Co.). (Jennifer Evans)

Approval of the April 6, April 15, and April 20, 2020 Town Council Meeting minutes.

On motion of Vice-Mayor Anderson, seconded by Councilmember Cordes, and carried (6-0) to approve the Consent Agenda, as written.

NEW BUSINESS

Discussion/Approval/Disapproval of Fiscal Year 2020-2021 Employee Benefits Program with Blue Cross and Blue Shield of Arizona for medical, dental, life and Avesis for vision insurance; Teladoc for 24/7 physician access benefits; Jorgensen Brooks Group for Employee Assistance Program; AFLAC for supplemental group insurance products; and Infinisource to administer the Section 125 Flexible Benefit Account Plan.

Mr. Eric Johnson, Garry L. Johnson and Associates, provided an overview of the Town's proposed benefits and provided a presentation in which he outlined the following:

- Medical Renewal
  - United Health Care (UHC) renewal started at 25% increase in rates; keep the dental with UHC and it drops to 23%
  - UHC offered to carve out some benefits that are currently not being used. Would shave 3% from renewal.
    - Remove bariatric to save 2%
    - Decrease physical therapy visits to 20 visits for an additional 0.5% decrease
    - Decrease hearing benefits from every year to once every three years for 0.5% decrease
      - Renewal now at 20%
  - UHC offered a no bid option and would offer an additional 3% to 4% discount.
    - Renewal would be an approximate 16% to 17% estimated increase
  - Why is the renewal so high?
    - Claims are running high
      - Have had many large claims
        - Accounted for $1,246,640 in claims
      - 12% of the population had claims 20k+
      - Claims by 12 months are running at 99.2%
      - After a review, it was determined that it would be best to go to a select market and beat the no look option of a 16% to 17% offer.
        - There are risks if the Town went to market for rates
      - Identified a carrier who is competitive in the marketplace and will take a chance on data provided.
      - Other carriers considered but history shows they are not a good fit for the following reasons.
        - Network
        - Plan design
        - Pricing
        - RX issues
  - DID a soft market check to preserve the no bid option.
    - Blue Cross Blue Shield of Arizona (BCBS) said they would be competitive.
      - They came with a 12% increase offer with like-plan
      - If dental and life is bundled, they would offer additional discount of 9.42%
    - HSA option came back with great pricing
      - Recommendation is that the Town do a dual option as many employees still ask when an HSA option will be provided again and provides an option to the employees.

HSA 50% Option

USE this for funding.

Assumes 50% Enrollment in HSA AND PPO

BCBS PPO Employer Cost

	BCBS	9.42%	Contribution %		ER Contribution	ER Monthly	Total ER Monthly Cost
22	EE	$735.32	100%		$735.32	$16,177.04	$96,101.52
9	ES	$1,522.12	78%		$1,349.02	$12,141.22	*@
10	E+children	$1,375.05	78%		$1,234.31	$12,343.09	
30	Family	$2,161.84	78%		$1,848.01	$55,440.17	
		$108,481.82					

BCBS PPO Employee Cost

	EE Monthly	EE Contribution	Total EE deduction
22	$0.00	$0.00	$12,380.30
9	$173.10	$86.55	*
10	$140.74	$70.37	
30	$313.83	$156.92	

Overall Totals

Monthly Cost	Annual Cost
$108,481.82	$1,301,781.84
*	+

Last Year

EE Monthly	EE Contribution
$0.00	$0.00
$158.19	$79.09
$128.62	$64.31
$286.81	$143.41

BCBS HSA Employer Cost

	BCBS HSA	24.6%	Contribution %		ER Contribution	ER Monthly	Total ER Monthly Cost
21	EE	$506.32	100%		$735.32	$15,441.72	$95,366.20
9	ES	$1,048.09	78%		$1,349.02	$12,141.22	@
10	E+children	$946.82	78%		$1,234.31	$12,343.09	
30	Family	$1,488.59	78%		$1,848.01	$55,440.17	
		$74,191.43					

BCBS HSA Employee Cost

	EE Monthly	EE Contribution	Total EE deduction
21	$0.00	$0.00	$10,405.00
9	$145.00	$72.50	
10	$115.00	$57.50	
30	$265.00	$132.50	

Overall Totals

Monthly Cost	Annual Cost
$95,541.43	$1,146,497.16
**	+

Total Costs		
Monthly PPO Cost	**$108,481.82**	
Monthly HSA plan	**$74,191.43**	
Monthly HSA cont	**$21,350.00**	
Total Monthly Cost	**$204,023.25**	
Total Annual Cost	**$2,448,279.00**	+
Last year Annual	$2,371,302.48	#
PPO only Annual	$2,594,739.84	^

Over Payment	EE contrib.
$229.00	$229.00
$300.93	$445.93
$287.49	$402.49
$359.42	$624.42
	$31,579.77
	$21,350.00
Monthly Reduction	$10,229.77
Annual Reduction	$122,757.22

HSA Contributions Table

Monthly HSA Contributions	Yearly HSA Contributions	HSA OOP Max	Current OOP Max	New Liability	Total Monthly Contributions
$200.00	$2,400.00	$3,000.00	$1,000.00	$600.00	$21,350.00
$350.00	$4,200.00	$6,000.00	$2,000.00	$1,800.00	
$350.00	$4,200.00	$6,000.00	$3,000.00	$1,800.00	
$350.00	$4,200.00	$6,000.00	$3,000.00	$1,800.00	
$21,350.00					

Current ER Cost	$2,099,761.21	
Funded ER Cost	$191,467.72	@
Annual	$2,297,612.59	
Annual Reduction	$122,757.22	
New ER Cost	$2,174,855.38	3.58%

2020		UHC			
Benefit Plan		**BEJM PPO $500 90%**		YMFmod HSA $3000 100%	BEJM PPO $500 90%
Provider System		UHC		UHC	UHC
Coinsurance		10% / 50%		0% / 0%	10% / 50%
In Network					
Deductible		$500 (3xfam)		$3,000 (2xfam)	$500 (2xfam)
Out of pocket Max		$1,000 (3xfam)			$3,000 (2xfam)
Out of Network					
Deductible		$3,000 (3xfam)		$6,000 (2xfam)	$5,000 (2xfam)
Out of pocket Max		$8,000 (3xfam)			$10,000 (2xfam)
Doctor Office Copay		$15 / $25 spec		ded	$20/$40
ER / UC		$150/$15		ded	$400/$50
Prescription Card		$10/$30/$60		ded	ded then $10/$35/$60
Rate Summary					
Employee Only	43	$672.00	**$779.53**	$588.15	$732.21
Employee+Spouse	18	$1,391.03	**$1,613.62**	$1,217.46	$1,515.66
Employee+Child(ren)	20	$1,256.63	**$1,457.71**	$1,099.83	$1,369.22
Employee+Family	60	$1,975.69	**$2,291.83**	$1,729.17	$2,152.71
		Current	**Renewal**		
Estimated Monthly Cost		$197,608.54	**$229,228.95**	$172,951.53	$215,313.91
Estimated Annual Cost		$2,371,302.48	**$2,750,747.40**	$2,075,418.36	$2,583,766.92
Percent of change from current:			**16.00%**	-12.48%	9.0%

Remove Bariatric, reduce PT visits to 20, remove Hearing aid rider reduces rates 3%. *$2,668,224.98*

	BCBS			
	PPO $500 90%	HSA $3000 100%	PPO $500 90%	PPO $500 90%
Provider System	BCBS	BCBS	BCBS	BCBS
Coinsurance	10% / 50%	0% / 0%	10% / 50%	10% / 50%
In Network				
Deductible	$500 (3xfam)	$3,000 (2xfam)	$500 (3xfam)	$500 (3xfam)
Out of pocket Max	$1,000 (3xfam)		$3,000 (3xfam)	$2,000 (3xfam)
Out of Network				
Deductible	$3,000 (3xfam)	$6,000 (2xfam)	$3,000 (3xfam)	$3,000 (3xfam)
Out of pocket Max	$8,000 (3xfam)		$8,000 (3xfam)	$8,000 (3xfam)
Doctor Office Copay	$15 / $25 spec	ded	$15 / $25 spec	$15 / $25 spec
ER / UC	$150/$15	ded	$150/$15	$150/$15
Prescription Card	$10/$30/$60	ded	$10/$30/$60	$10/$30/$60
Rate Summary				
Employee Only	$735.32	$506.32	$726.06	$728.79
Employee+Spouse	$1,522.12	$1,048.09	$1,502.95	$1,508.59
Employee+Child(ren)	$1,375.05	$946.82	$1,357.74	$1,362.83
Employee+Family	$2,161.84	$1,488.59	$2,134.63	$2,142.63
Estimated Monthly Cost	$216,228.32	$148,889.18	$213,506.28	$214,306.99
Estimated Annual Cost	$2,594,739.84	$1,786,670.16	$2,562,075.36	$2,571,683.88
% of change from Current	9.42%	-24.65%	8.05%	8.45%

- Ancillary products
  - UHC dental renewal had an initial increase of 8% and is now 0%
  - BCBS offers the same plan with a 6.7% increase.
    - Approximately $7,000 more per year.
    - The 2% medical discount is worth approximately $52,000
    - Equates to an approximate $45,000 savings to the bundle.
  - Telemedicine did not have an increase
    - Could use internal BCBS telemed instead of current plan
    - Would save approximately $7,000 annually which equates to 0.25% of medical costs.
    - Benefit is slightly different as current plan has no copay, BCBS has a copay.
      - Employees may stop using the telemed once they have a copay.
    - Recommendation is to keep the current program
  - Claims are not reported to the medical carrier.
  - Vision – UHC had no plan changes nor an increase
    - Avesis matched rates and the main benefits.
  - Life – no plan changes nor an increase.
    - BCBS offered a $5,0000 savings
  - EAP No plan changes no increase.
  - FSA Dollars can now be used to pay for over the counter medication.

Dental		UHC	BCBS
		80th UCR	80th UCR
Deductible		$50 (3xfam)	$50 (3xfam)
Annual Maximum		$1,750	$1,750
Class I/II/III		100%/80%/50%	100%/80%/50%
Endo/Perio:dontics		Basic Class II	Basic Class II
Orthodontics (Class IV)		50%	50%
Ortho Lifetime Max.		$1,500 Child only	$1,500 Child only
Rate Gurantee		1 year	1 year
		Current / Renewal	
Employee	39	$27.52	$29.37
Employee/Spouse	20	$54.70	$58.38
Employee/Child(ren)	20	$72.08	$76.93
Employee/Family	60	$108.25	$115.53
Estimated Monthly Total		$10,103.88	$10,783.43
Estimated Yearly Total		$121,246.56	$129,401.16
% of change from Current		0.0%	6.7%
down from 8%			

Vision, Life & VLT in RG till 2021

Teladoc
145 Employees @ $4 per EE
Employer Monthly - $580
Employer Annual - $6,960

Infinisource - FSA
145 Employees @ $4.95 per EE
No annual fee or set up fee
Employer Monthly - $717.75
Employer Annual - $8,613.00

Jorgensen Brooks Group
6 Visits per person per issue
Legal and Financial consultation
24/7 confidential consultations, phone, internet chat, with a work-life expert.
Unlimited on-site: critical incident/stress/debriefing
Promotional Poster, Brochures
145 Employees @ $1.80 per EE
Employer Monthly - $261.00
Employer Annual - $3,132.00

- New Products to review
  - Group Aflac
    - Currently, the Town offers individual AFLAC policies.
    - Recommendation is to move to Group Aflac
      - Offer four policies.
      - Currently the Aflac agent has sold many different plans to employees. Going to Group Aflac can streamline the offering.
      - Save Employee money and control how Aflac accesses employees.
      - No pushy sales to new hires.
      - Policies are guarantee issue.
      - Keep in mind all current employees get to keep what they have and only move the policies to the group platform if its better or they want to make the change.
      - They can retain their policies on some and move others to the new platform. Group policies are portable just like individual policies.
    - Policies on group platform would be
      - Short Term Disability (online)
      - Critical Illness (online)
      - Accident (online)
      - Hospital (online)
- Education

- Emails will be distributed to the employees within the next few days explaining some of the changes.
- There are two different videos the employees can watch and share with spouses to learn about the benefits offered.
  - One is All benefits
  - Second is HSA education only
- Will have two online webinars where we provide more education on all benefits.
- Will have a question and answer time after each seminar.
- Brochures will be available online explaining benefits
- Online portal has education material
- Will also send a survey monkey sign-up sheet tomorrow.
- Have dedicated one day to have employees come in for one-on-one meetings to review their benefits and ask personal questions.
- Will have our toll-free number and email available for all employees to contact us and we have a team of people who can address questions.

Mayor Walter inquired about the trends in claims and asked how the Town can be proactive in addressing this trend to help mitigate more claims.

Mr. Johnson stated that the top conditions are not conditions that you can guard against, such as cancer. BCBS does targeted response when someone is having a medical issue. The service is voluntary and most employees engaged in those services. He stated that as of January 1, 2021, hospitals will now be required to disclose how much they charge, including the negotiated rate, which will change how costs are done. The Florence Hospital will hopefully be contracted with UHS and BCBS after July 1, 2020.

Vice-Mayor Anderson inquired if either insurance offers the Silver Sneakers Program to help maintain a healthy lifestyle.

Mr. Johnson stated that most providers offer a wellness program; however, there is a cost associated with the program. If Council chooses, he can discuss this with the provider and can roll the program out at any time. He stated that attendance in these type of programs tend to drop after nine months unless the employer adds some type of financial incentive or reward.

Vice-Mayor Anderson inquired if the Town insures retired employees.

Mr. Johnson stated that the Town does not insure retired employees. Retired employees have access to a state program and the exchange program. He stated that many employees can also find a subsidy program.

Councilmember Cordes stated that she wants to ensure the employees understand the difference in policies and upfront fees that they may be exposed to. It is important that they are well educated and have an opportunity to speak with someone to address their questions and concerns. She stated that many people do not understand what Teledoc is and how to utilize it. She asked that the employees be educated about the benefits of Teledoc as well.

Mr. Johnson stated that the sessions addresses insurance and other benefits. He explained the benefits of using Teledoc and stated that they help to provide a savings to the Town. He stated that approximately 25% of employees utilize Teledoc.

Councilmember Wall stated that she is supporting of the HSA Plan as well as seeding the HSA fund. She inquired what happens to the funds if the employee leaves the Town.

Mr. Johnson stated that the employee retains any funds that are provided as part of their HSA account. The Town will pay $600 to the employee on a quarterly basis to help mitigate a potential loss. He stated that as part of the CARE Act that was signed into law, you can now purchase over-the-counter drugs and medical supplies with your FSA and HSA funds.

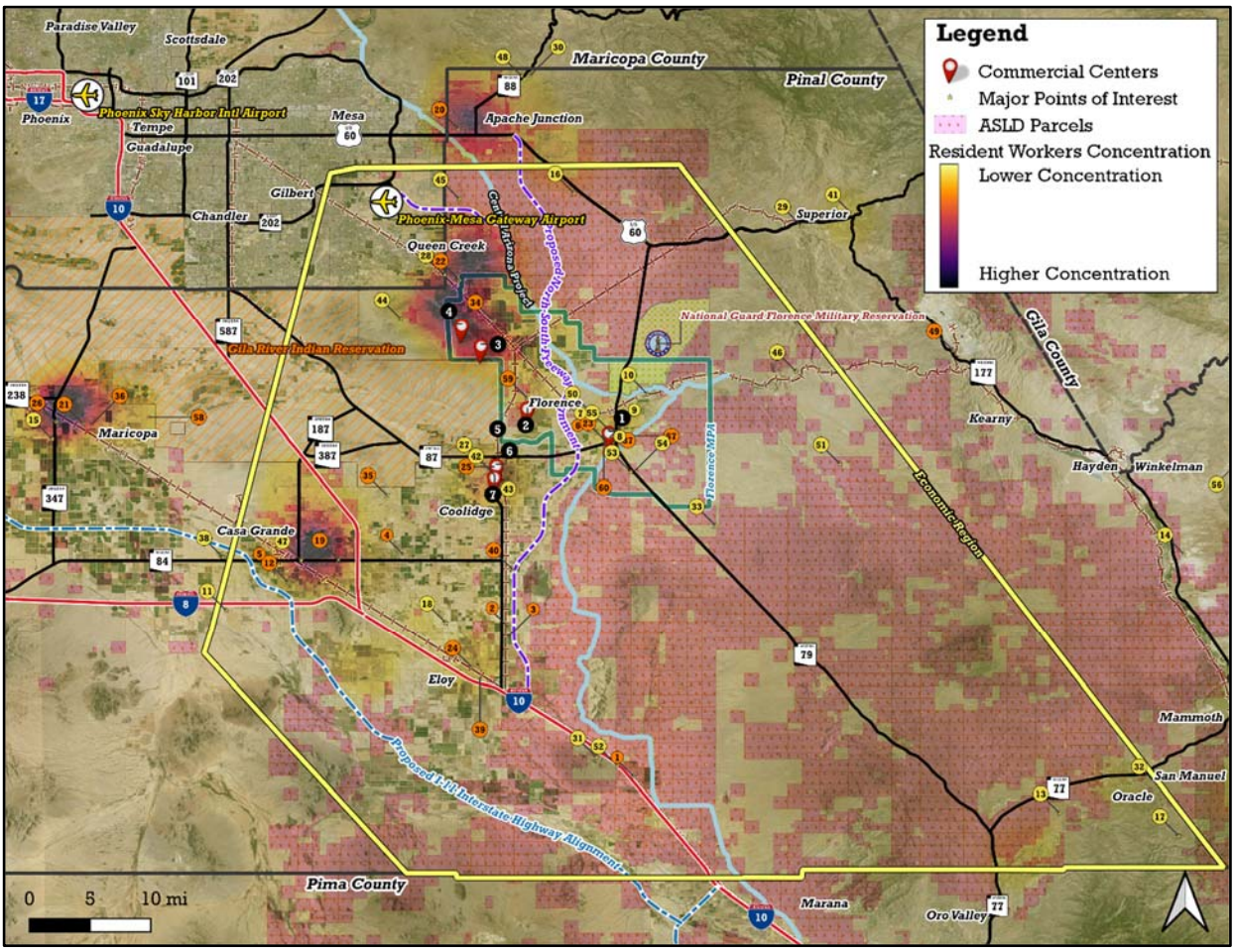
On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) to approve the Fiscal Year 2020-2021 Employee Benefits Program with Blue Cross and Blue Shield of Arizona for medical, dental, life and Avesis for vision insurance; Teladoc for 24/7 physician access benefits; Jorgensen Brooks Group for Employee Assistance Program; AFLAC for supplemental group insurance products; and Infinisource to administer the Section 125 Flexible Benefit Account Plan.

Discussion on the Economic Development Baseline Report, presented by McClure Consulting, LLC. (Brent Billingsley)

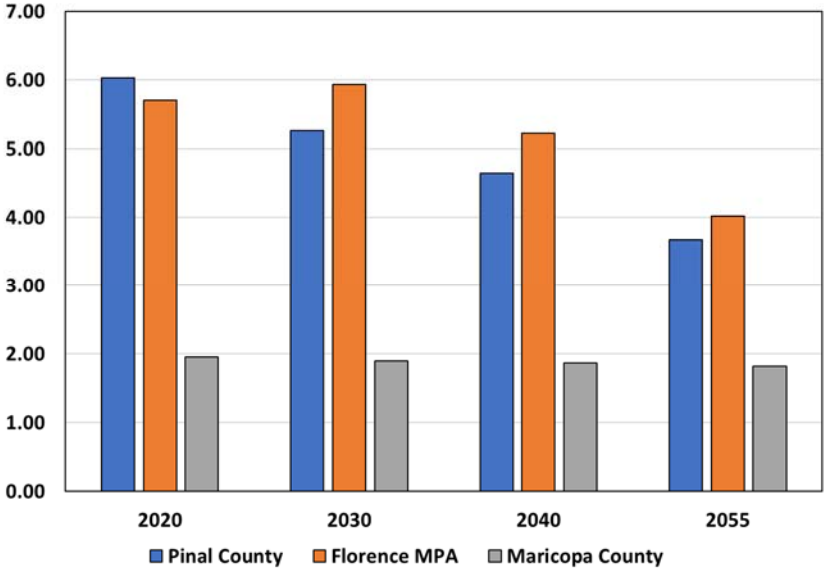
Mr. Brent Billingsley, Town Manager, stated Council directed staff to hire a consultant to perform a baseline economic development study. Staff worked with Pinal County to develop a scope of work. McClure Consulting, LLC was selected to do the study.

