



AMENDED AGENDA
Queen Creek Town Council Regular Session
Community Chambers, 20727 E Civic Parkway
December 21, 2022
6:30 PM

Pursuant to A.R.S. §§ 38-431.02 and 38-431.03, notice is hereby given to the members of the Town Council and the general public that, at this Regular Meeting, the Town Council may vote at any time during the Council Meeting to go into Executive Session, which will not be open to the public, for legal advice and discussion with the Town Attorney(s) for legal advice on any item listed on the following agenda, pursuant to A.R.S. § 38-431.03(A)(3).

The public can continue to watch the meeting live streamed at [QueenCreek.org/WatchMeetings](https://www.queen-creek.org/WatchMeetings) by selecting "video" next to the applicable meeting (once the meeting begins) or by visiting the Town's Ustream account at <https://video.ibm.com/councilmeeting>.

In addition to attending in-person, residents may submit public comment for this Town Council meeting by submitting their comments via email to PublicComment@QueenCreekAZ.gov. Every email, if received by the deadline of 5:00 p.m., the day of the meeting will be entered into the official record. Please include your name, address, comment and note if your comment is for call to the public. Comments without identifying name and address will not become part of the written record.

The Mayor or other presiding officer at the meeting may change the order of Agenda Items and/or take items on the Agenda in an order they determine is appropriate. Some members of the Town Council and staff may attend electronically.

- 1. Call to Order:**
- 2. Roll Call:** *(Members of the Town Council may attend electronically and/or telephonically)*
- 3. Pledge of Allegiance:**
- 4. Invocation/Moment of Silence:**
- 5. Ceremonial Matters (Presentations, Proclamations, Awards, Guest Introductions and Announcements):**
 - A. Recognition of former Mayor Gail Barney, Council Member Emilena Turley and Town Manager John Kross.
- 6. Committee Reports:**
 - A. Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAG. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.
 - B. Committee and outside agency reports (only as scheduled)
 1. None.

- 7. Public Comments:** *Members of the public may address the Town Council on items not on the printed agenda and during Public Hearings. Please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record. The Town Council may not discuss or take action on any issue raised during public comment until a later meeting.*
- 8. Consent Agenda:** *Matters listed under the Consent Agenda are considered to be routine and will be enacted by one motion and one vote. Members of the Town Council and/or staff may comment on any item without removing it from the Consent Agenda or remove any item for separate discussion and consideration.*
- A. Consideration and possible approval of the December 7, 2022 Regular Session minutes.
 - B. Consideration and possible approval of Expenditures \$25,000 and over, pursuant to Town Purchasing Policy. (FY 22/23 Budgeted Items)
 - 1. Corporate Technology Solutions (CTS) - Security and Protection Systems: \$80,000 (Information Technology)
 - 2. B&F Contracting - Emergency repair of 8" HDPE water line: \$45,000 (CIP)
 - 3. Southern Tire Mart - Replacement Tires: \$50,000 (Public Works-Fleet)
 - 4. Swain Electric - Electrical Services: \$75,000 (Facilities / Town Wide)
 - C. Consideration and possible approval of FY 22-23 budget amendments totaling \$2,398,757 in expenditure reallocations from contingencies to accommodate advance orders of materials and equipment due to long-lead order times and supply chain issues, and to allow the Town Manager to sign all necessary contracts and agreements.
 - D. Consideration and possible approval of the Annual Report on Dedicated Sales Tax Revenues.
 - E. Consideration and possible approval of Salt River Project Agricultural Improvement and Power District contracts 4217251, 4217246, and 4217253 for the Chandler Heights Road from Sossaman Road to Hawes Road Improvement Project (CIP Project #A0602) in the combined amount not to exceed \$1,126,041. (This is a FY 2022/23 Budgeted Item)
 - F. Consideration and possible approval of a one-year On-Call Professional Services Contracts for Water, and Wastewater Treatment with up to four possible one-year renewals, with Black & Veatch Corp; Kimley-Horn and Associates Inc.; Wilson Engineers, LLC.; and WSP Environmental and Infrastructure, Inc.
 - G. Consideration and possible approval of a one-year On-Call Professional Services Contracts for Water and Wastewater Distribution with up to four possible one-year renewals, with Dibble & Associates Consulting Engineers, Inc.; Hilgartwilson, LLC; Sunrise Engineering, Inc.; WSP Environmental and Infrastructure, Inc.
 - H. Consideration and possible approval of a one-year On-Call Professional Services Contracts for Wells, Tanks, and Booster Stations with up to four possible one-year renewals, with Consor North American Inc; Hilgartwilson, LLC; and Sunrise Engineering, Inc.