Mr. Joe McClure, McClure Consulting, LLC, provided a presentation titled Economic Development Baseline Information Project for Florence, AZ, in which he outlined the following:

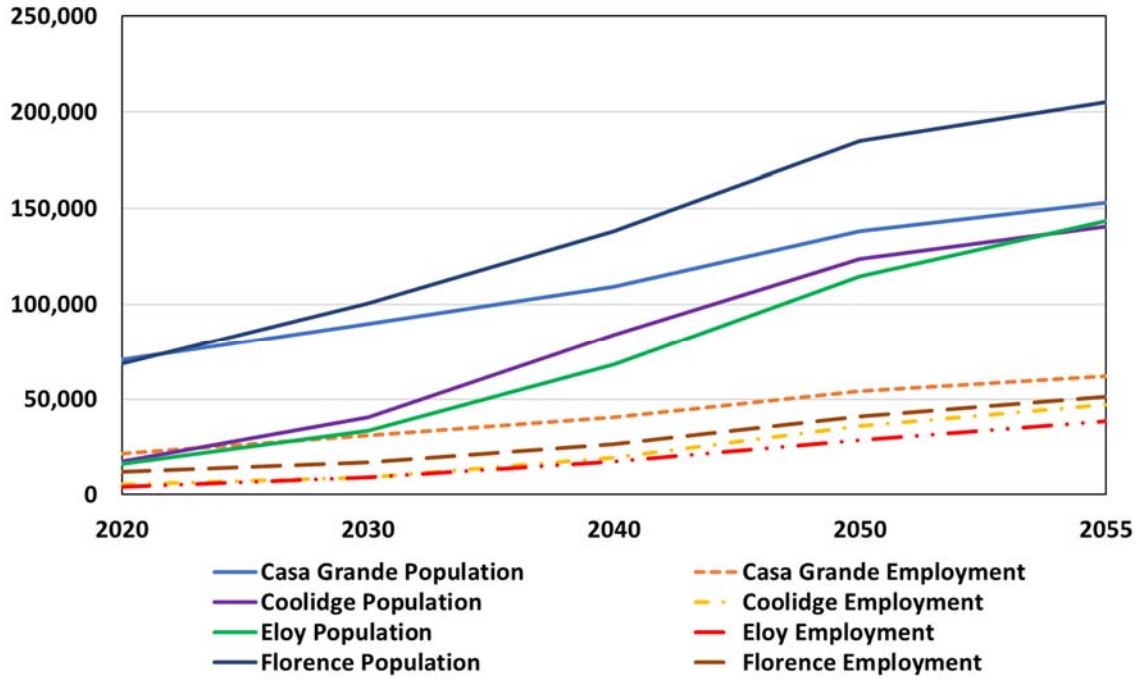
- Intent
  - Help inform the Town's overall strategic planning process
  - Help guide additional, future economic development strategic planning
  - Orient an economic development practitioner the Town may choose to hire
  - Interim source of information for outsiders
- Reviewing this Document
  - Information is general and broad-ranging in nature, not "strategically directed"
  - Best characterized as a "thought piece" directed toward the Town's economic development
  - Sections on retail leakage and property values included to address specific requests
- Economic Region Overview



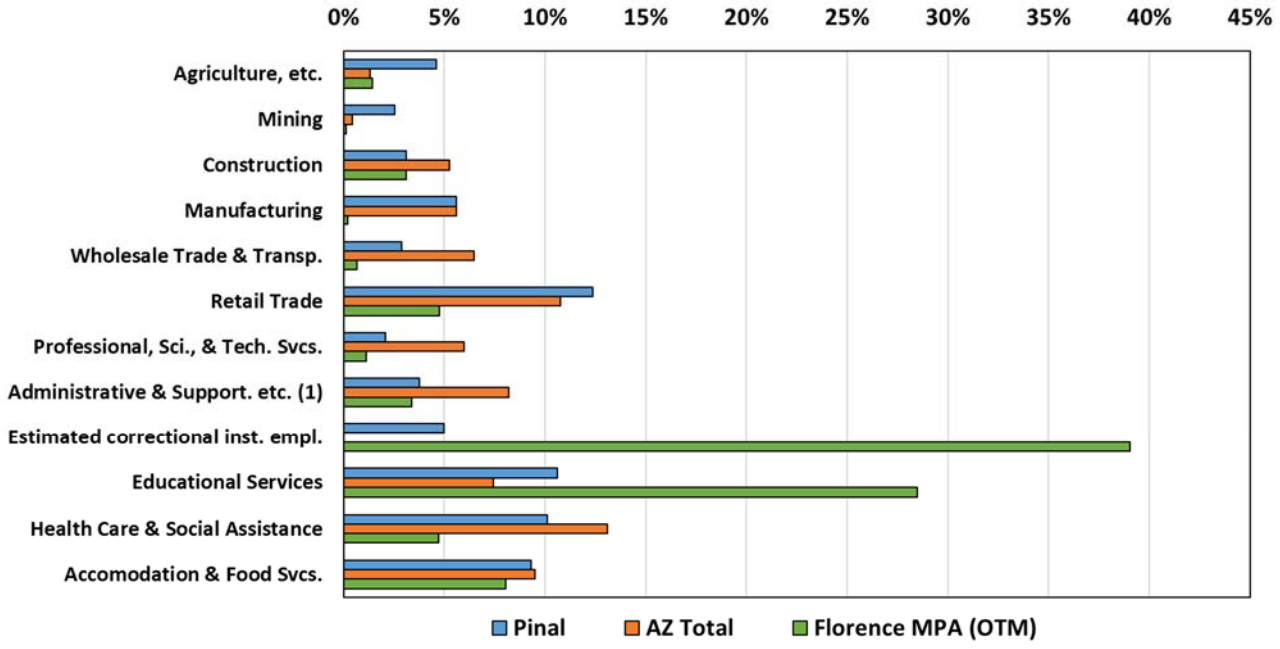
- Key regional economic development assets
  - Lucid Motors and Nikola Motor Company – Transformative additions
  - Extension of growth from Maricopa County south
  - Numerous and varied tourism attractions, and tourism initiatives
  - North-South Freeway
- Ratio of People (in households) Living in Areas – to Jobs Located There



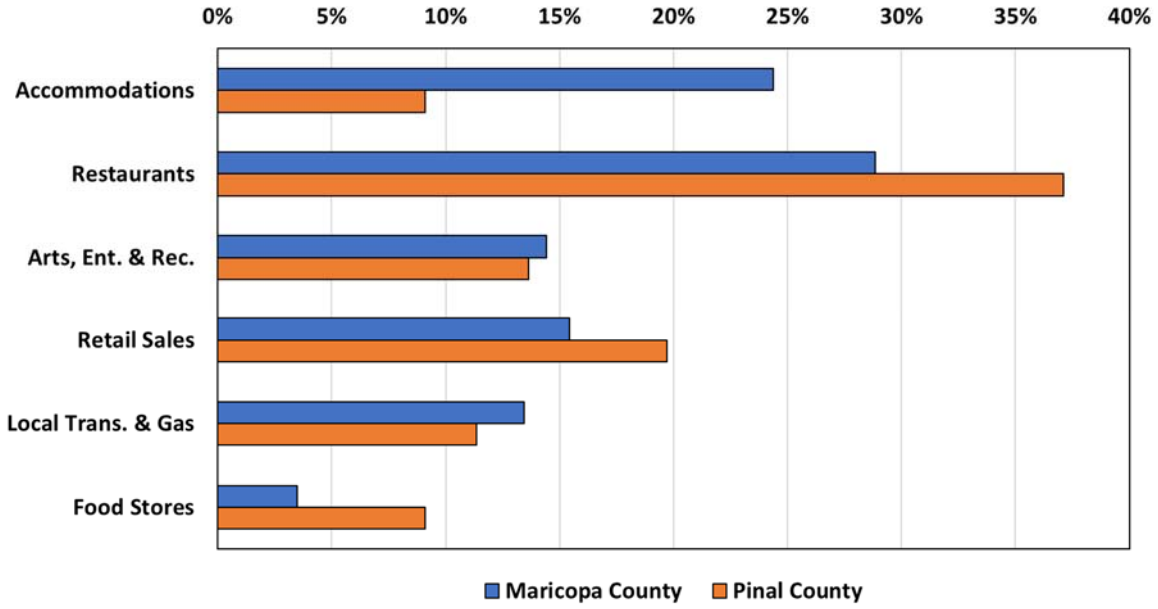
- MAG Projections: Population in Households and Employment, Four Pinal County Cities (MPAs)



- Selected Industry Comparisons: Pinal County, Arizona, Florence Municipal Planning Area



- Tourism Spending by Type of Good or Service, as Percent of Total for All Types

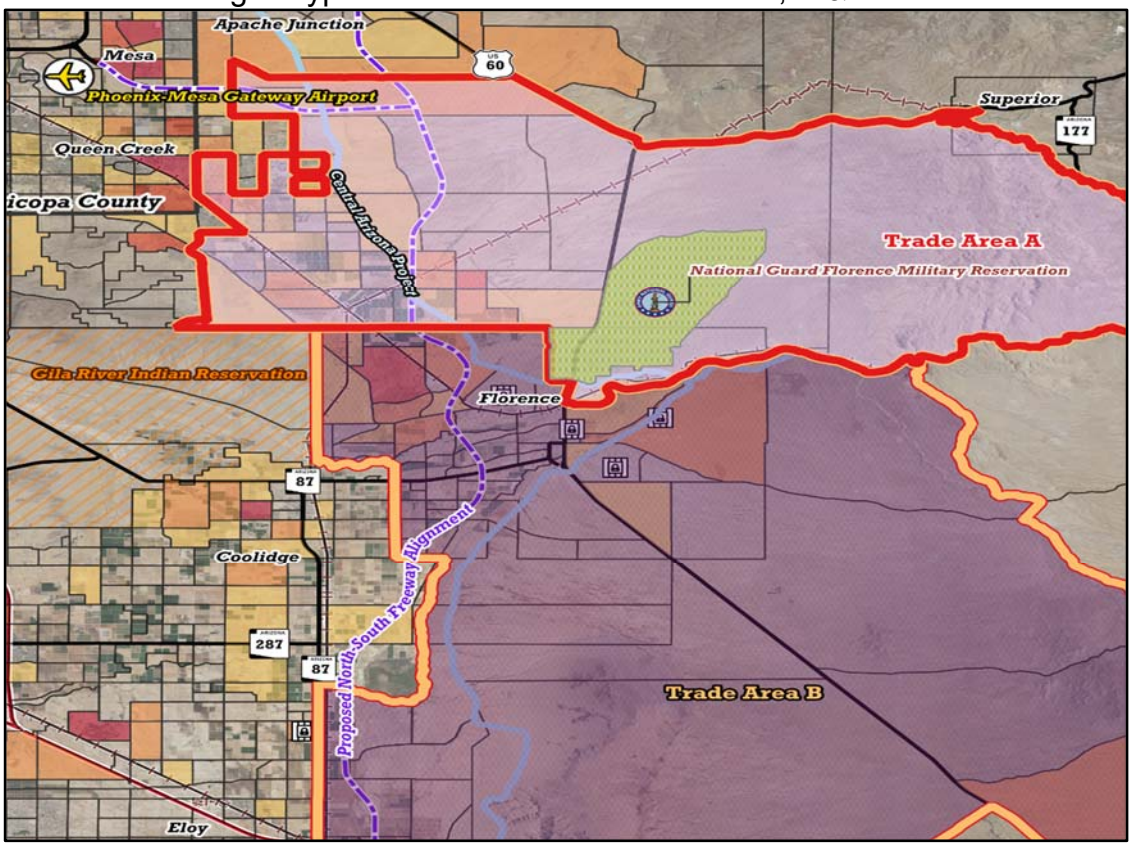


- Competitive Challenges and Opportunities
  - Even with Lucid and Nikola (for example, located elsewhere, related opportunities can be captured in Florence
  - Minimal industrial land planned/zoned
  - Prison closure is fiscal challenge, but could leverage both industrial and tourism development
  - Florence's competitive position for tourism development may be superior to all other Pinal County communities
- Competitive Locations: Employers
  - Inland Port Arizona (Nikola)
  - Central Arizona Commerce Park
  - In Maricopa County, sites at and near Phoenix-Mesa Gateway Airport
- Competitive Locations: Retail
  - Existing new neighborhood-size centers within MPA planned communities
    - Compete with any incidental, small-scale development that might occur in the downtown area
  - Shopping node at the north end of Coolidge
    - Major near-term competition for larger-scale, community-level ("power") centers
  - Regional-scale shopping currently focused (in Pinal County) in Casa Grande
    - Florence is not likely to capture a regional mall even well into the future
- Common Industry-Targeting Themes in the Region Relevant to Florence
  - Aerospace/defense
  - Renewable energy
  - Healthcare
  - Transportation industries
  - Tourism
  - Also relevant: Manufacturing, County Government, and Smart Cities Tech
- Externally Influenced Opportunities
  - Arizona Innovation and Technology Corridor, anchored at the University of Arizona Tech Park
  - Relates to Florence's Arizona Correctional Industries

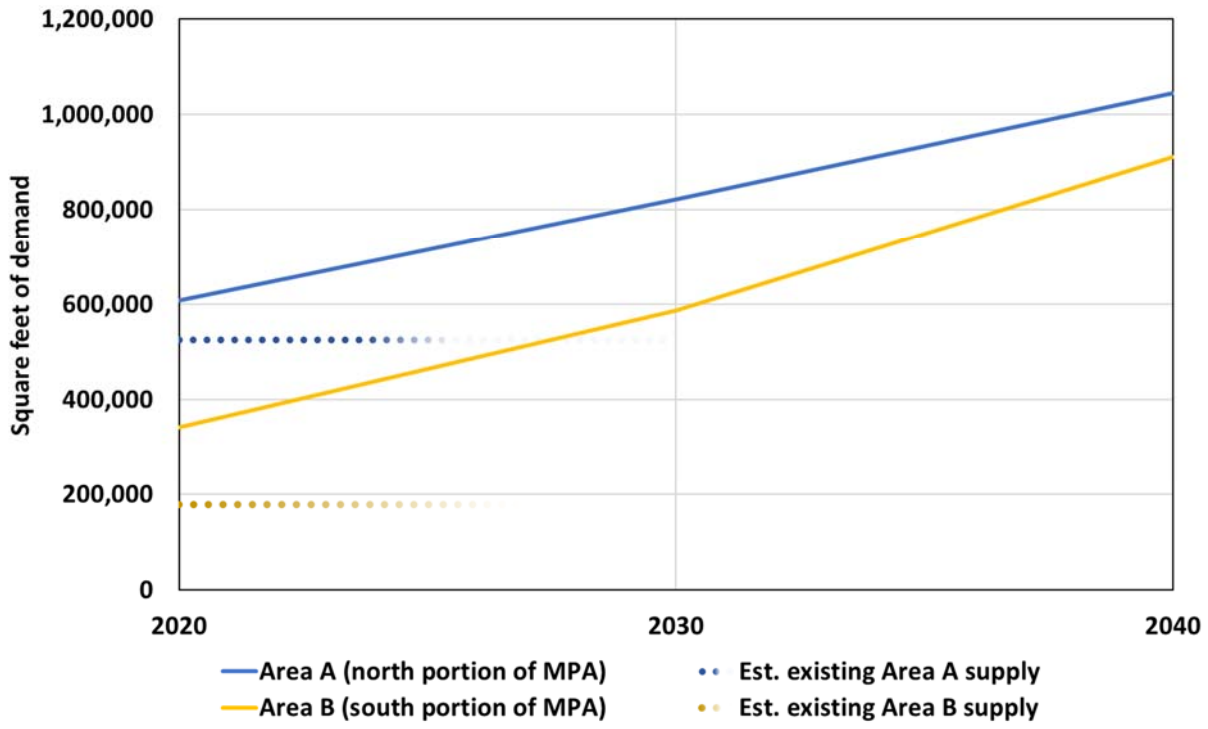
- Adventure Corridor (Pinal County)
- Prison Closure/Repurposing
- Medical Campus – the transitioning downtown Florence Hospital and surrounding area

- Other Development Opportunities – Town Initiatives/Concepts
  - Smart City initiatives
  - Town-Owned Property – RFP for development of 30 acres within Territory Square
  - Incentive Areas: Town Core Infill Incentive District Plan, and Opportunity Zones
  - Partnering with Coolidge on airport development

- Trade Leakage: Hypothetical Florence Trade Areas, A & B



- Trade Leakage: Retail Space Supply and Theoretical Space Demand, Two Hypothetical Trade Areas



- Economic Development Influences
  - County efforts
  - Local First – preserving historic areas
  - Town's immediate needs for economic development expertise
- The Case for a "Generalist" Economic Developer, Based on a Range of Duties
  - Marketing from an economic development perspective
  - Identifying, evaluating, and refining incentives
  - Initiating, managing, and coordinating an economic development strategic planning process
  - Helping manage and coordinate residential growth within the Florence planning area
  - Generating an internal business plan
  - Responding to requests for information by prospects, various officials
  - Helping elected officials and the general public understand the ED practitioner's roles
- ED Staff Recommendation
  - Generalist to cover near-term needs – addressing operational details while also having a "world view" of Florence and the surrounding region
  - Marketing specialists can come later when industrial/business parks or other assets are at hand

Discussion occurred regarding the presentation and the following question were asked:

- Where were the population figures derived from?
  - The population figures were acquired from Maricopa Association of Governments.
- Were the population figures consistent with what is listed in the General Plan?

- The current conditions were reviewed; however, they wanted to take the long-term view of what people were thinking. They derived their own projections.

Mr. Billingsley explained how the MAG population figures work and how estimates and projections are derived. The estimates go out for 20 years. The information is forwarded to the State, who also analyses the information. He noted that Mr. Ben Bitter, Intergovernmental and Communcations Manager/PIO, sits on the Population Statistics Advisory Council for MAG and town staff provides an annual update. A Mega Policy Concept is derived by various Council of Governments (COGs) and estimate where the growth is going to occur and in which time period. He stated that MAGs population figures are the best estimates.

Councilmember Cordes inquired if Mr. McClure was provided a deadline in which to complete the study.

Mr. Billingsley stated that a scope of work was created along with a budgeted amount. Mr. McClure would then establish the amount of hours he can contribute to each of the working points based on the scope of work and budgeted amount.

Councilmember Cordes inquired what he envisions (manufacturing, tourism, or one who focuses on its historical significance) the Town being, based on the information that he studied.

Mr. McClure stated that the options mentioned are all possible. He stated that the Economic Development Strategic Planning Process would be the ones to tackle those type of questions. There are many different ways to look at what the advantages are of taking one approach over the other. His approach would do some things that required little investment and look at some of the harder items that may take longer but they can weave some of the activities together.

Mr. Mike Shoppell, Strategic Planning Committee Member, stated that residential growth is west of Florence; not Florence Proper. Anthem has approximately 1,600 homes in Sun City Anthem as well as 1,600 homes in Parkside. The build out is to be approximately 3,900 homes on each wide, with approximately 2.4 residents per home. DH Horton is expected to build 600 homes across the street from Parkside. They only have one grocery store in the area. There is land available for commercial. An Economic Development Coordinator, with experience should be hired to bring in businesses where people can spend their money.

Mr. McClure stated that he agrees with Mr. Shoppell and this will be an ever- growing challenge. It is important to preserve property to develop the land. The planned communities have their own shopping centers built into them; however, larger shopping centers need to be added someplace. This needs to be included in the course of development.

Mr. Shoppell stated that he has lived in Florence for 12 years and there has been no growth in that timeframe. He stated that there are no local choices. He asked if a store can be recruited to come to Florence, such as providing them some type of incentive.

Mr. McClure stated that property would first need to be made available.

Mr. Shoppell stated that he sits on the Economic Development Board and has two friends with economic development experience who have volunteered to sit on the board as well. It is important to have an Economic Development Coordinator/Director who has experience.

Mayor Walter inquired if homes bring businesses and people into the community. It is important to offer incentives.

Mr. McClure stated that the new homes being built need to be integrated with the established community; and this can be difficult.

Mayor Walter inquired if Mr. McClure reviewed the development plans in the surrounding areas, specifically, planned retail and businesses.

Mr. McClure stated that he did not review those plans.

Mayor Walter stated that Mr. McClure is an economist and asked him to define what that means. She asked if he has looked at the Town's region and what is going on within the region. She referenced the in-situ mining in our region and the impacts that it may have had on growth. She stated that she agrees with his analysis that another grocery store is needed and can grow in the area of healthcare.

Mr. McClure stated that an economist looks at the economy in a geographic setting and how they interact and how it affects growth and development. He stated that this would be outside of the scope provided; however, it would require in depth consideration as mining made be good for some and not for others.

Mr. Shoppell stated that residents want retail and multiple places where they can spend their money. The Town should be able to recruit businesses to come to Florence.

Councilmember Cordes stated that it is important to address the Town as a whole and not segregate the community based on location, such as Anthem and Florence proper. Not everyone is retired, and there are several in the working age. She stated that the in-situ mine was brought up and not being business friendly can also be a bad thing. She stated when a community makes it difficult for a business to do business, it deters other businesses as well. It is important to be business friendly and to have a good working relationship with all businesses. Florence has made great strides in building relationships with all businesses.

Councilmember Cordes pointed out that Florence has another grocery store aside from Safeway and has more than one pharmacy. It is important to note what is available as well, instead of just what is wanted.

MANAGER'S REPORT

Mr. Billingsley stated that they have stopped doing the monthly Department Reports during the Covid-19 Pandemic. The reports will resume June 1, 2020.

Mr. Billingsley provided an update on Covid-19. The numbers continue to increase, which is due to increased testing. They are as follows:

Covid-19 Cases:

In Arizona:	14,170 confirmed cases
	686 deaths
In Pinal County:	702 confirmed cases
	31deaths
Increase as of today:	233 New cases
	6 additional deaths

In Florence Zip Code: 164 confirmed cases – highest in Pinal County and per capita in the State

Mr. Billingsley stated that Florence is continuing to see an increase in cases and are cautious of reopening services. The Fire Department has responded to 14 confirmed and 23 suspected Covid-19 cases.

Mr. Billingsley stated that a PAPR is a powered air purifying respirator and is the highest level of protection that people can have against viruses. He stated that Pinal County EOC has able to provide the Fire Department with nine PAPRs. The Town is working with Horizon Health and Pinal County EOC to make a storage warehouse for large amounts of medical personal protection equipment (PPE) for county wide distribution. The Town has been working on several different grants to offset costs for emergencies.

Mr. Billingsley stated that the Town has a shortage of PPE in preparation for reopening some of the Town's buildings. The Town has placed several orders for a variety of supplies, including Plexiglas shields for customer counters, and are waiting for them to be filled.

Mr. Billingsley stated that in terms of cases in prisons, the totals are as follows:

Eyman:	7 confirmed cases
	1 pending test
Florence	86 confirmed cases
	8 pending tests
ADOC	65 confirmed cases (staff) with 46 having recovered
ICE Facility	10 confirmed cases
Core Civic	No numbers provided

Mr. Billingsley stated that Elliott D. Pollack, Economist, recently completed a report in which he stated that between February and April, 2020, the economy has lost 21.4 million jobs, which equates to all of the jobs created in the last ten years has been wiped out in two months. All sectors have lost employment. The 14% decline in the last two months is more than twice the rate of job losses suffered during the entire great recession which lasted for six years. By the time the dust settles, the national unemployment rate will be 20 to 25%. A recovery will start as the economy slowly opens but will take years to get back to where we once were.

Mayor Walter inquired if there will be a flag raising ceremony for Memorial Day, specifically, with the Covid-19 Pandemic. She would like to see a video created and streamed online and the Town's social media sites.

Mr. Billingsley stated that it would be challenging, and currently, there are no plans for a Memorial Day Celebration due to the pandemic. He can task Community Services to come up with some options, if that is how Council would like to proceed. He will provide an update to Council.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Cordes stated that she spoke at the Pinal County Board of Supervisors Meeting regarding the Governor to release the funds that were to go to the small cities. Cities who have a population of 500,000 + received their money directly, while the remaining cities have to receive their money from the State. The money is needed to fight Covid-19 and for programs to help the community.

Councilmember Cordes asked the public to support local businesses.

Vice-Mayor Anderson stated that with Covid-19, the Town cannot do a full celebration for Memorial Day. He suggested that one person raise the flag and it be recorded and streamed on the Town's social media sites. He would like a picture of the eagle posted on all Town sites as well.

Vice-Mayor Anderson stated that the pandemic is difficult for businesses and it is important for them to apply for grants.

Vice-Mayor Anderson stated that the question was posed if Council wanted to have an in-person meeting so they can recognize the graduating seniors. He does not agree with an in-person meeting because the numbers of Covid-19 cases are still increasing in Florence. There should not be group meetings as long as the numbers are increasing.

Mayor Walter stated that the Cares Act will provide $174 per each resident for the Town. She thanked Pinal County and the Representatives for this endeavor.

Mayor Walter stated that the businesses in the Silver King Marketplace are struggling. She stated that the Town has waived the rent for April and a portion of May, as well as provide a 10% reduction in rent during the summer months. She suggested that the $5,000 that was earmarked for the Senior Lock-In and asked the staff to come up with some ways to use those funds to support the community. She stated that the rent collected for all the Town's buildings on an annual basis is $6,000. She would like to see how that Town can provide for the Town's youth.

Mayor Walter stated that she has received many questions regarding yards and abandoned buildings in the community. The Town has been educating the public but would like to see it publicized more on the Town's sites. She asked that the Town find ways to better streamline the reporting process.

Mayor Walter stated that the Pinal County Historical Museum received a grant from the Cares Act.

Mayor Walter state that the seniors who enlisted in the armed services are recognized at a Council meeting. If the Council elects not to have an in-person meeting, Council may want to consider having the graduates come in to receive their proclamation and the video uploaded to the website and social media sites.

Vice-Mayor Anderson asked that the proclamations be distributed in front of the eagle at the Community Center.

ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3), and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding:

Town's position on COVID-19 policies.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) to adjourn to Executive Session.

*** Councilmember Larsen and Councilmember Hughes were absent from Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Vice-Mayor Anderson, seconded by Mayor Walter, and carried (4-0) to adjourn from Executive Session.

ADJOURNMENT

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried (4-0) to adjourn the meeting at 9:00 p.m.

_____

Tara Walter, Mayor

ATTEST:

_____

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on May 18, 2020, and that the meeting was duly called to order and that a quorum was present.

_____

Lisa Garcia, Town Clerk

MINUTES OF THE TOWN OF FLORENCE WORK SESSION HELD ON TUESDAY, MAY 26, 2020, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

SPECIAL NOTICE REGARDING PUBLIC MEETINGS

Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, the Town of Florence has determined that public meetings will be indefinitely held through technological means. Meetings will be open to the public through technological means. In reliance on, and in compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, and in conjunction with the Emergency Proclamation signed by Mayor Tara Walter, on March 18, 2020. The Town of Florence provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

To attend the meeting noticed below by technological means, members of the public may:

CALL TO ORDER

Mayor Walter called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: Walter, ***Anderson, Wall, Larsen, Cordes, Hughes
(Vice-Mayor Anderson appeared telephonically)

WORK SESSION ON THE 2020-2021 BUDGET

Mr. Brent Billingsley, Town Manager, provided a presentation, titled 2020-2021 Town Manager's Recommended Annual Budget and Capital Improvement Plan (CIP), in which he outlined the following and provided a brief overview of each of the CIP projects:

- Outline for Recommended Budget
  - Introduction to Budget
    - This year we anticipate challenges to the budget
      - National COVID-19 Pandemic
      - Reduction in state shared revenues
      - Reduction in housing starts
      - Revenue estimates
      - Evaluation of programs and services
      - Changes in the way we do business
      - General slow down
        - Wait and see approach
      - Monitor budget
  - Strategic Budget Goals for 2020-2021
    - Focus on economic recovery
    - Provide exceptional public safety

- Expand the tax base through smart growth and targeted economic development outreach
- Secure the Town's long-term water program for future growth
- Revitalize the downtown corridor, through beautification and business investment
- Public Safety
  - Police Department:
    - Retain current positions and level of service
    - Enhanced pay scale for dispatchers
    - Partner with the community (e.g., "community policing")
  - Fire Department:
    - Implement strong training program
    - Evaluate fire protection services
    - Increase public education and community involvement
- Library
  - Continue to evaluate existing programs and services while increasing membership.
  - Continue to work closely with FUSD.
- Community Development
  - Evaluate existing properties in the Florence area that may be used for future development, beautification, or zoning modifications
  - Continue to make planning and engineering investments for Territory Square project
  - Continue to provide needed services to developers within the Town limits
  - Continue work on the General Plan to guide future development and ensure smart growth within the Town of Florence
- General Government
  - Update intergovernmental agreements
  - Coordinate agreements with Chamber, Arizona State Parks, and other entities to promote Florence and the amenities we enjoy
- Community Services
  - Review existing services provided to citizens
  - Evaluate existing Town events and build upon them to incorporate a broader involvement from the community
  - Continue to promote and increase the use of the Community Center
- Public Works
  - Evaluate and construct CIP projects approved by Council
  - Continue to improve road and streets within the municipal boundaries
  - Increase fire flows to meet building and life safety standards
  - Expand and/or replace utility infrastructure as a means of preparing for and facilitating economic development

- Expanding the tax base through smart growth and targeted economic development outreach
  - Use the General Plan as the vehicle of the Town's smart growth.
  - Evaluate any potential annexations around major transportation corridors and planned future development
  - Develop a clear and distinct message as to which areas are within the Town of Florence, and which are not
  - Hire an economic development professional
  - Develop relationships that could lead to the diversification of our local economy and utilization of our existing strengths

- Securing the Town's long-term water program for future growth.
  - Complete capital projects approved by Council.
  - Complete evaluation and assessment of existing infrastructure on Town water and sanitation lines.
  - Work with our partners to improve and enhance water and wastewater service that are not Town-owned.
  - Continue acquiring physical water for long-term future growth of Florence.
  - Complete Water Resource Element for the General Plan update.
- Staff Positions – additional/changes
  - All positions include employee related benefits
  - Addition of Economic Development Director @ 9 months (General Fund)
    - $99,200
  - Scale change for Dispatchers (General Fund)
    - $35,800
  - Scale change for Fleet Services Supervisor (HURF)
    - $5,800
  - Scale change for certified personnel (Wastewater)
    - $15,200
  - Very conservative approach, with an attempt to remain fiscally conservative by maximizing operations with the lowest practical staffing levels.
- New projects, programs, and enhancements for 2020-2021

- CIP-General Government
  - All projects are dependent on funding received
  - Wayfinding signs $ 75,000
  - Inventory of Historic Buildings $ 10,000
  - Historical plaques $ 10,000
  - Little League Park improvements $ 150,000
    - Dependent on when funding from Diamondbacks Is received
  - Territory Square parking lot maintenance $ 60,000

Councilmember Larsen stated that the wayfinding signs are only earmarked for the downtown. The Ad Hoc Committee felt that this is problematic because they are needed throughout the Town.

Mr. Billingsley stated that Mr. Larry Harmer, Planning Manager, budgeted money for the wayfinding signs for the downtown area. There was further discussion regarding signs similar to those similar to what is around Pinal County, and those are provided for free; however, those listed on the signs needs to pay rent to be listed. He stated there is no scope as of yet; however, Council can determine what they want the scope to be.

Mayor Walter would like to find different areas in the community for the wayfinding signs.

Mr. Billingsley state that staff can write a scope of work, per Council's direction.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that the project and funding was based on the Ad Hoc Committee's recommendation. The scope of work still needs to be completed, and there is a specific way it must be done so that the directional criteria is adhered

to. Kiosks signage was also discussed to advertise programming; however, this will not be discussed until next year.

Councilmember Larsen stated that she is concerned that the $75,000 budgeted will not be sufficient to cover the costs of what the Ad Hoc Committee wants to accomplish.

Vice-Mayor Anderson stated that it was his understanding that the wayfinding signs would be places throughout Town for all businesses; not just those in the downtown area.

Ms. Garcia stated that there are other programs available and staff can work with the Greater Florence Chamber of Commerce to place signs that people rent to have their business listed. The signs will be consistent so as to provide uniformity throughout the Town.

Mr. Billingsley stated that staff will have a work session to discuss what the scope will be if funding for the project becomes available.

Councilmember Larsen inquired about the $10,000 that is budgeted for an inventory of historic buildings.

Mr. Billingsley stated that in 1974, the Sobin Study was conducted which discussed the preservation of historic buildings. The study would be to see if the buildings still exist, their current condition and the possibility if they are salvageable. Another component would be to determine if they should be reported to the Federal Register; and if not, what their current ownership is, etc.

Councilmember Larsen inquired if the homeowner can report their own building. She stated the $10,000 seems excessive because she does not see the benefit.

Councilmember Cordes stated that it is also to determine what buildings currently exist that have not been recognized as historic buildings and have some type of historic significance. Based on the findings, the property owner, can register their building and obtain a plaque. It is important to update the registry. She inquired if there is a grant available to assist.

Mr. Billingsley stated that the request for this project was made by a Historic District Advisory Commission member. He stated that the Heritage Fund has been resurrected and Mr. Harmer is working with State Parks to apply for funding.

Discussion occurred on various types of funding.

Vice-Mayor Anderson stated that this would help with the Home Tour and the Walking Tour.

Councilmember Wall stated that the walking tour does not include many properties. She stated the Vice-Mayor Anderson suggested that the properties be placed on WAZE, which is online and is used when traveling. It will enhance tourists coming to Florence.

Ms. Garcia stated the Town has partnered with WAZE; however, they have limited access and limited abilities. The inventory funding is used to do historical research on the buildings and to help expand the District.

- Americans with Disabilities Transition Plan $ 40,000
- Mobile computer and docking stations $ 51,560
- Turn-Outs – lease/purchase payment $ 20,500
- Radio replacement program $ 60,000
- Replacement truck (Community Services) $ 38,000
- Replacement truck (Facilities Maintenance) $ 28,000
- Riding lawn mower (Parks) $ 10,000
- Replacement of 3 patrol vehicles (Police) $ 186,000
- Maintenance projects $ 192,500

Councilmember Cordes inquired about mileage restrictions for the vehicles with regards to leasing of the vehicles.

Mr. Billingsley stated that the mileage is closely monitored, and the company will determine where the benefit/breakeven point is. This is a significant cost savings to the Town as well as providing for a newer fleet for the Town.

Mr. Billingsley continued with the presentation, in which he outlined the following:

- Territory Square expansion $ 300,000
- Roundabout Intersection SR-79 & SR-287 $ 100,000
- Hunt Highway 2 reconstruction north of Franklin Rd. $ 800,000
- Hunt Highway & Attaway Rd. Intersection $ 570,000
- Other Maintenance Projects:
  - Pavement Preservation $ 600,000
  - Traffic Signal Upgrades $ 75,000
  - Felix Railroad Crossing $ 85,000
  - Arizona Farms Overlay $1,250,000

Mayor Walter inquired if a turn lane is being added to the Hunt Highway an Attaway Intersection this upcoming fiscal year. She asked if improvements will be done at the intersection of Hunt Highway and State Route 79.

Mr. Billingsley stated that the money is earmarked for a full upgrade at that intersection. He stated that the Hunt Highway/SH79 intersection will be completed in conjunction with the bridge project over the Gila River. ADOT has partially funded the bridge project; however, ADOT has pushed out funding to 2023, tentatively.

Mr. Billingsley continued with the presentation, in which he outlined the following:

- Water Projects
  - Territory Square Expansion (Phase 1) $ 450,000
  - Water line replacements $ 300,500
  - Hydrant replacement $ 100,000
  - Complete Water Meter Project $ 525,000
  - Utility Barn/Yard $ 500,000
  - Water upgrade south of SR-287 $ 125,000
  - Well# 5 rebuild $ 285,000

- Maintenance projects
  - Well preservation $ 40,000
  - Well# 2B rebuild $ 150,000
- Wastewater Projects
  - Territory Square expansion (Phase 1) $ 250,000
  - SCADA tie-ins/wastewater controls $ 30,000
  - South WWTP odor control/dust abatement $ 70,000
  - Main St. wastewater main replacement $ 500,000
  - Merrill Ranch Wastewater Treatment Plant, location, design, and construction $ 75,000
  - Territory Square expansion (River Rd.) (Phase 2) $ 500,000
  - South WWTP expansion headworks $1,500,000
  - Replacement truck $ 36,000
- Sanitation
  - Recycling Station ("Eco Yard") $ 300,000

- 2020-2021 Recommended Budget
  - Employee Compensation
    - Medical/Dental/Vision (approved by Council May 18th, 2020)
      - Overall cost increase of 9.42%.
  - Merit Increases (slides to discuss later)
    - At this time, the budget does not include merit increases or performance raises
      - Annual performance evaluations are still required, per policy

Ms. Rebecca Jimenez, Finance Director, continued with the presentation, in which she outlined the following:

- General Fund Analysis
  - General Fund-Fund Balance

    Available fund balance, for our use, is the amount of cash available for expenditures. This comes from the accumulation of prior years' revenue exceeding expenses.

Fund Balance at	Year End 2016	$ 8,215,376
	Year End 2017	$10,451,920
	Year End 2018	$11,226,195
	Year End 2019	$13,053,542
	Estimated Year End 2020	$10,344,323

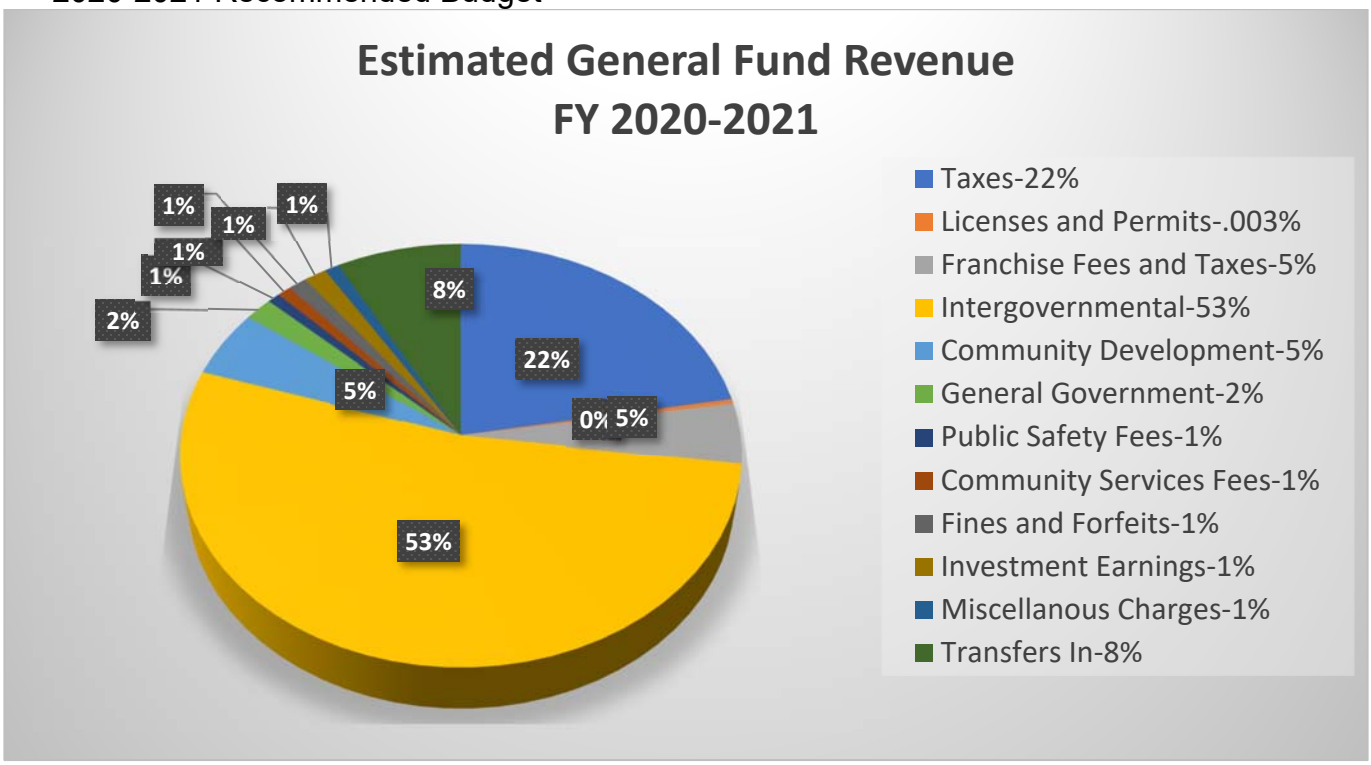
These balances *do not* include the deduction for reserve, which is currently $1,926,735. The reserve is for financial security within the fund and is changed annually based upon a percentage of revenue set aside. This formula is $500,000 plus 10% of operating revenues. This amount will be recalculated at the end of FY 2019-2020.