- I. Consideration and possible approval of the Intergovernmental Agreement with the City of Mesa for Fire Apparatus Maintenance and Repair Services, on an as needed basis, in an amount not to exceed \$30,000. (FY 22/23 Budgeted Item)
- J. Consideration and possible renewal of the Intergovernmental Agreement for the Regional Metropolitan Phoenix Fire Service Automatic Aid.
- K. Consideration and possible approval of a Change Order with N. Harris Computer Corporation's Advanced Utility Systems for software implementation services with corresponding budget amendment in an amount not to exceed \$473,393.
- L. Consideration and possible approval of the Joint Agency Agreement (JAA) with the Maricopa Association of Governments (MAG) for a Roadside Safety Project (RSP) which includes a safety improvement project for 18 Intersections throughout the Town.
- M. Consideration and possible approval of an Intergovernmental Agreement (IGA) for the sharing of law enforcement information between the City of Chandler Town of Gilbert, the City of Mesa, the City of Tempe, and the Town of Queen Creek.
- N. Consideration and possible approval of a motion for the Town of Queen Creek to intervene in the application of Union Pacific Railroad Company to construct five (5) new at-grade crossings and improve (1) existing at-grade crossing In Mesa, Arizona, Arizona Corporation Commission Docket No. RR-03639A-22-0287, and directing and authorizing the Town Manager and Town Attorney to take all actions necessary to represent the Town's interests in relation thereto.
- O. Consideration and possible approval of an Amendment #1 to Delegation Resolution #1371-20 authorizing and directing the Town Manager and/or Capital Improvement Projects Department Director to take any and all action necessary; and to sign any and all documents, contracts, and/or agreements related to construction and completion of Ocotillo Road Improvement Project from Sossaman Road to Hawes Road (CIP projects #A0116 and #WA176) increasing the original Resolution amount by \$6,715,480 for a total amended Resolution not to exceed amount of \$20,807,063; and related budget adjustments.
- P. Consideration and possible approval of Resolution #1512-22 amending the standard form bylaws for Town committees, boards and/or commissions section II - Membership, Roster, Council Liaison, Residency Requirement and Terms of Office Item (G).
- Q. Consideration and possible approval of Resolution #1513-22 approving a Prepayment Agreement with Vestar Vineyard Towne Center LLC related to the Vineyard Towne Center Development Agreement and establishing an internal reserve of \$7.8 million within the Construction Sales Tax Fund to accommodate the required payment.
- R. Consideration and possible approval of Resolution #1514-22, adopting revisions to the Town Council Policies and Procedures Handbook regarding Council Meeting protocols.
- S. Consideration and possible action on Ordinance 805-22, amending the Queen Creek Town Code Chapter 8, Article 8-1, Business License, Section 8-1-2; and adding Article 8-6, Short Term Rentals and Vacation Rentals; and amending Chapter 9 by adding a new Section 9-2- 13 Short Term Rental Offenses, and moving Section 9-2-13 to 9-2-14.

9. Public Hearing Consent Agenda:

Matters listed under the Public Hearing Consent Agenda are considered to be routine and will be enacted by one motion and one vote. Please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record.

A. None.

10. Public Hearings: *If you wish to speak to the Town Council on any of the items listed as a Public Hearing, please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record.*

A. None.

11. Items for Discussion: *These items are for Town Council discussion only and no action will be taken. In general, no public comment will be taken.*

A. None.

12. Final Action:

If you wish to speak to the Town Council on any of the items listed under Final Action, please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record.

A. Consideration and possible approval of Resolution No. 1510-22 accepting the Town's Fiscal Year 2021-22 financial statements and audit reports.

B. Consideration and possible approval of Resolution No. 1509-22 accepting the Town's Fiscal Year 2021-22 Development Impact Fee and Capacity Fee reports.