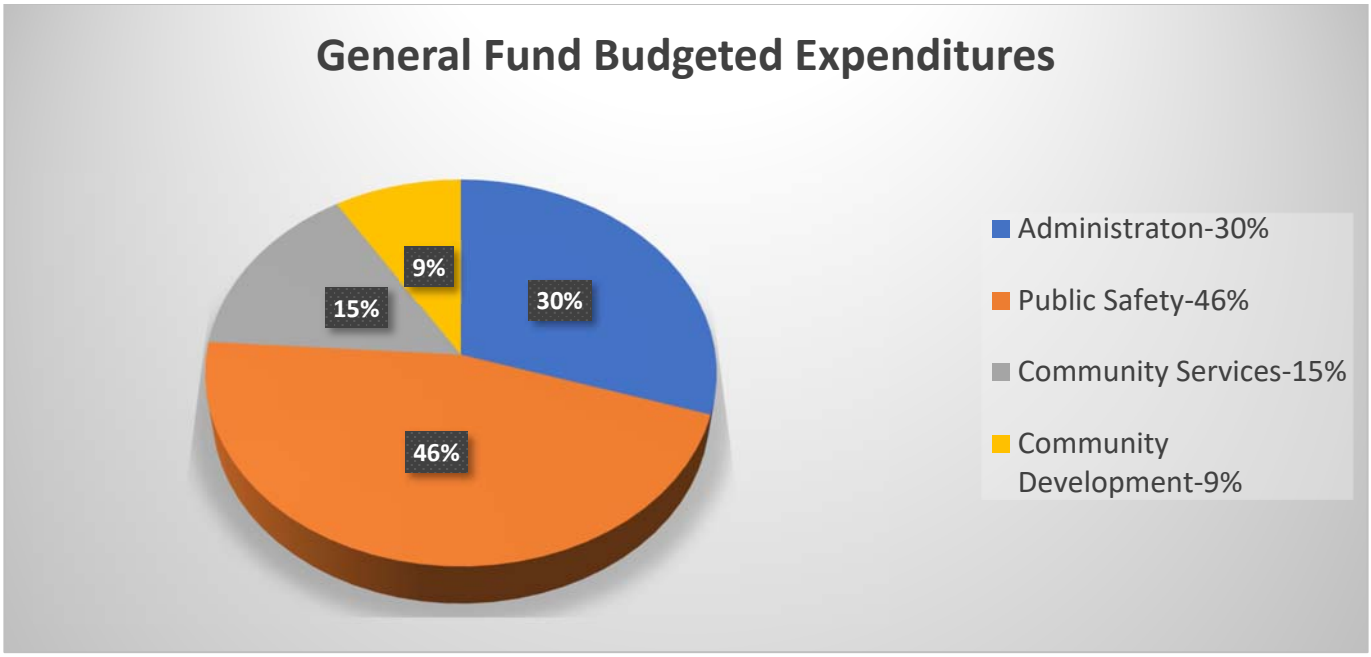
	Budgeted FY2019-2020	Projected FY 2019-2020	Budgeted FY 2020-2021
Revenue	$16,869,437	$15,884,722	$15,447,213
Expenses	$16,869,437	$15,597,196	$16,957,670

Revenues are at a conservative approach. Sales tax may come in approximately $500,000 more than budgeted.

- **General Fund Analysis**
  - General Fund Revenue
    - FY 2019-2020 Revenue/Fund Balance was budgeted at $16,369,437 in revenue and $500,000 in Fund Balance.
    - FY 2019-2020 Revenue is projected at $15,945,776, meaning the Town expects to receive nearly $484,715 less than it originally forecasted as part of the budget process last May.
      - The decrease in Revenue for FY 2019-2020 is due to anticipated decreases in sales tax, recreation revenues, state shared sales taxes due to COVID-19 impact to the economy.
  - FY 2020-2021 Revenue is anticipated to be $15,477,213, or reduction of $468,563 less than what is projected for the current fiscal year.
    - Decrease in Revenue for FY 2020-2021 is due to a decrease in sales taxes, State Shared Revenue projections, and Community Development fees related to construction.
  - Estimates for Revenues are based upon estimates from the State of Arizona as well as an analysis and projection of trends in revenue increases.
  - General Fund Expenditures
    - FY 2019-2020 Expenditure was *budgeted* at $16,869,437.
    - FY 2019-2020 Expenditure is projected to be $15,567,196.
      - Decrease in expense for FY 2019-2020 is largely due to closing Town facilities and minimal staffing. Common expenditures were not made during this period. Even with this decrease in expenses, we still anticipate revenues to exceed expenses for the FY 2019-2020 by $317,526.
    - FY 2020-2021 Expenditure is budgeted at $16,957,670
      - Increase in budgeted Expense for FY 2020-2021 is due to an increase in General Government, Public Safety, and Community Development.
      - *A decrease in revenue is cause for the Town to be critical of all expenditures. This will require a constant monitoring of expenditures in all departments. Expenditures will have to be adjusted.*
  - We will be budgeting fund balance to provide funding for the General Fund expenses. It is estimated at $1,480,457.
  - The Town has adequate fund balance to support the shortage.
  - Just because we budget expenditures, does not mean they will all be spent.
  - Monitor revenues
  - Monitor expenditures
  - Adjust expenditures as we proceed into the year

- 2020-2021 Recommended Budget





- Highway User Fund

Streets Fund Budget Summary				
	2018-2019 Actual	2019-2020 Budget	2019-2020 Projected	2020-2021 Budget
Starting Cash Balance	$ 9,740,582	$ 7,930,734	$ 8,335,215	$ 7,982,282
Operational Balance	$ 6,192,862	$ 5,898,014	$ 6,823,213	$ 7,040,280
Bond Proceeds	$ 3,547,720	$ 2,032,720	$ 1,512,002	$ 942,002
REVENUE				
Governmental Revenue	$ 3,403,777	$ 3,501,135	$ 3,597,802	$ 3,425,000
Other Revenue	$ 512,626	$ 104,000	$ 195,638	$ 298,000
Operating Transfers In	$ 8,665	$ 780	$ 780	$ 780
Total Revenue	$ 3,925,067	$ 3,605,915	$ 3,794,220	$ 3,723,780
EXPENDITURES				
Highway User Operations	$1,407,330	$1,622,295	$1,367,394	$1,651,200
Engineering	$289,040	$1,850,000	$600,000	$1,935,000
Fleet Services	$111,764	$113,950	$113,356	$326,000
Capital Projects	$2,397,705	$2,455,000	$1,119,346	$1,770,000
Operating Transfers Out	$343,992	$396,238	$459,346	$442,603
Debt Service	$487,558	$486,461	$487,711	$508,676
Total Expenditures	$5,037,388	$6,923,944	$4,147,153	$6,633,479
Ending Cash	$8,335,215	$4,612,705	$7,982,282	$5,072,583

- Enterprise Funds

Enterprise Fund Recap				
	Actual 2018-2019	**Budget 2019-2020**	**Budget 2019-2020**	**Budget 2020-2021**
Estimated Cash Balances				
Water	$7,757,925	$7,090,497	$7,246,427	$6,663,234
Wastewater	$6,017,033	$5,559,852	$6,664,241	$7,094,422
Sanitation	$1,164,737	$1,198,039	$1,115,583	$1,068,511
Total Estimated Cash Balances	$14,939,695	$13,848,388	$15,026,251	$14,826,167
Revenue				
Water	$4,333,024	$4,326,237	$4,203,001	$4,384,400
Wastewater	$4,554,850	$4,530,200	$4,173,000	$4,423,000
Sanitation	994,476	921,300	976,309	1,017,589
Total Enterprise Revenues	9,882,350	9,777,737	9,352,310	9,824,989
Expenditures				
Water	4,334,230	7,560,536	4,786,194	5,356,376
Wastewater	3,907,642	5,472,820	3,742,819	6,570,211
Sanitation	971,452	1,279,252	1,023,381	1,367,438
Total Enterprise Expenditures	9,213,324	14,312,608	9,552,394	13,089,400
Estimated Revenue over Expenditures	669,026	(4,534,871)	(200,084)	(3,469,036)
Estimated Year End Cash Balances				
Water	7,246,427	3,856,198	6,663,234	5,691,258
Wastewater	6,664,241	4,617,232	7,094,422	4,947,211
Sanitation	1,115,583	840,087	1,068,511	718,662
Total Estimated Cash Balances	15,026,251	9,313,517	14,826,167	11,357,131

- Development Impact Fees

Community Development							
Fiscal Year 2020-2021							
	6/30/2019	**2019-2020**	**2019-2020**	**6/30/19**	**2020-2021**	**2020-2021**	**6/30/21**
	Actual	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Fund Description	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**
Transportation Impact Fees	$1,020,890	$472,000	$115,000	$1,377,890	$325,500	$1,378,000	$325,390
Police Impact Fees	$846,008	$317,000	0	$1,163,008	$122,052	0	$1,285,060
Fire/EMS Impact Fees	$416,437	$411,200	0	$827,637	$143,790	0	$971,427
Parks Impact Fees	$21,212	$641,000	0	$662,212	$273,892	0	$936,104
Library Impact Fees	$126,940	$9,314	0	$136,254	$500	$136,754	0
Water Impact Fees	$2,707	$65,800	0	$68,507	$11,650	$80,000	$157
Sewer Impact Fees	$74,708	$137,600	0	$212,308	$26,000	$220,000	$18,308
Totals	$2,508,902	$2,053,914	$115,000	$4,447,816	$903,384	$1,814,754	$3,536,446

- Streetlight Improvement Districts

	6/30/19	**2019-2020**	**2019-2020**	**6/30/20**	**2020-2021**	**2020-2021**	**6/30/21**
	Actual	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Fund Description	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**	**Revenue**	**Expense**	**Fund Balance**
SLID #1-Anthem at Merrill Ranch	$106,376	$1,600	$29,520	$78,456	$800	$31,540	$47,716
SLID #2-Anthem at Merrill Ranch	$186,319	$2,910	$30,020	$159,209	$2,500	$31,540	$130,169
SLID #3-Anthem at Merrill Ranch	$15,457	$22,100	$27,520	$10,037	$29,050	$29,540	$9,547

SLID #4-Anthem at Merrill Ranch	0	0	0	0	0	0	0
SLID #5-Anthem at Merrill Ranch	0	0	0	0	0	0	0
Totals	$308,152	$26,610	$87,060	$247,702	$32,350	$92,620	$187,432

Councilmember Wall would like to see a breakdown of the costs for hiring an economic development person. The documents provided to Council indicted two positions and inquired if this is correct, or if has been modified to one position.

Ms. Jimenez stated that the majority of the cost is associated with salary and benefits; however, travel and memberships are included, but are minimal. She stated the two positions outlined were to provide Council with an option for which position they preferred. This position would be included with Administration.

Mayor Walter asked how revenues will be impact.

Ms. Jimenez stated that the initial estimates in revenue were published in April, which indicated a $10,000 reduction in auto lieu and state shared income taxes. The sales tax is estimated to be $3 million and she budgeted $2.5 million.

Mr. Billingsley stated that the Town filed an appeal with the Census Bureau and won the appeal. The population figures were revised, and he explains what this means for the Town in a positive way.

Councilmember Wall inquired if John Nixon will be permanently filling the Community Services Director position.

Mr. Billingsley state that Mr. Nixon will retire on June 14, 2020. An offer has been extended to fill the position.

Councilmember Wall inquired if federal or state grants were available to help offset some of the Town's emergency expenses.

Mr. Carl Dudding, Accounting Manager, stated the Town has approximately $5,000 in cleaning expenses. The Town will submit for those expenses as well as the meals on wheels for the seniors. He stated that it is uncertain if the Town will be reimbursed for those expenses. At this time only overtime expenses will be reimbursable; however, there are no employees who have worked overtime hours due to Covid-19.

Mayor Walter inquired if there were some employees who are considered essential service employees and were not allowed to have time off like those who worked alternating work schedules. She asked how they will be compensated.

Mr. Billingsley stated that this was a management decision and the salaries were compensated within the Town's analysis. The Town's intent is to have the funds to payout for that time when the crisis ends, or they can carry that emergency leave on the books. There is a concern that there may be a resurgence in the fall and the Town needs to be prepared for that as well.

Mr. Billingsley stated that the Town received grants for the PAPRs and other supplies that have come at zero cost to the Town.

Mayor Walter stated that the Town is advocating for the $174.78 per resident as part of the CARES Act should Governor Ducey releases the funding.

Councilmember Wall inquired if the Town will have a new department named "Emergency Response".

Ms. Jimenez stated that this is in preparation for the future. The Town has not had much expense this fiscal year.

There was discussion on the various line items within the Administration Budget and what has been budgeted within each of those line items.

Ms. Garcia explained what each of the line items entailed for Council, Administration and the Town Clerk's budgets. She noted the changes made from last year to this year to be more transparent.

Ms. Jimenez noted that fleet maintenance has been moved back into HURF fund from the General Fund and explained the rationale for doing so.

Mayor Walter stated that the budget does not include a salary increase for staff. Her opinion is that if the Town is going to add another position it also needs to consider a salary increase for staff as well. It is important that the employees feel valued. There was a time that employees did not receive any raises for a few years. She challenged the staff to come up with some options.

Ms. Garcia presented Council with the various scenarios with regarding to possible Cost of Living Adjustments or merit increases, which included the following:

- Cost of Living Increase (COLA)
  - Consideration of a 2% COLA Increase
    - Total cost including employee related expenses $215,700
      - General Fund Impact $177,650
      - HURF Impact $ 20,650
      - Water Fund $ 9,500
      - Wastewater Fund $ 7,500
      - Sanitation Fund $ 500
  - When COLA is given, it is usually at the beginning of the fiscal year or calendar year
- Merit
  - Consideration of a 5% Merit Increase
    - Total cost including Employee Related Expenses $540,000

- Implementation (based on anniversary date) for FY 2020-2021 at 55% of total cost $297,000
  - General Fund Impact $244,725
  - HURF Impact $ 28,400
  - Water Fund $ 13,005
  - Wastewater Fund $ 10,210
  - Sanitation Fund $ 675

- Historical pay increases in the last five years
  - FY 2019-2020 up to 5% merit
  - FY 2018-2019 up to 5% merit
  - FY 2017-2018 5% general adjustment to pay scale, no merits
  - FY 2016-2017 3% merit stipend, not tied to evaluation score
  - FY 2015-2016 3% merit stipend, not tied to evaluation score

Ms. Garcia explained that stipends do not affect an employee's retirement for any liability for future years.

Ms. Garcia stated that Council can elect as to how it wants to proceed. She provided various scenarios of ways to do increases and it can be anything from liberal to restrictive. She stated that they did a salary cost and compensation for a third of the employees which consisted of fleet, dispatch, and wastewater, as well as added the Economic Development Director to the salary scale. They will evaluate a different third of positions next year and the following year to ensure that the Town remains competitive.

Mayor Walter stated that the Town has improved, overtime costs have decreased, and it shown in the figures.

Discussion occurred amongst Council regarding possible COLAs and merit increases for employees in the upcoming fiscal year, the addition of adding an Economic Development Director position and the financial impact that COLAs and merit increase may have on utilizing some of the reserves.

Councilmember Cordes inquired if there are any employees who are capped out at their salary range.

Mr. Billingsley stated that there are no employees capped out at this time. He said if there were, they would be capped at whatever their position is and would not receive a raise.

Councilmember Cordes stated it is important that those employees who are at the top of their scale still have an opportunity for an increase. It is those employees who have longevity or a certain set of skills that moved them up the scale.

Councilmember Larsen inquired what other communities similar to the Town's size are doing with regards to increases for their employees.

Ms. Garcia stated there are some who will provide merit increases, while others have done furloughs and layoffs. It is dependent on their revenues. She stated that there is not a database

that shows what other comparable sized communities are doing. Staff would need to poll each community to find out what type of increases, if any, they are considering for their employees.

Ms. Garcia discussed the various raises, COLAs, and stipend that have been provided to staff in the past. She discussed what the Town has done with their salary scale to remain competitive. She suggested that Council move the entire scale 5% to remain competitive.

Mr. Billingsley stated that he is directing staff to do the comparisons with the 13 surrounding communities of what they are doing/not doing for their employees. He will work with the Finance Director and will present three options to Council, such as one that will adjust the scale, COLA-related and merit-related.

Ms. Garcia stated that there is now a timetable created for each project which outlines which quarter the project will be reviewed. They will be looking at when revenue comes in to determine when money can be expended. The goal is to be more in balance next year than this year and not to dip into the reserves.

Ms. Jimenez stated that everything is contingent upon the economy. Staff has been diligent to be cognizant of their expenditures. Covid-19 has had a huge impact on the economy and the Town will monitor everything very closely.

Ms. Jimenez will be drafting a policy on how and when the Town can dip into the reserves. This is still in its infancy and will come before Council in the future.

Ms. Jimenez outlined the budget calendar, which includes:

- CIP budget for adoption — June 1, 2020 Council Meeting
- Tentative Budget — June 15, 2020 Council Meeting
- Expenditure Limitation — June 15, 2020 Council Meeting
- Final Budget — July 6, 2020 Council Meeting
- Tax Levy — July 20, 2020 Council Meeting

Mr. Billingsley stated that Town will not increase taxes this fiscal year. He thanked Council for their understanding with regards to the limitations in the budget process.

Mayor Walter stated that an email was received, and it prompted staff to look at how the Town can help businesses during the Covid-19 pandemic and assist the youth.

Ms. Garcia stated that staff was challenged on how they could spend the $5,000 that was budgeted for the Grad Night Senior Lock In. Options include:

- Refund the 2020 business license fees to any brick and mortar business located in Florence who was required to close their doors per Governor Ducey's Executive Order because of Covid-19.
    - Total number of businesses to receive refund may change based on criteria and vetting of the list.
- Youth scholarships
    - Use $1,000 for sports scholarships
        - Can provide up to $100 per scholarship

    - Funding does not have to stay within the community but must be awarded to a youth member who lives within our community.
- Partner with the Michelle Gallagher Foundation to read essays and assist in awarding the scholarships.
    - Michelle Gallagher Foundations contributes a portion of their proceeds from their annual softball tournament to the Town of Florence Parks and Recreation programs for scholarships for the youth to participate in sports.
    - Due to Covid-19, the Michelle Gallagher Foundation is looking to do a virtual softball tournament since they cannot have a live tournament and are coming up with creative ways to raise funds.

Mayor Walter stated that the estimate for business license refunds is approximately $2,700 and the $1,000 in scholarships equates to $3,700. She asked Council for their input on how they would like to spend the remaining $1,300.

Mayor Walter inquired if the Town could hold off on the new leases for the Silver King Market Place, due to the Covid-19 pandemic in light of the financial issues that small businesses are facing.

Ms. Garcia stated that the Town has forgiven rent to the Town's tenants during the time frame that the businesses were required to remain closed. The Town also provided relief for an additional 17 days in May, with rent starting on June 1, 2020. She stated that based on the uncertainties coming forward, staff can track what the economy is doing and come before Council with a recommendation to move forward with the leases effective November 1, 2020 if it is feasible. She noted that the summer rates will not be in effect this summer as it is part of the new lease but will be in effect for the following summer.

Mayor Walter inquired if the Town could provide a 10% or 20% discount to the renters and use the remaining $1,300 to offset the cost.

Vice-Mayor Anderson stated that if they provide a benefit to one business, they need to offer the benefit to all businesses otherwise, this conflicts with the gift clause.

Mr. Clifford L. Mattice, Town Attorney, explained that there are options in which to assist those who had to close down due to Covid-19; however, caution must be exercised, and you cannot provide a substantial benefit without the Town receiving something concrete.

Councilmember Cordes would like to see the youth scholarships expanded for other options other than sports only such as camps or gaming. She would like this to be open to every youth to pursue their passion, whatever it may be.

Councilmember Cordes stated that the renters would not be receiving a gift but rather they are just postponing the start of the new lease and its terms so it would not be an issue with the gift clause.

Discussion occurred on the lease rates for the Town-owned buildings.

Ms. Garcia stated that the rates need to remain consistent with what was advertised in the Request for Proposals (RFP).

Ms. Jennifer Evans, Management Analyst, stated that the rent is not included in the RFP and will be subject to the revised fees, while the current renters will remain status quo until such time that the new leases take effect.

Mayor Walter inquired when were the responses for the RFP due.

Ms. Evans stated that the responses were due by April 27, 2020.

Discussion occurred on how the businesses will be able to bounce back from this pandemic.

Vice-Mayor Anderson asked that staff come back to recommendations on how they can assist businesses downtown, while still complying with the law.

Councilmember Larsen inquired if there will be a meeting on July 6, 2020.

Mr. Billingsley stated there will be a meeting on July 6, 2020 because of budget timelines.

ADJOURNMENT

On motion of Councilmember Cordes, seconded by Councilmember Larsen, and carried (6-0) to adjourn the meeting at 8:40pm.

_____
Tara Walter, Mayor

ATTEST:

_____
Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on May 26, 2020, and that the meeting was duly called to order and that a quorum was present.

_____
Lisa Garcia, Town Clerk

TOWN OF FLORENCE
PLANNING AND ZONING COMMISSION

REGULAR MEETING MINUTES

MINUTES OF THE PLANNING AND ZONING COMMISSION OF THE TOWN OF FLORENCE REGULAR MEETING HELD ON THURSDAY, FEBRUARY 20, 2020, AT 6:00 P.M., IN THE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

1. CALL TO ORDER

Chairman Pranzo called the meeting to order at 6:00 pm

2. ROLL CALL:

Chairman Pranzo	**Present**
Vice-Chair Frost	**Present**
Commissioner Smidt	**Present**
Commissioner Simmonds	**Present**
Commissioner Proulx	**Present**

3. PLEDGE OF ALLEGIANCE

4. DISCUSSION/APPROVAL/DISAPPROVAL of the minutes of the regular meetings conducted on December 05, 2019.

On a motion by Vice-Chair Frost, seconded by Commissioner Proulx, and carried by a 5-0 vote, to approve with changes the regular meeting minutes from December 05, 2019.

5. OLD BUSINESS

A. **Presentation and Public Hearing** to receive testimony on Ordinance 689-20, a text amendment to the Development Code Administration and Procedures Sections 150.000 to 150.019 and Sections 150.080 to 150.081.

Chairman Pranzo asked if Staff could clarify what sections were being amended. Dana Burkhardt explained that the sections listed were administrative sections being amended and the additional sections do not exist but will be added after approval. Mr. Larry Harmer said the current numerical progression does not allow additional sections. This edit creates those additions and helps clean up some the language and clarify processes. They showed the track list of changes on the screen.