13. Adjournment:

I, Maria Gonzalez, do hereby certify that I caused to be posted this 20th day of December, the Agenda for the December 21, 2022 Regular and Possible Executive Session of the Queen Creek Town Council at Town Hall and on the Town's website at www.QueenCreekAZ.gov.

Maria E. Gonzalez, MMC
Town Clerk

The Town of Queen Creek encourages the participation of disabled individuals in the services, activities, and programs provided by the Town. Individuals with disabilities who require reasonable accommodations in order to participate should contact the Town Clerk's office at (480) 358-3000.

Council Committee Reports



- 12/8 – PHX|East Valley Partnership 2022 Thought Leader Forum (Brown, Wheatley)
- 12/9 – Roots n’ Boots Queen Creek Cowboy Christmas (Benning, Oliphant)
- 12/10 – 14th Annual Kid’s Christmas Car Show & Toy Drive (Benning, Brown, Martineau, Oliphant, Wheatley)
- 12/12 – Briefing with League of Arizona Cities and Towns Executive Director Tom Belshe (Wheatley)
- 12/12 – Crismon High School Ribbon Cutting Celebration (Wheatley)
- 12/13 – Meeting with Pinal County Manager Leo Lew on Pinal Regional Transit Association (Benning)
- 12/13 – Chamber Network QC Luncheon (Oliphant)
- 12/13 – Briefing with PHX|East Valley Partnership Leadership (Wheatley)
- 12/14 – Signal Butte Extension Opening with City of Mesa (Benning, Brown, Wheatley)
- 12/14 – Torchy’s Tacos Ribbon Cutting & Grand Opening (Brown, Martineau, Wheatley)
- 12/14 – Gilbert Town Hall Ribbon Cutting Ceremony (Brown)
- 12/14– Interview with Webelos Scout Thurman for Arrow of Light (Brown)
- 12/15 – Pre-Legislative Session Breakfast (Brown, Martineau, Oliphant, Wheatley)
- 12/16 – Lunch & Learn: Meet the New Mayor (Wheatley)
- 12/19 – Saving Grace Lutheran Church Ribbon Cutting (Martineau, Oliphant)
- 12/20 – Phoenix Mesa Gateway Airport Authority Board Meeting (Brown)
- 12/20 – Queen Creek Menorah Lighting Ceremony (Benning, Brown, Martineau, Wheatley)



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER
FROM: MARIA GONZALEZ MMC, TOWN CLERK
RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE DECEMBER 7, 2022 REGULAR SESSION MINUTES.
DATE: December 21, 2022

Suggested Action:

To approve the draft minutes as presented.

Alternatives:

Council can request revisions to be made to the draft minutes and approve with revisions or continue to a future meeting.

Attachment(s):

1. [11-16-22 Minutes](#)



Minutes
Town Council Regular Session
Community Chambers, 20727 E. Civic Parkway
Wednesday, December 7, 2022
6:30 PM

1) Call to Order:

The meeting was called to order at 6:30 p.m.

2) Roll Call:

PRESENT:

Jeff Brown, Vice Mayor
Robin Benning, Council Member
Leah Martineau, Council Member
Dawn Oliphant, Council Member
Julia Wheatley, Mayor-Elect

ABSENT:

Emilena Turley, Council Member

3) Pledge of Allegiance:

Led by Vice Mayor Brown.

4) Invocation/Moment of Silence:

A moment of silence was held for first responders and all those in uniform that keep our community safe.

5) Ceremonial Matters (Presentations, Proclamations, Awards, Guest Introductions and Announcements):

None.

6) Committee Reports:

6.A) Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAG. The Council will not propose, discuss, deliberate or take

legal action on any matter in the summary unless the specific matter is properly noticed for legal action.

Council Committee Reports 

6.B) Committee and outside agency reports (only as scheduled)

- 1) Parks and Recreation Advisory Committee (November 29, 2022)
- 2) Economic Development Commission (November 30, 2022)

Parks & Recreation Advisory Committee Chair David Dobbs presented the report. Mr. Dobbs said the Committee introduced two new members, April Peterson and Staci Curtis and new Recreation Supervisor Nia Fanaika. He said QC Little League gave the year-end report; the Youth Sports Partnership Policy was discussed; staff presented an update on trails and connectivity and CIP provided updates on new parks. The next meeting is scheduled for February 21, 2023.