Chairman Pranzo asked the difference between Exhibit A and Exhibit B. Mr. Burkhardt stated the Commission asked for two copies of the changes: one that shows the latest edits and another that show all of the changes. Exhibit A is the document that shows changes from the last comments, and Exhibit B shows the advertised Ordinance and all of the changes. Exhibit B is for the public to see and comment on in the Public Hearing. Chairman Pranzo asked about the Ordinance's sixth "Whereas" down. He asked if they should be concerned with Sections 150.080 and 150.081. Staff explained the content was moved into the administrative section because it made more sense. They explained Exhibit B will go to the Town Council because it has all the changes.

Mr. Burkhardt gave a short presentation of the text amendments to the Administrative Section in the Town Development Code. He said this section is in its third review, and the two exhibits show the edits and comments from the Commission and from the whole process. Chairman Pranzo asked about the Staff review process. Staff went through the review process and stated the review by the Town Council review is one of the last steps. Mr. Burkhardt said the Historic District Advisory Commission looked over the text amendments and gave comments and a recommendation of approval. Staff is recommending that the Planning and Zoning Commission send a recommendation of approve for this text amendment.

Vice-Chair Frost asked about the term "Officer" and who it refers to for filing appeals. Mr. Burkhardt said the term is existing language and the intent was to say could appeal. The term of officer refers to all officials in the Town. Chairman Pranzo said the term should be the Director or the Town Clerk. Mr. Harmer said the way it reads now, it seems to refer to a couple lines above where "officer" can mean administrative official. Vice-Chair Frost said he was good with the term as long as Staff knew how to interpret it since Staff is the one using the Code.

Vice-Chair Frost asked about the word "exception" in the variance section. Mr. Harmer said the word is a synonym and mostly applies to changes like setbacks. Vice-Chair Frost pointed out that Planning and Zoning Department needs to be changed to Community Development. He also suggested to include Single Family Residential subdivisions in the review process. Mr. Harmer clarified the mentioned section only discusses multi-family units. A separate section discusses single-family residential subdivisions. Vice-Chair Frost asked why tenant improvement reviews are limited to the Historic District. Chairman Pranzo said any interior changes are allowed with the necessary permits. Vice-Chair Frost was concerned about how specific the review was for historic homes in the district compared to other structures. Mr. Harmer explained that the existing language in the passage does not have to specify that historic buildings are exempt from interior review because it was handled in a different part of the code. Mr. Burkhardt said the specification refers to the idea that the historic homes are still part of the Design Review process. The Commission left the wording.

Vice-Chair Frost stated the phrase "the decision of the Town Council is final" did not appear in the Design Review Council and Appeal section and wanted to know why not here but in

other sections of the code. Mr. Harmer said the phrase did not need to exist there because an applicant can appeal a Council decision. Vice-Chair Frost said the enlargements call for conformance to the code in every respect, but destruction does not call for 100 percent conformance to code unless 50 percent or more of the building is damaged. Mr. Harmer said the intent is that destruction has to do with an "act of God" and not something initiated by the owner and the first paragraph refers to something initiated by the owner. Vice-Chair Frost asked why applications call for one radius of 300 feet and another radius of 150 feet. Mr. Harmer said the 150 feet was to see what uses are in the immediate area and the 300 feet was for notification of property owners. Commissioner Simmonds said the ordinance year will need to be updated on some of the changes because of the new year. Staff said those dates will be assigned by the Clerk's Office. Under Powers, Duties and Jurisdictions, Chairman Pranzo asked if a Committee or board could recommend denial. Mr. Harmer said the committee can deny an application if it does not meet the needs or requirements of the Town. Chairman Pranzo noted that this is mostly for gate keeping. Mr. Harmer agreed.

Chairman Pranzo asked if a section on dividing the Town into districts had anything to do with voting. Mr. Harmer checked the section and said it had nothing to do with voting. Chairman Pranzo opened the public hearing. No members of the public came forward and Chairman Pranzo closed the public hearing.

B. **Recommendation** to Town Council on Ordinance 689-20, a text amendment to the Development Code Administration and Procedures Sections 150.000 to 150.019 and Sections 150.080 to 150.081.

On motion by Vice-Chair Frost, seconded by Commissioner Smidt, and carried by a 5-0 vote, to recommend approval with changes to Town Council on Ordinance 689-20, and the associated text amendments to the Development Code Administration and Procedures in "Exhibit B".

6. PRESENTATIONS

A. Staff Changes

With the possible closure of the prison, the budget is being re-evaluated and Mr. Harmer suggested reducing his hours. A new fire marshal position was available in the Community Development Department, and a highly qualified candidate was found who could also serve as Community Development Director. That individual accepted the position, and Mr. Harmer will be part-time and solely focusing on planning, zoning, and historic preservation.

Chairman Pranzo expressed his concern about repeating the past and is cautious about the situation. He asked about the new director's duties. Mr. Harmer said she will take care of the administrative aspects such as staff management and budget, but she will also double as a fire marshal. Mr. Harmer explained that the current marshal returned to his previous duties as a Battalion Chief. Vice-Chair Frost asked Mr. Harmer about his part time status. Mr. Harmer said he will be in the office four days a week.

B. General Plan Update

Held first Staff immersion meeting with the consultant, Michael Baker International. The Town Council approved the public participation program that goes with the General Plan. Vice-Chair Frost asked Staff to provide Commissioners with the schedule of the General Plan public meetings. Staff agreed to do so as soon as a schedule is established for public meetings.

C. Redevelopment Plan Update

The next public open house is scheduled for Thursday, March 12th at 5 PM in Town Hall. It will be posted as a potential quorum for the Historic District Advisory Commission, Planning and Zoning Commission, and the Town Council. Staff will directly invite those who previously participated in meetings and anyone else is welcome to join. Worktables will be available to discuss possible land uses.

Future Agenda Items/Information Only

Nothing pending as far as action items.

7. CALL TO THE PUBLIC/COMMISSION RESPONSE:

8. CALL TO THE COMMISSION- CURRENT EVENTS ONLY.

Friday, February 21st is Third Friday with the stores staying open till 8 PM. There will be food trucks and activities. Two of the cheerleading squads will be recognized for their awards at nationals. Commissioner Proulx asked what time the event starts. Chairman Pranzo said it starts around 5:30 PM.

9. ADJOURNMENT

On motion by Commissioner Smidt, seconded by Commissioner Simmonds, and carried by a 5-0 vote, to adjourn the meeting at 7:04 pm.

G. Pranzo

Gary Pranzo

May 28 - 2020

Date

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 12a.**

MEETING DATE: June 15, 2020

DEPARTMENT: Finance

STAFF PRESENTER: Becki Jimenez, Finance Director

SUBJECT: Resolution 1739-20 for the Tentative Budget

☒ **Action**
☐ **Information Only**
☐ **Public Hearing**
☒ **Resolution**
☐ **Ordinance**
- ☐ **Regulatory**
- ☐ **1st Reading**
- ☐ **2nd Reading**

☐ **Other**

STRATEGIC PLAN REFERENCE:

☐ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance

☐ Partnership and Relationships ☐ Transportation and Infrastructure

☒ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Adopt Resolution No. 1739-20 A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNT REQUIRED FOR THE PUBLIC EXPENSE FOR THE TOWN OF FLORENCE FOR FISCAL YEAR 2020-2021; ADOPTING A TENTATIVE ANNUAL BUDGET; SETTING FORTH THE RECEIPTS, EXPENDITURES AND THE AMOUNT PROPOSED TO BE EXPENDED FOR VARIOUS PURPOSES; GIVING NOTICE OF THE TIME FOR PUBLIC HEARING FOR TAXPAYERS ON THE ADOPTION OF THE FINAL BUDGET; ADOPTING THE BUDGET IN ACCORDANCE WITH THE STATE-IMPOSED EXPENDITURE LIMITATION AND VOTER-APPROVED EXCESS AMOUNT; DECLARING AN EMERGENCY.

BACKGROUND/DISCUSSION:

State statutes require that the annual budget be prepared on forms developed by the Office of the Auditor General, Schedules A through G, and that a tentative budget be adopted by resolution.

As the budget was developed, staff, the Budget Committee and Town Council met to develop and review the budget. Staff is now presenting the recommend Tentative Budget to the full Council.

The total budget for all funds for the Town of Florence is $47,075,242.

A public hearing will be held on July 6, 2020, at 6:00 pm, in the Florence Town Hall located at 775 N. Main St. Florence, AZ 85132. The purpose of the hearing is to receive public comments on the budget. After the public hearing, a special meeting will be held for adoption of the final budget, which can be no more than the tentative budget once it is approved.

In the resolution, an emergency is declared in order to allow the resolution to go into immediate effect upon passage by the Town Council. Historically, the Tentative Budget adoption resolution has contained this language.

A VOTE OF NO WOULD MEAN:

The Tentative Budget for Fiscal Year 2020-2021 would not be approved. The Town would enter the next fiscal year without a budget. The first meeting, July 6, 2020, will have the final budget presented.

A VOTE OF YES WOULD MEAN:

The Fiscal Year 2020-2021 Tentative Budget would be adopted, and staff would prepare the necessary documentation to present a final budget for adoption to the Town Council on July 6, 2020.

FINANCIAL IMPACT:

The financial impact is described within the budget.

ATTACHMENTS:

Resolution No. 1739-20
Official Budget Forms Schedule A-G

RESOLUTION NO. 1739-20

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNT REQUIRED FOR THE PUBLIC EXPENSE FOR THE TOWN OF FLORENCE FOR FISCAL YEAR 2020-2021; ADOPTING A TENTATIVE ANNUAL BUDGET; SETTING FORTH THE RECEIPTS, EXPENDITURES AND THE AMOUNT PROPOSED TO BE EXPENDED FOR VARIOUS PURPOSES; GIVING NOTICE OF THE TIME FOR PUBLIC HEARING FOR TAXPAYERS ON THE ADOPTION OF THE FINAL BUDGET; ADOPTING THE BUDGET IN ACCORDANCE WITH THE STATE-IMPOSED EXPENDITURE LIMITATION AND VOTER-APPROVED EXCESS AMOUNT; DECLARING AN EMERGENCY.

BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, as follows:

Section 1. Authorization for Adoption

THAT the statement and schedules contained in Exhibit A-G are hereby adopted for the purpose as hereinafter set forth as the Tentative Annual Budget for the Town of Florence for the Fiscal Year 2020-2021.

Section 2. Authorization for Publication of Estimates and Notice

THAT the Town Clerk be and hereby is authorized and directed to publish in the manner prescribed by law, the estimates of expenditures, as set forth in Exhibit A-G together with a notice that the Council will meet for the purpose of the Final Hearing of Taxpayers' comments and for adoption of the 2020-2021 ANNUAL BUDGET for the Town of Florence on the 6th day of July 2020, at the hour of 6:00 P.M. in the Council Chambers in the Town Hall of Florence.

Section 3. Authorization for Contingency Expenditures

UPON recommendation by the Town Manager and approval of the Mayor and Council, appropriations and expenditures may be made for contingencies.

Section 4. Authorization for Use of Funds

MONEY from any fund may be used for any of these specified appropriations, except money specifically restricted by the State or by Town Ordinance or Resolution.

Section 5. Statement and Schedules of the Annual Budget

The statements and schedules of the Annual Budget are attached hereto as Exhibit A-G and by reference made a part hereof.

Section 6. Emergency Clause

WHEREAS, as it is necessary for the preservation of the peace, health, and safety of the Town of Florence, Arizona, an emergency is declared to exist, and this Resolution shall be effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Florence, Arizona, this 15th day of June 2020.

_____
Tara Walter, Mayor

ATTEST:

_____
Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

_____
Clifford L. Mattice, Town Attorney

TOWN OF FLORENCE
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2021

ar " & Cover!R[2]C[4]		S c h		FUNDS							
Fiscal Year				General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2020	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	1	17,012,550	10,258,828	69,748	4,404,450	14,000	13,491,755	0	45,251,331
2020	Actual Expenditures/Expenses**	E	2	15,567,196	4,777,372	69,748	1,475,771	25,409	8,733,124	0	30,648,620
2021	Fund Balance/Net Position at July 1***		3	13,053,542	17,475,640	0	8,955,350	314,996	20,523,133	0	60,322,661
2021	Primary Property Tax Levy	B	4	1,166,611		0			0		1,166,611
2021	Secondary Property Tax Levy	B	5	0	29,000				0		29,000
2021	Estimated Revenues Other than Property Taxes	C	6	13,066,315	16,362,863	0	1,624,300	0	9,824,989	0	40,878,467
2021	Other Financing Sources	D	7	0	0	0	0	0	0	0	0
2021	Other Financing (Uses)	D	8	0	0	0	0	0	0	0	0
2021	Interfund Transfers In	D	9	7,222,324	102,430	69,748	0	0	0	0	7,394,502
2021	Interfund Transfers (Out)	D	10	0	6,444,223	0	111,980	0	838,299	0	7,394,502
2021	Reduction for Amounts Not Available:		11								
LESS:	Amounts for Future Debt Retirement:										0
	Future Capital Projects										0
	Maintained Fund Balance for Financial Stability			1,926,735	512,702				5,490,733	0	7,930,170
											0
				0							0
2021	Total Financial Resources Available		12	32,582,057	27,013,008	69,748	10,467,670	314,996	24,019,090	0	94,466,569
2021	Budgeted Expenditures/Expenses	E	13	17,075,185	13,531,048	69,748	3,902,635	29,000	12,467,626	0	47,075,242

	EXPENDITURE LIMITATION COMPARISON	2020	2021
1	Budgeted expenditures/expenses	$ 45,251,331	$ 47,075,242
2	Add/subtract: estimated net reconciling items		
3	Budgeted expenditures/expenses adjusted for reconciling items	45,251,331	47,075,242
4	Less: estimated exclusions		17,585,779
5	Amount subject to the expenditure limitation	$ 45,251,331	$ 29,489,463
6	EEC expenditure limitation	$	$ 32,251,744

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

TOWN OF FLORENCE
Tax Levy and Tax Rate Information
Fiscal Year 2021

		2020		2021
Fis	Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	$ 1,166,611	$	1,166,611
2.	Amount received from primary property taxation in the **current year** in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	$		
3.	Property tax levy amounts			
A.	Primary property taxes	$ 1,166,611	$	1,166,611
B.	Secondary property taxes	22,000		29,000
C.	Total property tax levy amounts	$ 1,188,611	$	1,195,611
4.	Property taxes collected*			
A.	Primary property taxes			
	(1) **Current** year's levy	$ 1,135,612		
	(2) Prior years' levies	(54,632)		
	(3) Total primary property taxes	$ 1,080,980		
B.	Secondary property taxes			
	(1) **Current** year's levy	$ 21,951		
	(2) Prior years' levies			
	(3) Total secondary property taxes	$ 21,951		
C.	Total property taxes collected	$ 1,102,931		
5.	Property tax rates			
A.	City/Town tax rate			
	(1) Primary property tax rate	1.0740		1.0585
	(2) Secondary property tax rate	0.1207		0.1433
	(3) Total city/town tax rate	1.1947		1.2018

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating 3 special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

TOWN OF FLORENCE
Revenues Other Than Property Taxes
Fiscal Year 2021

Fiscal Year 2021	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
GENERAL FUND			
Local taxes			
City Sales Tax	$ 2,862,437	$ 2,025,000	$ 1,950,000
Food (City Sales) Tax	310,686	310,000	320,000
Licenses and permits			
Occupational Licenses	49,980	55,500	51,500
Building Permits		1,250,000	450,000
Other Licenses and Permits	1,000	1,000	1,000
Intergovernmental			
State Shared Sales Tax	2,740,063	2,584,500	2,485,847
State Share Income Tax	3,451,095	3,416,358	3,918,987
Auto License Tax	1,658,771	1,633,773	1,753,477
Salt River Lien Tax			
Charges for services			
Franchise Fees and Taxes	651,681	728,815	712,500
Engineering Inspection Fees	104,000	110,150	104,000
Civil Engineering Fees	100,000	75,675	76,025
Community Development	1,040,322	192,700	164,939
Cemetery Fees	15,000	11,000	15,000
General Government	322,567	146,000	261,200
Police Fees	29,500	33,000	29,850
Fire Fees	53,600	89,000	92,500
Parks and Recreation Fees	164,050	126,964	112,375
Library Fees	5,500	5,500	5,500
Senior Fees	21,400	22,695	18,400
Fines and forfeits			
Fines and Forfeits	179,800	178,100	181,600
Interest on investments			
Interest	235,000	426,000	220,000
Miscellaneous			
Miscellaneous	125,415	157,028	136,215
Downtown Redevelopment	2,200	2,400	2,400
Government Access Channel	4,000	4,200	3,000
Total General Fund	$ 14,128,067	$ 13,585,358	$ 13,066,315

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF FLORENCE
Revenues Other Than Property Taxes
Fiscal Year 2021

Fiscal Year 2021	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
SPECIAL REVENUE FUNDS			
Highway User	$ 3,433,471	$ 3,793,440	$ 3,838,389
Construction Tax Fund	$ 360,000	$ 388,800	$ 420,000
Food Tax	8,500	9,500	10,500
Judical Collections Enhancement	2,865	2,900	3,100
	$ 3,804,836	$ 4,194,640	$ 4,271,989
Fill the Gap	$ 2,435	$ 2,435	$ 2,435
SW Gas Reclocation Reimbursment	50,000	42,000	42,000
Police Impound	12,250	2,000	1,750
Grant Funds	2,402,366	817,389	11,108,955
	$ 2,467,051	$ 863,824	$ 11,155,140
	$	$	$
Street Light Improvement District No. 1	400	1,600	800
Street Light Improvement District No. 2	600	2,910	2,500
Street Light Improvement District No. 3		22,100	29,050
	$ 1,000	$ 26,610	$ 32,350
	$	$	$
Transportation Impact Fees	166,200	472,000	325,500
Police Impact Fees	146,000	317,000	122,052
Fire/EMS	143,000	411,200	143,790
	$ 455,200	$ 1,200,200	$ 591,342
Parks Impact Fees	$ 12,050	$ 641,000	$ 273,892
Library Impact Fees	59,000	9,314	500
Florence Wastewater	3,750	137,600	26,000
Florence Water	50	65,800	11,650
	$ 74,850	$ 853,714	$ 312,042
North Florence Wastewater	$ 50	$	$
	$ 50	$	$
Total Special Revenue Funds	$ 6,802,987	$ 7,138,988	$ 16,362,863

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF FLORENCE
Revenues Other Than Property Taxes
Fiscal Year 2021

Fiscal Year 2021	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
DEBT SERVICE FUNDS			
	$	$ 0	$
	$	$	$
Total Debt Service Funds	$	$	$
CAPITAL PROJECTS FUNDS			
General Government CIP Fund	$ 1,890,000	$ 2,550,987	$ 1,617,800
Economic Development Fund	1,700	6,300	6,500
	$ 1,891,700	$ 2,557,287	$ 1,624,300
Total Capital Projects Funds	$ 1,891,700	$ 2,557,287	$ 1,624,300

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF FLORENCE
Revenues Other Than Property Taxes
Fiscal Year 2021

Fiscal Year 2021	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
PERMANENT FUNDS			
Firemans Pension Fund	$ 22,000	$ 26,900	$ 28,000
	$ 22,000	$	$
Total Permanent Funds	$ 22,000	$	$
ENTERPRISE FUNDS			
Water	$ 4,326,237	$ 4,203,001	$ 4,384,400
Wastewater	4,530,200	4,173,000	4,423,000
Sanitation	921,300	976,309	1,017,589
	$ 9,777,737	$ 9,352,310	$ 9,824,989
Total Enterprise Funds	$ 9,777,737	$ 9,352,310	$ 9,824,989

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOTAL ALL FUNDS	$ 32,622,491	$ 32,633,943	$ 40,878,467

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF FLORENCE
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2021

Fiscal Year 2021	OTHER FINANCING 2021		INTERFUND TRANSFERS 2021	
FUND	SOURCES	(USES)	IN	(OUT)
GENERAL FUND				
Highway User	$	$	$ 384,025	$
Grants			6,000,000	
Water			337,756	
Wastewater			412,434	
Sanitation			88,109	
Total General Fund	$	$	$ 7,222,324	$
SPECIAL REVENUE FUNDS				
Highway User	$	$	$ 1,620	$ 442,603
Streetlight Improvement Districts				1,620
Grants			100,810	6,000,000
Total Special Revenue Funds	$	$	$ 102,430	$ 6,444,223
DEBT SERVICE FUNDS				
DEBT SERVICE FUNDS	$	$	$ 69,748	$
Total Debt Service Funds	$	$	$ 69,748	$
CAPITAL PROJECTS FUNDS				
Fund 011- Captial Projects	$	$	$	$ 111,980
Total Capital Projects Funds	$	$	$	$ 111,980
PERMANENT FUNDS				
Firemans Pension Fund	$	$	$	$
Total Permanent Funds	$	$	$	$
ENTERPRISE FUNDS				
Water	$	$	$	$ 337,756
Wastewater				412,434
Sanitation				88,109
Total Enterprise Funds	$	$	$	$ 838,299
TOTAL ALL FUNDS	$	$	$ 7,394,502	$ 7,394,502

TOWN OF FLORENCE
Expenditures/Expenses by Fund
Fiscal Year 2021

Fiscal Year 2021 FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
GENERAL FUND				
Administration	$ 5,271,923	$	$ 4,545,786	$ 5,189,900
Police	4,195,591		3,837,180	4,268,545
Fire	3,529,355		3,317,553	3,559,799
Community Services	2,629,304		2,456,086	2,559,862
Development Services	1,386,377		1,410,591	1,497,079
Total General Fund	$ 17,012,550	$	$ 15,567,196	$ 17,075,185
SPECIAL REVENUE FUNDS				
Streets	$ 6,497,706	$	$ 3,687,807	$ 6,204,876
Construction Fund				150,000
Food Tax				
Grants	2,402,366		833,765	5,220,418
Street Light Improvement Districts	93,560		85,500	91,000
Judical Collection Enhancement	5,000		5,000	5,000
Fill-the-Gap	700		700	1,000
Southwest Gas Capital Exp	50,000		47,000	42,000
Impound	2,000		2,600	2,000
Development Impact Fees	1,207,496		115,000	1,814,754
Total Special Revenue Funds	$ 10,258,828	$	$ 4,777,372	$ 13,531,048
DEBT SERVICE FUNDS				
Debt Service	$ 69,748	$	$ 69,748	$ 69,748
Total Debt Service Funds	$ 69,748	$	$ 69,748	$ 69,748
CAPITAL PROJECTS FUNDS				
General Capital Fund	$ 4,384,450	$	$ 1,460,771	$ 3,702,635
Econ Dev Capital Projects	20,000		15,000	200,000
Total Capital Projects Funds	$ 4,404,450	$	$ 1,475,771	$ 3,902,635
PERMANENT FUNDS				
Firemans Pension Fund	$ 14,000	$	$ 25,409	$ 29,000
Total Permanent Funds	$ 14,000	$	$ 25,409	$ 29,000
ENTERPRISE FUNDS				
Water Utility	$ 7,145,466	$	$ 4,371,124	$ 5,025,120
Wastewater Utility	5,147,665		3,417,663	6,162,777
Sanitation Utility	1,198,624		944,337	1,279,729
Total Enterprise Funds	$ 13,491,755	$	$ 8,733,124	$ 12,467,626
TOTAL ALL FUNDS	$ 45,251,331	$	$ 30,648,620	$ 47,075,242

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF FLORENCE
Expenditures/Expenses by Department
Fiscal Year 2021

Fiscal Year 2021 DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
General Fund				
Council	$ 155,985	$	$ 127,535	$ 278,735
Administration	659,647		640,474	789,172
Town Clerk				349,698
Municipal Court	236,450		219,530	241,400
Legal	900,700		592,460	803,425
Finance	815,755		771,100	742,725
Human Resources	261,195		222,610	265,960
Information Technology	667,295		660,040	727,085
General Government	1,380,396		1,076,062	887,100
Economic Development	194,500		183,225	
Emergency Response			52,750	104,600
Police Administration	470,170		463,509	471,570
Police Support	910,825		753,625	853,375
Police Volunteer Program	9,950		7,460	12,100
Police Operations	2,804,646		2,612,586	2,931,500
Fire Administration	574,725		489,218	520,079
Fire Station 1	1,524,740		1,465,762	1,536,900
Fire Station 2	1,429,890		1,362,573	1,502,820
Fitness Center	94,855		74,005	83,275
Community Services Admin	237,375		234,550	245,515
Parks Maintenance	567,675		560,890	615,620
Community Center	72,200		69,740	73,750
Aquatics	289,875		276,050	298,112
Programs	509,069		447,340	475,900
Special Events	225,560		212,434	196,730
Seniors	292,030		259,452	307,685
Library	340,665		321,625	263,275
Community Development	612,390		696,434	837,684
Engineering	103,097		74,477	88,590
Facilities Maintenance	510,420		484,145	559,905
Cemetery	10,900		10,400	10,900
Fleet	149,570		145,135	
Department Total	$ 17,012,550	$	$ 15,567,196	$ 17,075,185

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF FLORENCE
Full-Time Employees and Personnel Compensation
Fiscal Year 2021

Fiscal Year 2021	Full-Time Equivalent (FTE) 2021	Employee Salaries and Hourly Costs 2021	Retirement Costs 2021	Healthcare Costs 2021	Other Benefit Costs 2021	Total Estimated Personnel Compensation 2021
GENERAL FUND	131	$ 7,982,440	$ 1,248,630	$ 2,196,750	$ 859,217	$ 12,287,037
SPECIAL REVENUE FUNDS						
Highway User	19	$ 857,100	$ 104,800	$ 295,250	$ 114,200	$ 1,371,350
Grants	1	54,800				54,800
Total Special Revenue Funds	20	$ 911,900	$ 104,800	$ 295,250	$ 114,200	$ 1,426,150
ENTERPRISE FUNDS						
Water	6	$ 441,200	$ 54,000	$ 143,800	$ 50,620	$ 689,620
Wastewater	5	340,700	41,700	114,800	39,625	536,825
Sanitation	1	20,500	2,510	5,350	2,040	x
Total Enterprise Funds	12	$ 802,400	$ 98,210	$ 263,950	$ 92,285	$ 1,226,445
TOTAL ALL FUNDS	163	$ 9,696,740	$ 1,451,640	$ 2,755,950	$ 1,065,702	$ 14,939,632

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 12b.**

MEETING DATE: June 15, 2020

DEPARTMENT: Community Development

STAFF PRESENTER: Barbara Rice
Community Development Director

SUBJECT: Resolution No. 1743-20 Amendments to the Florence Fire Code and declaring Said Code a Public Record

☒ **Action**
☐ **Information Only**
☐ **Public Hearing**
☒ **Resolution**
☐ **Ordinance**
- ☐ **Regulatory**
- ☐ **1st Reading**
- ☐ **2nd Reading**

☐ **Other**

STRATEGIC PLAN REFERENCE:

☐ Community Vitality ☐ Economic Prosperity ☒ Leadership and Governance

☐ Partnership and Relationships ☐ Transportation and Infrastructure

☐ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Adoption of Resolution No. 1743-20: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD CERTAIN DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED "2012 INTERNATIONAL FIRE CODE" AND "BUILDING CODES AND AMENDMENTS".

BACKGROUND/DISCUSSION:

In May of 2019, the Town Council adopted the 2012 International Model Construction Codes for Buildings within the Town of Florence, including the 2012 International Fire Code. These codes were amended at that time to best meet the specific life safety and constituent needs of the community of Florence.

It was discovered in April 2020 that some of the 2012 International Fire Code amendments could be modified to meet the growth needs of the Town of Florence without compromising public health or fire and life safety of our citizens, visitors or firefighters. The proposed amendment is to Section 202, Definitions of the 2012 International Fire Code, specifically the Bulk Tire Storage Definition. It is necessary to amend this definition as outlined in Resolution No. 1743-20 to follow with the proposed amendment to existing Code Section 903.2.9.2 for sprinkler requirements in bulk tire storage occupancies.

A VOTE OF NO WOULD MEAN:

The Town would not adopt Resolution 1743-20 amending the 2012 International Fire Code and would be a direct conflict from the proposed amendments under Ordinance No. 697-20. If Council votes to not adopt Resolution No. 1743-20 they should not consider Ordinance No. 687-20.

A VOTE OF YES WOULD MEAN:

Resolution No. 1743-20 would be adopted, and the proposed amendment would be recorded and become part of the Town Technical Codes.

FINANCIAL IMPACT:

There is no financial cost to adopt Resolution No. 1743-20.

ATTACHMENT

Resolution No. 1743-20
Exhibit A

RESOLUTION NO. 1743-20

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD CERTAIN DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED "INTERNATIONAL FIRE CODE, 2012 EDITION, WITH APPENDICES B, C, D, E, F, G, H AND I, AND ADDENDUMS AND ALTERNATIVES TO SAID TECHNICAL CODES FOR SECTIONS 202 AND 903 DATED AUGUST 20, 2020".

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, that certain documents entitled "International Fire Code, 2012 Edition, with Appendices B, C, D, E, F, G, H and I, and Addendums and Alternatives to said Technical Codes for Sections 202 and 903 dated August 20, 2020" and described in the attached Exhibit "A", one copy of which is on file in the office of the Town Clerk, are hereby declared to be public records, and said copies are ordered to remain on file with the Town Clerk, and will be codified in the Town Code by separate consideration and adoption of an ordinance.

NOW THEREFORE BE IT FURTHER RESOLVED by the Mayor and Council of the Town of Florence, Arizona, that certain document Titled "International Fire Code, 2012 Edition, with Appendices B, C, D, E, F, G, H and I, and Addendums and Alternatives to said Technical Codes for Sections 202 and 903 dated August 20, 2020", attached as "Exhibit A", one paper copy and one electronic copy of which are on file in the Office of the Town Clerk.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Pinal County, Arizona, this _____ day of _____ 2020.

_____
Tara Walter, Mayor

ATTEST:

_____
Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

_____
Clifford L. Mattice, Town Attorney

CERTIFICATION OF RECORDING OFFICER

STATE OF ARIZONA)
) ss.
County of Pinal)

I, the undersigned Lisa Garcia, being the duly appointed, qualified Town Clerk of the Town of Florence, Pinal County, Arizona, certify that the foregoing Resolution No. 1743-20 is a true, correct and accurate copy of Resolution No. 1743-20, passed and adopted at a regular meeting of the Council of the Town of Florence, Pinal County, Arizona, held on the _____ day of _____ 20____, at which a quorum was present and, by a _____vote, _____voted in favor of said resolution.

Given under my hand and sealed this _____day of _____, 20____.

_____

seal Town Clerk

Exhibit “A”

INTERNATIONAL FIRE CODE, 2012 EDITION, WITH APPENDICES B, C, D, E, F, G, H AND I, AND ADDENDUMS AND ALTERNATIVES TO SAID TECHNICAL CODES FOR SECTIONS 202 AND 903 DATED AUGUST 20, 2020

Exhibit A
TOWN OF FLORENCE
CODE OF ORDINANCES
TECHNICAL CODES

§ 150.300 CODES ADOPTED

A. The Following publication is adopted by reference.
13. International Fire Code, 2012 Edition, with Appendix B, C, D, E, F, G, H & I

B. Addendums and alternatives to the Technical Codes as adopted shall be as follows:

13. International Fire Code, 2012 Edition

Amend Section 202. GENERAL DEFINITIONS (Codified in apathetical order) by adding the following definition:

TIRES, BULK STORAGE OF. Storage of tires where the area available for storage exceeds –10,000 cubic feet.

a. **Section 903.2.1.2(1) Group A-2**

Amend Condition 1, to read as follows: The fire area exceeds ~~2,500~~ **5,000** square feet.

b. **Section 903.2.3(1) Group E.**

Amend Condition 1, to read as follows: The fire area exceeds ~~zero (0)~~ **5,000** square feet.

c. **Section 903.2.4.1 Group F-1. Woodworking Operations**

Amend to read as follows: An automatic sprinkler system shall be provided throughout all Group F-1 occupancy fire areas that contain woodworking operations in excess of ~~zero (0)~~ **2,500** square feet in area which generate finely divided combustible waste or use finely divided combustible materials.

d. **Section 903.2.6 Group I**

Amend by ~~deleting~~ **replacing** Exceptions 1, 2, 3 and 4, in their entirety and

~~adding~~ **removing** the following ~~Condition 1:Group I fire areas exceed zero (0) square feet.~~

903.2.6 Group I. An *automatic sprinkler system* shall be provided throughout buildings with a Group I *fire area* in excess of zero (0) square feet.

Exceptions:

1. **An *automatic sprinkler system* installed in accordance with Section 903.3.1.2 shall be permitted in Group I-1 facilities.**

2. **An *automatic sprinkler system* installed in accordance with Section 903.3.1.3 shall be allowed in Group I-1 facilities when in compliance with all of the following:**
   2.1. A hydraulic design information sign is located on the system riser;
   2.2. Exception 1 of Section 903.4 is not applied; and
   2.3. Systems shall be maintained in accordance with the requirements of Section
   903.3.1.2.

   3. An *automatic sprinkler system* is not required where day care facilities classified as a Group I occupancy do not exceed 5,000 square feet in area, are at the *level of exit discharge* and every room where care is provided has at least one exterior *exit* door.

   4. In buildings where Group I-4 day care is provided on levels other than the *level of exit discharge*, an *automatic sprinkler system* in accordance with Section 903.3.1.1 shall be installed on the entire floor where care is provided and all floors between the level of care and the *level of exit discharge*, all floors below the level of exit discharge, other than areas classified as an open parking garage

e. **Section 903.2.9(1) Group S-1.**

Amend Condition 1, to read as follows: A Group S-1 fire area exceeds ~~zero square feet (0 SF)~~ **5,000 square feet**.

f. **Section 903.2.9(3) Group S-1.**

Amend Condition 3, to read as follows: The combined area of all Group S-1 fire areas on all floors, including any mezzanines exceeds ~~zero square feet (0 SF)~~ **5,000 square feet.**

g. **Section 903.2.9.1 Repair Garages.**

Amend Items 1, 2 & 4, to read as follows:
1. Buildings no more than one story above grade plane, with a fire area containing a repair garage exceeding ~~zero (0)~~ **5,000** square feet.
2. Buildings having two or more stories above grade plane, including basements, with a fire area containing a repair garage exceeding ~~zero square feet (0 SF)~~ **5,000 square feet**.
4. A Group S-1, fire area used for the repair of commercial trucks or buses where the fire area exceeds ~~zero (0)~~ **5,000** square feet.

h. **Section 903.2.9.2 Bulk Storage of Tires.**

Amend to read as follows: Buildings and structures where the area for storage of tires exceeds ~~zero (0)~~ **10,000** cubic feet shall be equipped throughout with an automatic sprinkler system in accordance with Subsection 903.3.1.1.

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 12c.**

MEETING DATE: June 15, 2020

DEPARTMENT: Community Development

STAFF PRESENTER: Barbara Rice
Community Development Director

SUBJECT: Ordinance No. 697-20 Adoption of Amendments to the Town of Florence Fire Code

- ☒ **Action**
- ☐ **Information Only**
- ☐ **Public Hearing**
- ☐ **Resolution**
- ☒ **Ordinance**
  - ☐ **Regulatory**
  - ☒ **1st Reading**
  - ☐ **2nd Reading**
- ☐ **Other**

STRATEGIC PLAN REFERENCE:

☒ Community Vitality ☐ Economic Prosperity ☐ Leadership and Governance

☐ Partnership and Relationships ☐ Transportation and Infrastructure

☐ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

First Reading of Ordinance No. 697-20: AN ORDINANCE OF THE TOWN OF FLORENCE, ARIZONA AMENDING SECTION 150.300 (TECHNICAL CODES) OF THE TOWN OF FLORENCE CODE OF ORDINANCES BY AMENDING THE 2012 INTERNATIONAL FIRE CODE ADOPTED BY REFERENCE UNDER ORDINANCE NO. 674-19.

BACKGROUND/DISCUSSION:

In May of 2019, the Town Council adopted the 2012 International Model Construction Codes for Buildings within the Town of Florence, including the 2012 International Fire Code. These codes were amended at that time to best meet the specific life safety and constituent needs of the community of Florence.

In April 2020, staff determined that some of the 2012 International Fire Code amendments could be modified to better meet the growth needs of the Town of Florence without compromising public health or fire and life safety of our citizens, visitors or firefighters. The proposed modifications will increase the sprinkler threshold for certain occupancy types and, in some cases, allow exceptions that already exist in the Model 2012 International Fire Code and are consistent with other jurisdictions throughout the state. The proposed amendments are also more consistent with sprinkler requirements of other occupancy or use types in our community.

The International Fire Code is updated every three years by the International Code Council. Currently, the town is in the 2012 edition of this code which is two cycles behind the current 2018 International Codes. The next code edition will be the 2021 International Fire Code. To wait to update these amendments until the town feels there is a need to move forward with the adoption of future code editions may prevent certain businesses such as automotive repair, storage, or smaller institutional facilities from coming to Florence. As staff prepared this request for council action, a permit application for the placement of a 320 square foot storage unit was submitted. This project is considered an S-1 storage occupancy and, as proposed, under our current amendments, would need to have automatic fire sprinklers installed. Under the proposed amendments, it would not.

Given that the proposed amendments follow best practices utilized by jurisdictions nationwide and do not reduce life safety to the public or firefighters, staff recommends adoption of Ordinance No. 697-20 amending the Town of Florence Fire Code.

A VOTE OF NO WOULD MEAN:

The Town would not adopt Ordinance No. 697-20 amending the 2012 International Fire Code and our current amendments would remain in force.

A VOTE OF YES WOULD MEAN:

Ordinance No. 697-20 would be adopted, and the attached amendments would be recorded and become part of the Town Technical Codes.

FINANCIAL IMPACT:

There will be advertising and codification costs if the ordinance is adopted.

ATTACHMENTS

Ordinance No. 697-20
Exhibit A
PowerPoint presentation

ORDINANCE NO. 697-20

AN ORDINANCE OF THE TOWN OF FLORENCE, ARIZONA AMENDING SECTIONS 202 AND 903 CONTAINED IN SECTION 150.300 ('TECHNICAL CODES') OF THE TOWN OF FLORENCE CODE OF ORDINANCES BY AMENDING THE 2012 EDITION OF THE INTERNATIONAL FIRE CODE ADOPTED BY REFERENCE UNDER ORDINANCE NO. 674-19.

WHEREAS, the Mayor and Town Council support the ongoing evaluation and assessment of the Technical Codes and the occasional adoption of new codes and/or amendments of same that are in the best interest of the Town; and

WHEREAS, the Technical Codes, including the 2012 International Fire Code, are provided for the purpose of protecting the public health, safety and general welfare of the residents, visitors and firefighters of Florence; and

WHEREAS, the Mayor and Town Council adopted the 2012 International Fire Code by Resolution 1693-19 and Ordinance No. 674-19 on May 6, 2019; and

WHEREAS, it is in the best interest of the Town to amend the Code of Ordinances, as provided herein, to support the development of the Town of Florence while still providing for the protection of public health and safety and promoting building safety.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Town Council of the Town of Florence, Arizona, as follows:

Section 1. That Title XV *Land Usage* of the Town Code of Ordinances is hereby amended with the following amendments to Section 150.300 *Codes Adopted* of the of Technical *Codes* with addendums and alternatives as included and on file as the Clerk's Office per Resolution No. 1743-20, Exhibit "A", and as codified in the Town Code of Ordinances.

The following publication is adopted by reference:

TECHNICAL CODES
§ 150.300 CODES ADOPTED

A. The documents contained in Exhibit "A" entitled "INTERNATIONAL FIRE CODE, 2012 EDITION, WITH APPENDICES B, C, D, E, F, G, H AND I AND ADDENDUMS AND ALTERNATIVES TO SAID TECHNICAL CODES FOR SECTION 202 AND 903 DATED AUGUST 20, 2020.

Section 2. Should there be any conflicting provision of the Technical Codes and regulations adopted in Ordinance No. 697-20, including within any Appendices therein, with any other Codes and regulations adopted by the Town of Florence, the more restrictive code requirement shall take precedence.

Section 3. That if any section, subsection, sentence, clause or phrase of this legislation is, for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The Town of Florence, Arizona hereby declares that it would have passed this law, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

Section 4. That nothing in this legislation or in the Technical Codes hereby adopted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in Section 3 of this law; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this legislation.

Section 5. That the Town of Florence, Arizona is hereby ordered and directed to cause this legislation to be published on the Town website and codified in the Town Code.

Section 6. That this law and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect August 20, 2020 from and after the date of its final passage and adoption.

Section 7. Criminal Penalty: Among other penalties that may apply, including revocation or suspension of a license (when applicable), any person who violates any provision of this article, whether or not the act is specifically stated as being unlawful, shall be guilty of a class 3 misdemeanor and upon conviction shall be punished as provided in Section 10.99 of the Town Code.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, on this 20th day of July 2020.

_____
Tara Walter, Mayor

ATTEST:

_____
Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

_____
Clifford L. Mattice, Town Attorney

Exhibit A
TOWN OF FLORENCE
CODE OF ORDINANCES
TECHNICAL CODES

§ 150.300 CODES ADOPTED

A. The Following publication is adopted by reference.
13. International Fire Code, 2012 Edition, with Appendix B, C, D, E, F, G, H & I

B. Addendums and alternatives to the Technical Codes as adopted shall be as follows:

13. International Fire Code, 2012 Edition

Amend Section 202. GENERAL DEFINITIONS (Codified in apathetical order) by adding the following definition:

TIRES, BULK STORAGE OF. Storage of tires where the area available for storage exceeds –10,000 cubic feet.

a. **Section 903.2.1.2(1) Group A-2**

Amend Condition 1, to read as follows: The fire area exceeds ~~2,500~~ **5,000** square feet.

b. **Section 903.2.3(1) Group E.**

Amend Condition 1, to read as follows: The fire area exceeds ~~zero (0)~~ **5,000** square feet.

c. **Section 903.2.4.1 Group F-1. Woodworking Operations**

Amend to read as follows: An automatic sprinkler system shall be provided throughout all Group F-1 occupancy fire areas that contain woodworking operations in excess of ~~zero (0)~~ **2,500** square feet in area which generate finely divided combustible waste or use finely divided combustible materials.

d. **Section 903.2.6 Group I**

Amend by ~~deleting~~ **replacing** Exceptions 1, 2, 3 and 4, in their entirety and

~~adding~~ **removing** the following ~~Condition 1:Group I fire areas exceed zero (0) square feet.~~

903.2.6 Group I. An *automatic sprinkler system* shall be provided throughout buildings with a Group I *fire area* in excess of zero (0) square feet.

Exceptions:

1. **An *automatic sprinkler system* installed in accordance with Section 903.3.1.2 shall be permitted in Group I-1 facilities.**

2. **An *automatic sprinkler system* installed in accordance with Section 903.3.1.3 shall be allowed in Group I-1 facilities when in compliance with all of the following:**
   2.1. A hydraulic design information sign is located on the system riser;
   2.2. Exception 1 of Section 903.4 is not applied; and
   2.3. Systems shall be maintained in accordance with the requirements of Section
   903.3.1.2.

   3. An *automatic sprinkler system* is not required where day care facilities classified as a Group I occupancy do not exceed 5,000 square feet in area, are at the *level of exit discharge* and every room where care is provided has at least one exterior *exit* door.

   4. In buildings where Group I-4 day care is provided on levels other than the *level of exit discharge*, an *automatic sprinkler system* in accordance with Section 903.3.1.1 shall be installed on the entire floor where care is provided and all floors between the level of care and the *level of exit discharge*, all floors below the level of exit discharge, other than areas classified as an open parking garage

e. **Section 903.2.9(1) Group S-1.**

Amend Condition 1, to read as follows: A Group S-1 fire area exceeds ~~zero square feet (0 SF)~~ **5,000 square feet**.

f. **Section 903.2.9(3) Group S-1.**

Amend Condition 3, to read as follows: The combined area of all Group S-1 fire areas on all floors, including any mezzanines exceeds ~~zero square feet (0 SF)~~ **5,000 square feet.**

g. **Section 903.2.9.1 Repair Garages.**

Amend Items 1, 2 & 4, to read as follows:
1. Buildings no more than one story above grade plane, with a fire area containing a repair garage exceeding ~~zero (0)~~ **5,000** square feet.
2. Buildings having two or more stories above grade plane, including basements, with a fire area containing a repair garage exceeding ~~zero square feet (0 SF)~~ **5,000 square feet**.
4. A Group S-1, fire area used for the repair of commercial trucks or buses where the fire area exceeds ~~zero (0)~~ **5,000** square feet.

h. **Section 903.2.9.2 Bulk Storage of Tires.**

Amend to read as follows: Buildings and structures where the area for storage of tires exceeds ~~zero (0)~~ **10,000** cubic feet shall be equipped throughout with an automatic sprinkler system in accordance with Subsection 903.3.1.1.

AMENDMENTS TO THE TOWN FIRE CODE

Town of Florence
June 15, 2020

BACKGROUND INFORMATION

- In May 2019, the Town of Florence adopted the 2012 International Model Codes for Construction, including the International Fire Code as the Technical Codes of the Town.
- At that time, amendments to all the codes were made where they were necessary to serve the specific needs and resources of the community.

BACKGROUND INFORMATION

- In May 2020 it was discovered that some amendments were not in the best interest of business development and growth. These amendments were regarding occupancy sprinkler thresholds.
- Staff met to evaluate these amendments and bring them in line with other occupancy threshold requirements and meet the intent of the code.
- The proposed amendments are consistent with best practices, other amendments for occupancies throughout and do not reduce life safety or property protection.

PROPOSED AMENDMENT CHANGES AND IMPACT

a. Amend Section 202.1 General Definitions of the 2012 IFC as follows:

TIRES, BULK STORAGE OF. Storage of tires where the area available for storage exceeds ~~20,000 cubic feet (566 m3~~ **10,000 cubic feet**.

- This definition was inadvertently left out in 2019 when section 903.2.9.2 was amended. That section relates to the sprinkler threshold for bulk tire storage and is also being amended to align with the definition.

PROPOSED AMENDMENT CHANGES AND IMPACT

b. Amend Section 903.2.1.2 of the currently adopted 2012 IFC as follows:

903.2.1.2 Group A-2. An automatic sprinkler system shall be provided for Group A-2 occupancies where one of the following conditions exists:

1. The fire area exceeds ~~2,500~~ **5,000** square feet.
2. The fire area has an occupant load of 100 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

- A-2 occupancies include restaurants and bars with occupant loads 50 or higher.
- At our current 2,500 sq ft threshold, a small coffee shop, sandwich shop, wine bar/tasting room, restaurant, etc. within a structure would be required to sprinkler even if their net occupant load were below 100 occupants. Examples: Old Pueblo (3111 sq ft) and Taco Bell (2911 sq ft).
- Fire operations experiences show that firefighters utilizing hose lines are fairly successful in suppressing or controlling a fire in fire areas 5,000 sq ft or less.(Model code has 5,000 sq ft threshold)
- Staff recommends amending fire area to 5,000 sq ft.

PROPOSED AMENDMENT CHANGES AND IMPACT

c. Amend Section 903.2.3 of the currently adopted 2012 IFC as follows:

903.2.3 Group E. An automatic sprinkler system shall be provided for Group E occupancies as follows:

1. Throughout all Group E fire areas greater than ~~zero (0)~~ **5,000** square feet in area.
2. Throughout every portion of educational buildings below the lowest level of exit discharge serving that portion of the building.

Exception: An automatic sprinkler system is not required in any area below the lowest level of exit discharge serving that area where every classroom throughout the building has at least one exterior exit door at ground level.

- Educational Group E occupancy includes schools, colleges, and day care centers with less than five children under the age of 2 ½ years.
- These occupancies have a great deal of fire protection features including alarms and fire-resistant construction in egress, etc. Emergency evacuation plans and drills are required.
- These fire protection systems came about due to large loss of life fire in the early 1900's and have been responsible fo prevention of fire fatalities in these occupancies.
- Staff recommends amending the fire area threshold to 5,000 sq feet.

PROPOSED AMENDMENT CHANGES AND IMPACT

d. Amend Section 903.2.4.1 of the currently adopted 2012 IFC as follows:

903.2.4.1 Woodworking Operations. An automatic sprinkler system shall be provided throughout all Group F-1 occupancy fire areas that contain woodworking operations in excess of ~~zero (0)~~ **2,500** square feet in area which generate finely divided combustible waste or which use finely divided combustible materials.

- Woodworking operations are limited to 2,500 sq ft without sprinklers per the unamended IFC.
- While these occupancies present an explosion and fire hazard, other codes require ventilation systems and explosion proof electrical installations to reduce ignition sources. The fire code has requirements for housekeeping, storage, etc. to limit fuel load and prevent fires.
- Our current code could limit the pursuit of businesses who may want to open shops for production and retail sale of wood products.
- Staff recommends amending the code to reflect the 2,500 sq ft fire area threshold in the model code.

PROPOSED AMENDMENT CHANGES AND IMPACT

e. Amend Section 903.2.6 of the currently adopted 2012 IFC as follows:

903.2.6 Group I. An automatic sprinkler system shall be provided throughout buildings with a Group I fire area in excess of zero (0) square feet.

Exceptions:

1. An automatic sprinkler system installed in accordance with Section 903.3.1.2 shall be permitted in Group I-1 facilities.

2. An automatic sprinkler system installed in accordance with Section 903.3.1.3 shall be allowed in Group I-1 facilities when in compliance with all of the following:

2.1. A hydraulic design information sign is located on the system riser;

2.2. Exception 1 of Section 903.4 is not applied; and

2.3. Systems shall be maintained in accordance with the requirements of Section 903.3.1.2.

3. An automatic sprinkler system is not required where day care facilities classified as a Group I occupancy do not exceed 5,000 square feet in area, are at the level of exit discharge and every room where care is provided has at least one exterior exit door.

4. In buildings where Group I-4 day care is provided on levels other than the level of exit discharge, an automatic sprinkler system in accordance with Section 903.3.1.1 shall be installed on the entire floor where care is provided and all floors between the level of care and the level of exit discharge, all floors below the level of exit discharge, other than areas classified as an open parking garage

PROPOSED AMENDMENT CHANGES AND IMPACT

Section 903.2.6 (continued)

- Group I occupancies include assisted living facilities, prisons, hospitals, and daycare with more than 5 children under the age of 2 ½ , etc.
- Exception 1 allows for NFPA 13R sprinkler system in certain I occupancies if the facility is no more than four stories tall. This type of system is allowed in motels, hotels, apartment buildings and provides adequate fire protection.
- Exception 2 allows for NFPA 13D sprinkler systems in I occupancies that are congregate living facilities in townhouses. This is acceptable fire protection based on occupancy limitations, residency and construction type.
- Exception 3 allows the exemption of fire sprinklers in buildings that are one story where each room that children are cared for have an external exit to the outside. This would apply to child daycare facilities that are classified as I occupancy due to the number of children less than 2 ½ years of age. I occupancy buildings have stringent construction requirements regarding fire resistant construction, alarm requirements, exit requirements, emergency drills, evacuation plans, etc.
- The fire code requires all I occupancies to be sprinklered with the exceptions described. These exceptions provide for sprinkler system options that are less coverage but still save lives. By amending the code, there would be better opportunity for these occupancies to build here.

PROPOSED AMENDMENT CHANGES AND IMPACT

f / g. Amend Section 903.2.9 of the currently adopted 2012 IFC as follows:

903.2.9 Group S-1. An automatic sprinkler system shall be provided throughout all buildings containing a Group S-1 occupancy where one of the following conditions exists:

1. A Group S-1 fire area exceeds ~~zero (0)~~ **5,000** square feet .
2. A Group S-1 fire area is located more than three stories above grade plane.
3. The combined area of all Group S-1 fire areas on all floors, including any mezzanines, exceeds ~~zero (0)~~ **5,000** square feet .
4. A Group S-1 fire area used for the storage of commercial trucks or buses where the fire area exceeds 5,000 square feet .
5. A Group S-1 occupancy used for the storage of upholstered furniture or mattresses exceeds 2,500 square feet.

- S-1 occupancies include storage of textiles, furniture, mattresses, grain, paper and other combustible products.
- These storage occupancies pose fire risks due to combustible fuel load.
- The model code and our amendments have the furniture and mattress storage sprinkler threshold at 2,500 sq ft. As this commodity poses the highest risk, it would not make sense to have other storage sprinkler thresholds be below this size.
- Under the current code, a 320 sq ft storage building being proposed would require automatic fire sprinklers.
- Staff recommends the proposed sprinkler storage threshold to be 5,000 sq ft.

PROPOSED AMENDMENT CHANGES AND IMPACT

h. Amend Section 903.2.9.1 of the currently adopted 2012 IFC as follows:

903.2.9.1 Repair Garages. An automatic sprinkler system shall be provided throughout all buildings used as repair garages in accordance with Section 406.8 of the International Building Code, as shown:

1. Buildings having two or more stories above grade plane, including basements, with a fire area containing a repair garage exceeding ~~zero (0)~~ **5,000** square feet.
2. Buildings no more than one story above grade plane, with a fire area containing a repair garage exceeding ~~zero (0)~~ **5,000** square feet.
3. Buildings with repair garages servicing vehicles parked in basements.
4. A Group S-1 fire area used for the repair of commercial trucks or buses where the fire area exceeds ~~zero (0)~~ **5,000** square feet .

- Reducing repair garage sprinkler threshold to zero (0) greatly impedes economic development opportunities for auto, motorcycle, farm equipment and other repair shops including Discount Tire, Pep Boys, or small businesses. The current code requires sprinklers throughout other occupancies that have a repair garage including government facilities, retail, and fleet shops.

- Fire risk is due to flammable and combustible liquids, ignition sources from welding, grinding, mechanical equipment, compressed gases. Other requirements in the fire code specifically regulate these risks to reduce the likelihood of fire.

- Staff recommends a 5,000 sq ft sprinkler threshold for consistency and best practice.

PROPOSED AMENDMENT CHANGES AND IMPACT

i. Amend Section 903.2.9.2 of the currently adopted 2012 IFC as follows:

903.2.9.2 Bulk Storage of Tires. Buildings and structures where the area for the storage of tires exceeds ~~zero (0) cubic~~ **10,000 cubic** feet shall be equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1.

- The definition of bulk tire storage is 20,000 cu ft and represents storage larger than what would normally be found in typical retail stores. This amount poses an extraordinary fire protection hazard.
- Our current code would reduce the definition and limit tire shops or retail businesses with any tire storage. Auto parts stores or other retail business that have tire storage would need fire sprinkler systems throughout the building. Large fleet operations would have to sprinkler the entire build
- Staff recommends the 10,000 cu ft threshold based on hazard and fire department resources.

ACTION

- Staff Recommends Council Adopt Ordinance No. XXXX-20, amending the current Town of Florence Fire Code to be consistent with other occupancy amendments and current fire protection best practices.
- Adoption of the proposed amendments will promote economic development and growth opportunities for businesses in the Town of Florence.

QUESTIONS ?

	TOWN OF FLORENCE COUNCIL ACTION FORM	**AGENDA ITEM 12d.**

MEETING DATE: June 15, 2020

DEPARTMENT: Administration

STAFF PRESENTER: Brent Billingsley, Town Manager

SUBJECT: Authorization of the Town of Florence to negotiate a Development Agreement with MODUS Holdings, Inc. to construct a residential project in the Territory Square District known as "Territory Square Property Development" and to publish a Notice of Intent to Award RFP 05042020.

☒ **Action**
☐ **Information Only**
☐ **Public Hearing**
☐ **Resolution**
☐ **Ordinance**
- ☐ **Regulatory**
- ☐ **1st Reading**
- ☐ **2nd Reading**

☐ **Other**

STRATEGIC PLAN REFERENCE:

☒ Community Vitality ☒ Economic Prosperity ☐ Leadership and Governance

☒ Partnership and Relationships ☐ Transportation and Infrastructure

☐ Statutory ☐ None

RECOMMENDED MOTION/ACTION:

Motion to approve (or disapprove) negotiation of a Development Agreement MODUS Holdings, Inc. to construct a residential project in the Territory Square District known as "Territory Square Property Development" and to publish a Notice of Intent to Award RFP 05042020.

BACKGROUND/DISCUSSION:

MODUS Holdings, Inc. submitted a response the Town RFP 05042020 on June 1, 2020. Subsequently, staff is seeking direction from Town Council to commence negotiations for the design and development of a 30-acre workforce housing development and to publish a Notice of Intent to Award the sale of approximately 30 acres in the Territory Square District.

MODUS Development is Phoenix-based real estate investment and development company known for its award-winning residential projects that are modern, urban, and smart. Led by developer, business mogul, and technology expert Ed Gorman, MODUS was formed to create long-term value for its investors, with a focus on capital preservation, current cash flow, and future appreciation.

The Developer intends to construct a residential development on approximately 30 acres in the Heritage Square District, in concert with the North End

Framework Area Master Plan. Pursuant to A.R.S.§ 9-499.10, the Town designated an Infill Incentive District (the "District") and adopted the Town Core Infill Incentive Plan (the "Infill Plan") to encourage redevelopment in the District by, among other activities, waiving fees for development activities and granting relief from development standards. The Project is within the District. The Town intends to use the Infill Plan in connection with this Agreement.

The Town has determined that encouraging the development of the Property pursuant to this Agreement will result in significant economic and other public purpose benefits to the Town and its residents by, among other things: (i) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger area that includes the Property; (ii) the development of the Property in a manner consistent with the Town's comprehensive land use plan; (iii) an increase in property tax revenues to the Town arising from or relating to the development of the Property; and (iv) the creation of new jobs and otherwise enhancing the economic welfare of the residents of the Town.

A VOTE OF NO WOULD MEAN:

A No vote would mean that negotiations with MODUS Holdings, Inc. would cease, and the subsequent RFP award and Development phases of the project would not occur.

A VOTE OF YES WOULD MEAN:

A Yes vote would start the DA negotiation phase of the project and would cause publishing of a Notice of Intent to Award RFP 05042020.

FINANCIAL IMPACT:

None, at this time.

ATTACHMENTS:

MODUS Proposal

Experience & Qualifications Reponses

Responder Identification Information

Development Entity

The development entity will be a newly formed Arizona Limited Liability Corporation (LLC).

The Manager and Primary Contact will be:

Ed Gorman

Development / Design / Financing

(602) 421-2221 | Ed.Gorman@MODUScompanies.com

Modus Manager, LLC

3219 E Camelback Road, Suite 291, Phoenix, AZ 85018

The members anticipated at the current time are:

Jeff Raymond

Partner / Equity / Financing

(480) 200-7977 | jraymondaz@cox.net

Shenandoah Advisors

4340 E. Indian School, Suite 21, Phoenix, AZ 85018

Rob Macdonald

Partner / Equity

(604) 331-6018 | rjm@macdevcorp.com

Macdonald Development Corporation

3225 N Central Ave, Suite 100, Phoenix, AZ 85012

Bill Borders

Partner / Construction

(604) 331-6018 | bborders@arc-az.com

ARC Construction

3225 N Central Ave, Suite 100, Phoenix, AZ 85012

Statement of Financial Responsibility

The development team will use a combination of debt and equity to fund the proposed development cost. It is anticipated that we will use 65% or less in debt and 35% in equity. The equity will be provided by private sources in a syndication. See the Comparable Project Experience for a list of financing sources used for recent projects.

- The budget calls for 10% of the construction costs (approximately $6,000,000) to be held in reserve to fund contingencies. In addition, the Operating Agreement (OA) calls for equity partners to make additional capital contributions if required.
- Current banking relationship – Stearns Bank NA and MidFirst Bank.
- Equity Relationships – vary by project and are all private individuals.
- Broker Relationships – Churchill Commercial Capital and Tower Capital, who source both debt and equity.

Comparable Project Experience

A leading developer in eco-friendly living, Arizona based MODUS development creates innovative buildings with award winning, environmentally friendly designs that are located in prime urban locations. Nationally recognized as one of the premier developers of Net Zero Energy (NZE) and Leadership in Energy and Environmental Design (LEED) buildings, MODUS conducts extensive market research and gauges future trends to deliver a product of superior quality and design. Its designs incorporate aesthetics and functions based on the communities in which it builds. MODUS has nearly 20 years of experience in creating sustainable communities in Arizona and California. Below is a list of recent projects as well as images.

Comparable Projects on the next page.

Comparable Projects | Residential

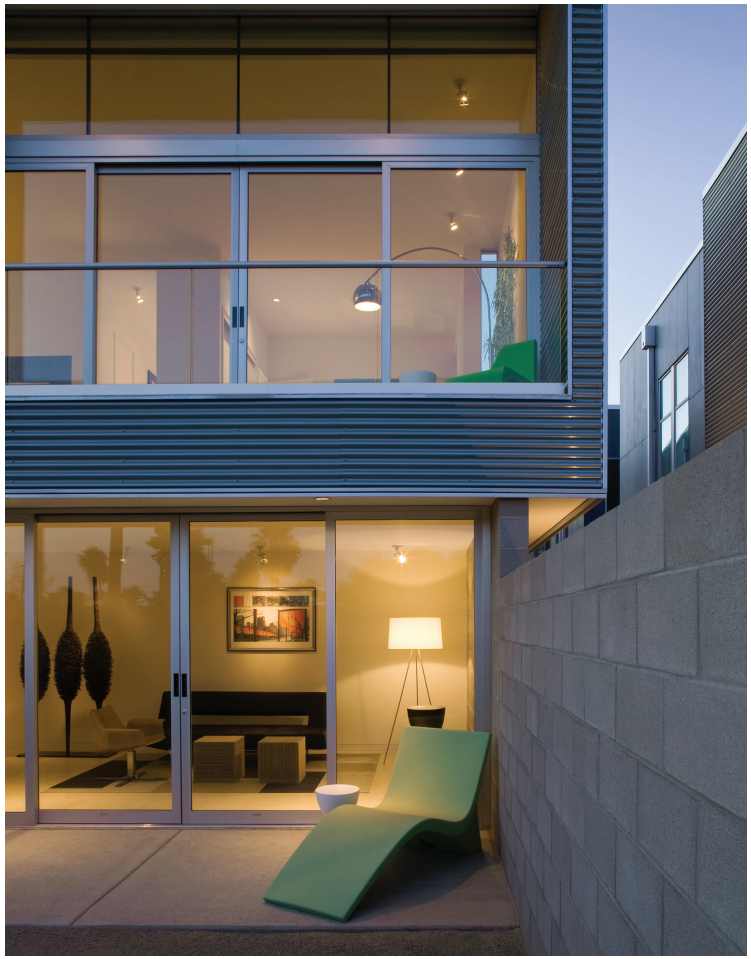
PROJECT	LOCATION	FINANCING	MANAGEMENT STRUCTURE	CONSTRUCTION TIMELINE	BUILT	NOTABLE
The Galleries at Turney	4410 N 27th St. Phoenix, AZ	Community Bank of Nevada	LLC	16 months	2009	1st LEED-H Multifamily in U.S.
Parc Riviera	4048 Riviera Dr. San Diego, CA	Cash	LLC	6 months	2013	Energy Star Certified
MZ	7301 E Minnezona Ave Scottsdale, AZ	Cash	LLC	7 months	2015	1st Net Zero Energy Mulitifamily in AZ
Dusk	3130 N Hayden Dr. Scottsdale, AZ	Trust Bank	LLC	10 months	2016	1st Net Zero Energy Apartments in U.S.
Eclipse	1401 N Granite Reef Dr. Scottsdale, AZ	Parkway Financial	LLC	18 months	2018	Net Zero Energy
MZ2	7300 E Minnezona Ave Scottsdale, AZ	Stearns Bank	LLC	16 months	2019	Net Zero Energy
OZ Scottsdale	3425 N 70th St. Scottsdale, AZ	Cash	LLC	Under constructon	2020	Net Zero Energy. Opportunity Zone
Loft 52	2640 N 52nd St. Phoenix, AZ	MidFirst Bank	LLC	Under constructon	2020	Net Zero Energy. Single Family Rentals
Casa Grande Commons	1131 N Mission Pkwy. Casa Grande, AZ	TBD	LLC	In planning	2021	Net Zero Energy. Single Family Rentals

The Galleries at Turney

PHOENIX, AZ | COMPLETED 2009

The Galleries at Turney was MODUS' first development in Arizona and the first multifamily project in the U.S. to receive the Leadership in Energy and Environmental Design for Homes (LEED-H) certification. LEED is a whole-building approach to sustainability and efficiency by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. The Galleries feature eight detached residences in a quiet, gated enclave located blocks from Phoenix's well-known, upscale Biltmore neighborhood, at 24th Street and East Camelback Road.

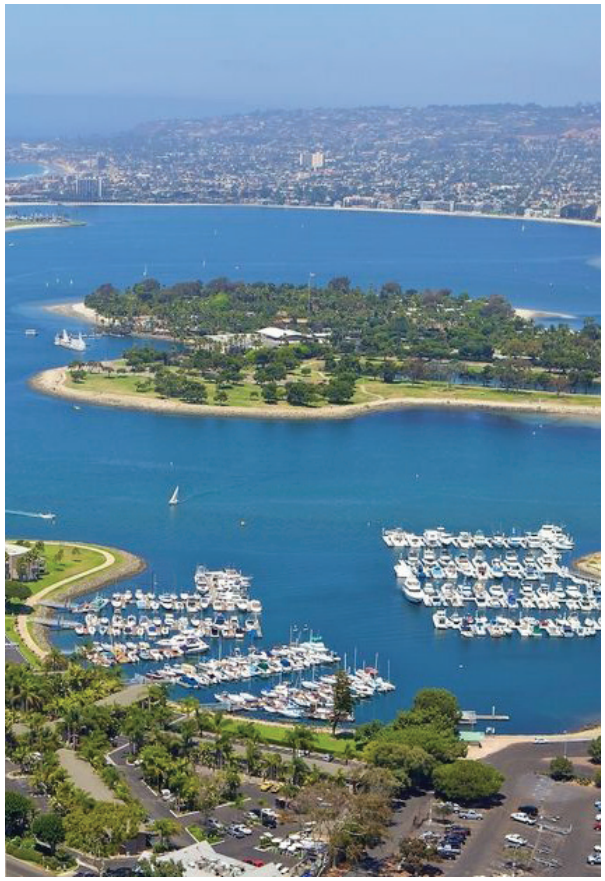
- Sold out during the Great Recession
- Generated $5.8 MM in revenue
- Made a profit during the housing crisis
- AIA Arizona Merit Award
- AIA / SRP Sustainable Award
- Valley Forward Award
- Southwest Contractor Best Private Green Project Award
- Evergreen Award – First Place
- Home of the Year, Green Builder Magazine – Special Focus Award



Parc Riviera

SAN DIEGO, CA | COMPLETED 2013

Located on Riviera Drive, just over a block from Mission Bay and close to Fanuel Park, Parc Riviera features three modern, detached single-family homes. Each home has a private two-car garage, three bedrooms, and over-sized large roof decks. The interiors are finished with clean, modern materials that epitomize coastal living in San Diego. The rooftop decks provide incredible views of Mission Bay, SeaWorld fireworks, and the Pacific Ocean. Decks also include a fully-plumbed outdoor kitchen to complete the outdoor living and entertaining space. These homes meet Energy Star requirements and feature passive cooling, Nest thermostats, LED lighting, on-demand hot water heating, and Energy Star appliances.



- Sold out within 3 months
- Generated $3.0 MM in revenue
- Set a record price per square foot for the area

MZ

SCOTTSDALE, AZ | COMPLETED 2015

MZ is the first Net Zero Energy multifamily project in Arizona and one of the first in the nation. It features eight attached residences in the heart of Downtown Scottsdale. Located just steps away from top upscale restaurants, art galleries, nightclubs, spas, and shopping districts, MZ is an architectural treasure revolutionizing the real estate market in Scottsdale. These modern and luxurious residences combine energy efficiency, innovative materials, renewable resources, and green technology to set the new standard for smart living. MZ boasts automation that allow residents to control their home and energy usage from their mobile device, plus energy-saving features like photovoltaic (PV) solar panels, which are designed to provide all energy needed to power the homes.

- RED Finalist Award
- ASID - Model Space - 1st Place
- ASID - Green Design - 1st Place

Dusk

SCOTTSDALE, AZ | COMPLETED 2016

Dusk is an innovative apartment project combining cutting-edge architecture, an ideal location, and green features that made it the first Net Zero Energy apartment community in the country. Dusk has 41 single-story and double-story residences on a secluded site adjacent to a golf course and close to Downtown Scottsdale. The apartments range from 550-1,200 SF and feature contemporary design and spacious interiors. In addition to sustainable features like solar panels and Energy Star appliances, each residence has large windows and decks with spectacular views of the golf course, Camelback Mountain and the McDowell Mountains.

NOW
LEASING

Eclipse

SCOTTSDALE, AZ | COMPLETED 2019

Eclipse is a distinctive 20-unit luxury townhome community organized in a gated circular design on approximately 1.5 acres. Eclipse comprises three, three-story buildings containing two and three-bedroom units with two different floor plans. The community is on Granite Reef Road just south of McDowell Road in South Scottsdale. As a residential infill site, Eclipse provides prime access to Downtown Scottsdale, Downtown Tempe, the ASU SkySong Innovation Center, as well as the Loop 101 and Loop 202 freeways. These homes are designed to achieve a zero HERS Score, meet Energy STAR home requirements and feature passive cooling, Nest thermostats, LED lighting, and hybrid hot water heaters.

MZ2

SCOTTSDALE, AZ | COMPLETED 2019

MZ2 is the second phase of the much-acclaimed MZ townhome project. This 11-unit development has the same desirable Downtown Scottsdale location and contemporary design as the first phase of MZ. It also takes energy efficiency to the next level with new technology, more outdoor space and patios, and a community swimming pool/spa. Each MZ2 unit is individually modeled to achieve a zero score on the HERS (Home Energy Rating System) rating scale through the use of high-performance building materials and renewable energy sources like solar panels and battery storage. In addition, the units feature green technologies including Nest thermostats and smoke detectors, myQ automated garage door openers, and Control4 Home automation packages.

OZseventy

SCOTTSDALE, AZ | COMING SOON

OZseventy will be a distinctive 15-unit, gated, luxury rental community with amenities such as a heated pool/spa, barbecue and workout facility. OZseventy will feature many energy-saving features including solar power, foam insulation, LED lighting throughout, Energy Star appliances, smart thermostats and advanced home automation. Each home is designed to achieve a Home Energy Rating System (HERS) score of Zero (0) or less with solar panels that meet the Department Of Energy's Net Zero Energy Ready (NZER) program.

OZseventy features a single ground floor (ADA) unit and 14 two-story townhomes on top of a concrete podium (parking garage). The garage is secured with private remote-controlled doors. The units average 1,500 SF and feature modern and luxurious finishes throughout. The property is located in Old Town Scottsdale, one of Arizona's most sought-after residential areas. Loop 101 freeway is less than two miles to the east.

LOFT 52

PHOENIX, AZ | COMING SOON

The project will be a distinctive 16-unit, gated, rental community with amenities such as a heated pool/spa, ramada and barbecue. All units will have private back yards and doggie doors.

LOFT 52 will feature many energy-saving features including solar power, foam insulation, LED lighting throughout, Energy Star appliances, smart thermostats and advanced home automation. Each home is designed to achieve a Home Energy Rating System (HERS) score of Zero (0) or less with solar added that meet the Department Of Energy's Net Zero Energy Ready (NZER) program.

LOFT 52 is comprised of eight duplexes (one and two bedrooms) for a total of 16 units. The project is designed to capture the growing and lucrative Built-To-Rent (BTR) market, and offers a single-family feel with multifamily amenities.

The property is conveniently located just south of the Biltmore and Arcadia neighborhoods and blocks from Scottsdale, which are among Arizona's most sought-after and affluent communities. Loop 202 is less than two miles to the south and downtown Phoenix is just 10 minutes away. Many recreational areas are nearby, including Papago Park, Camelback Mountain and the Arizona Canal.

2640

Casa Grande Commons

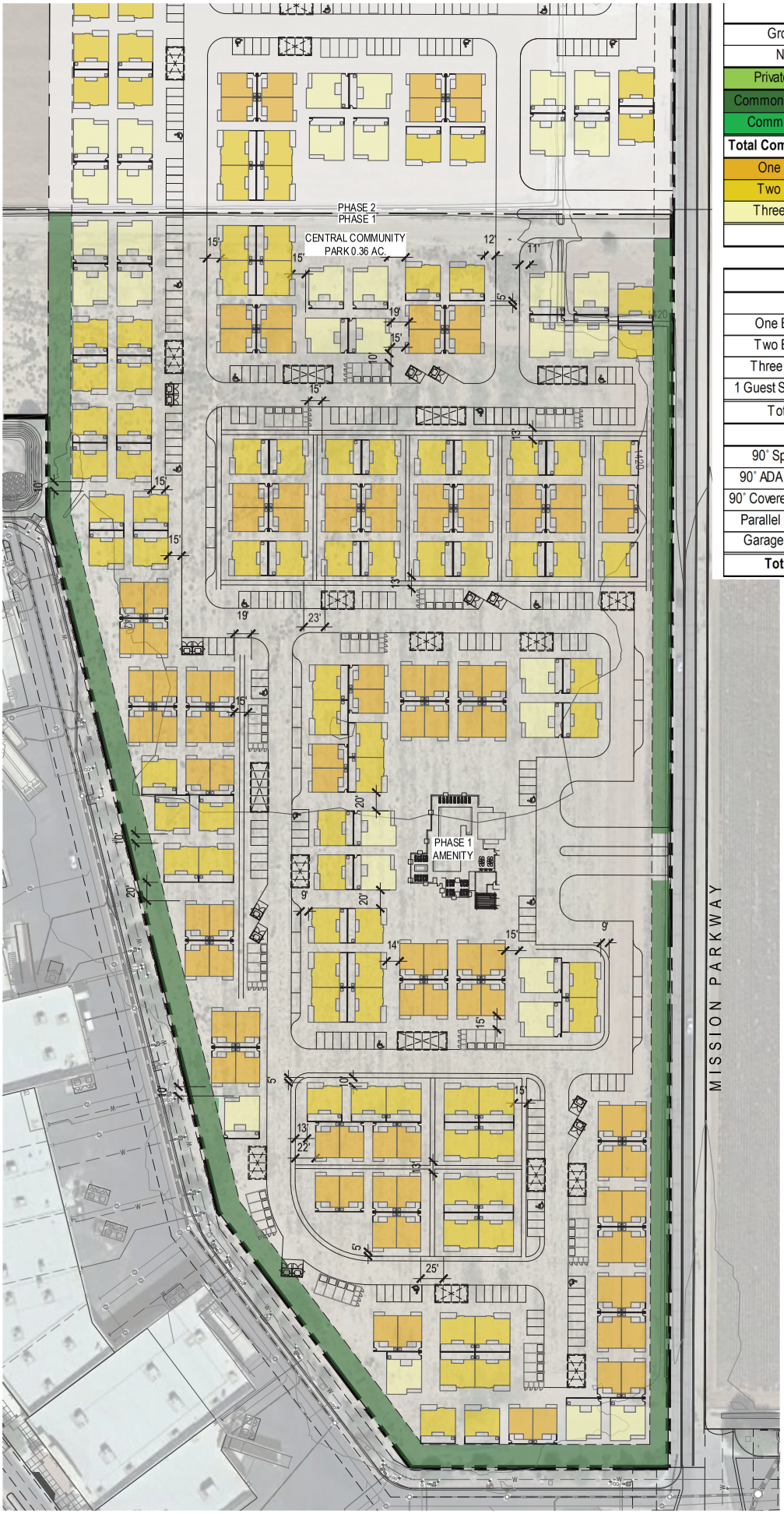
CASA GRANDE, AZ | COMING SOON

Inspirational Photography

Casa Grande Commons will be a 194-unit community of attached and detached Built-To-Rent (BTR) single-family homes in a gated community. It will be one of the first Net Zero Energy (NZE) communities in the nation. Each home is designed to produce all of its own power on an annual basis.

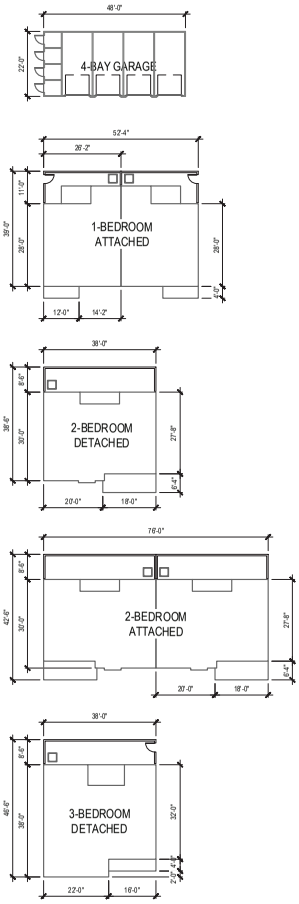
The project will feature the benefits of single-family living—private yards, doggie doors, and detached homes—combined with the benefits of multifamily living. Casa Grande Commons will have a community center, workout facility, pool, spa and ramada.

Casa Grande Commons homes will feature many energy-saving features including solar power, foam insulation, LED lighting throughout, Energy Star appliances, smart thermostats and advanced home automation. Each home is designed to achieve a Home Energy Rating System (HERS) score of Zero (0) or less with solar added that meet the Department Of Energy's Net Zero Energy Ready (NZER) program.



Phase 1 Site Data		
Gross Acreage	18.97 AC.	10.23 DU/AC
Net Acreage	17.72 AC.	10.95 DU/AC
Private Open Space	0.00 AC.	0.0%
Common Landscape Buffer	0.00 AC.	0.0%
Common Open Space	0.00 AC.	0.0%
Total Common Open Space	**0.00 AC.**	**0.0%**
One Bedroom Unit	96 Units	49.5%
Two Bedroom Unit	76 Units	39.2%
Three Bedroom Unit	22 Units	11.3%
Total	**194 Units**	

Phase 1 Parking Data		
Parking Required		
One Bedroom Units	x 1.0 Spaces/DU	96 Spaces
Two Bedroom Units	x 2.0 Spaces/DU	152 Spaces
Three Bedroom Units	x 2.0 Spaces/DU	44 Spaces
1 Guest Space Per 10 Units	x 1.0 Spaces/DU	19 Spaces
Total Required	311 Spaces	
Parking Provided		
90˚ Spaces Provided	151 Spaces	47.94%
90˚ ADA Spaces Provided	17 Spaces	5.40%
90˚ Covered Spaces Provided	74 Spaces	23.49%
Parallel Spaces Provided	25 Spaces	7.94%
Garage Space Provided	48 Spaces	15.24%
Total Provided	**315 Spaces**	



LOT FIT DIAGRAM
SCALE: 1"=20'-0"

MODUS Companies

References

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Lane + Nach, P.C.

2001 East Campbell Avenue, Suite 103, Phoenix AZ 85016

Project Concept Responses

PROJECT CONCEPT

General information

The proposed concept consists of a single-family rental community with single-story detached and semi-attached homes. There will be a mix of one, two and three-bedroom units. Each home will have a private backyard and pet doors.

Conceptual Site Plan

The attached proposed site plan shows the placement of the buildings. The size of the buildings is estimated below.

BUILDING TYPE	QUANTITY	UNIT SIZE (SF)	TOTAL SIZE (SF)
Amenity and Clubhouse	N/A	10,000	10,000
1 Bedroom Units	42	650	27,300
2 Bedroom Units	59	950	56,050
3 Bedroom Units	11	1,200	13,200
TOTAL:	112	N/A	106,550

Conceptual Site Plan on the next page.

Conceptual Site Plan

Project Concept Responses

Finance Plan

The total private investment is anticipated at:

PHASE I	$21,000,000	PHASE II	$39,900,000	TOTAL	$66,000,000

Sources and Uses

Type of Funding Source

The development team will use a combination of debt and equity to fund the proposed development cost. It is anticipated that we will use 65% or less in debt and 35% in equity. The equity will be provided by private sources in a syndication.

SOURCES	PHASE I	PHASE II	TOTAL
Equity	$7,350,000	$13,965,000	$21,315,000
Construction Loan	$13,650,000	$25,935,000	$39,858,000
TOTAL	$21,000,000	$39,900,000	$60,900,000

Sources of Debt and Equity

The debt will likely be sourced from a local/regional bank for construction. The construction debt will likely have a cost between 4-5.5% annually. The equity will receive 60% of the development profits along an 8% preferred return.

USES	PHASE I	PHASE II	TOTAL
Land Price	$435,600	$827,640	$1,263,240
Hard Costs	$15,666,240	$29,765,856	$45,432,096
Soft Costs	4,340,546	$8,247,037	$12,587,583
Financing Costs	$422,156	$802,096	$1,224,252
Interest Reserve	$135,458	$257,370	$392,828
TOTAL	$21,000,000	$39,900,000	$60,900,000

Project Concept Responses

Number of New Direct Jobs

The project is anticipated to create the following direct jobs:

JOB TITLE	PHASE I	PHASE II
Property Management	4	6
Maintenance	2	4
TOTAL	6	10

Estimated Tax Revenue

SOURCES	PHASE I	PHASE II	TOTAL
Gross Revenue	$1,706,411	$3,412,822	$5,119,233
TPT	$34,128	$68,256	$102,384
Property Tax Revenues	$177,100	$354,200	$531,300

Ownership, operation and management strategy

The project will be held in a single asset Limited Liability Corporation.

Alliance Residential will handle the leasing, day-to-day operations and maintenance. Alliance is one of the largest property management companies in the United States and is headquartered in Phoenix, AZ. All leasing, operations and maintenance staff will be employed by Alliance.

Robert Hicks, Regional President
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ALLIANCE
RESIDENTIAL COMPANY

Project Concept Responses

Timeframe for Development

Awarded Selection	July 2020
Development Agreement	July / August 2020
Schematic Design	August / September 2020
Town of Florence Design Review	September / November 2020
Design Development	November / December 2020
Construction Documents	January / March 2021
Permit Review	April / June 2021
Close of Escrow (Phase I)	August 2021
Occupancy / Move-in (Phase I)	February 2021 / September 2022
Close of Escrow (Phase II)	August 2022
Construction (Phase II)	August 2022 / July 2023
Occupancy / Move-in (Phase II)	February 2022 / September 2023

Proposed Acquisition Cost for the Site

ACQUISITION	PHASE I	PHASE II	TOTAL
Acres	10	19	29
Cost	$435,600	$827,640	$1,263,240

Business Plan

Phase I

Phase I is focused on creating a community of approximately 112 residential units for rent to create increased density in the downtown.

- **Year 1** – consists of negotiating a development agreement with the Town of Florence, planning the site and homes to maximize density and meet the Town's objective for increasing activity and jobs in the downtown area.
- **Year 2** – consists of construction of the project infrastructure and the proposed homes. It is anticipated that the homes will be completed at a rate of 10-20 per month. Phase I should be completed and leased-up by the end of year 2.

Phase II

Phase II is focused on creating a community of approximately 220 additional residential units for rent. rent to create increased density in the downtown.

- **Year 1** – consists of negotiating a development agreement with the Town of Florence, planning the site and homes to maximize density and meet the Town's objective for increasing activity and jobs in the downtown area.
- **Year 2** – consists of observing and monitoring Phase I to determine changes to the site plan and units based on feedback from residents.
- **Year 3** – consists of construction of the project infrastructure and the proposed homes. It is anticipated that the homes will be completed at a rate of 10-20 per month. The velocity of construction will be determined by market study and the actual lease up of Phase I. Phase II should be completed and leased-up by the end of year 3.

MODUS

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