Council Member Oliphant presented the report for Economic Development. The Commission approved the Facade Improvement Application for a photography studio located at 20515 E Ocotillo Rd and Police Chief Randy Brice presented an overview of the Queen Creek Police Department. The next meeting is scheduled for January 25, 2023.

7) **Public Comments:**

None.

8) **Consent Agenda:**

- 8.A) Consideration and possible approval of the November 16, 2022 Regular Session minutes.

Department: Town Clerk's Office

Staff Report 

11-16-22 Minutes 

- 8.B) Consideration and possible approval of the re-appointment of Anita Lopez to the Downtown Core Arts & Placemaking Advisory Sub-Committee.

Department: Economic Development


Staff Report 


Notice of Interest Application - Lopez, Anita 2022.pdf 

- 8.C) Consideration and possible approval of the Town of Queen Creek's 2023 Legislative Guiding Principles.

Department: Town Manager's Office

Staff Report 

2023 Legislative Guiding Principles Clean.pdf 


2023 Legislative Guiding Principles Tracked Changes.pdf 

Item 8(C) removed for a separate vote by Council Member Martineau.

- 8.D) Consideration and possible approval of the "Final Plat" for the Germann Commerce Center - Phase 1, a request by TTRG AZ Queen Creek Germann Road Land LLC.

Department: Development Services

Staff Report 


Aerial Exhibit - Germann Commerce Center.pdf 

Final Plat - Germann Commerce Center - Phase 1.pdf 

- 8.E) Consideration and possible approval of Expenditures \$25,000 and over, pursuant to Town Purchasing Policy. (FY 22/23 Budgeted Items)

Department: Finance

Staff Report 

Expenditures over \$25,000.pdf 

- 8.F) Consideration and possible approval of FY 2022-23 budget amendments totaling \$2,042,668 in revenue adjustments and \$414,962 in expense reallocations including \$405,644 from contingencies.

Department: Finance


Staff Report 

Staff Report with Discussion & Fiscal Impact Sections 

- 8.G) Consideration and possible approval of Amendment No. 1 to the Groundwater Savings Facility Storage Intergovernmental Agreement with Queen Creek Irrigation District and authorize the Town Manager and Town Attorney to modify, negotiate, finalize and sign all documents necessary to effectuate the transaction.?

Department: Utilities

Staff Report 


Amendment No 1 to QCID Wheeling and GSF Storage Agreement 

QCID Wheeling and GSF Storage Agreement 

- 8.H) Consideration and possible approval of a Job Order 32 with MGC Contractors, Inc., Contract #2019-134 in an amount not to exceed \$421,373 for the construction of electrical room enclosures for Ironwood Crossings North and Shea North Well Sites Electrical Rooms. (FY 22/23 Budgeted Item)

Department: Utilities


Staff Report 

Job Order #32 - Electrical Enclosures Ironwood Crossing North and Shea North 

- 8.I) Consideration and possible approval of Resolution # 1507-22, a Resolution of the Common Council of the Town of Queen Creek, Arizona, declaring, for purposes of Section 1.150-2 of the Federal Treasury Regulations, official intent to be reimbursed in connection with certain capital expenditures relating to public safety projects.

Department: Finance

Staff Report 

Resolution # 1507-22 

- 8.J) Consideration and possible approval of: (i) the Purchase and Sale Agreement and Escrow Instructions for the acquisition of the Barney Sports Complex to be redeveloped into a public safety complex accommodating various uses for the Town's police and fire departments; and (ii) delegating authority to the Town Manager and the Town Attorney to negotiate, finalize and execute such an agreement and ancillary documents and agreements to effectuate the closing of the transaction.

Department: Town Manager's Office

Staff Report 

Purchase and Sale Agreement and Escrow Instructions 

MOTION: To approve the Consent Agenda less item 8(C).
RESULT: Approved unanimously (5-0)
MOVER: Julia Wheatley, Mayor-Elect
SECONDER: Dawn Oliphant, Council Member
AYES: Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Dawn Oliphant, Council Member, Julia Wheatley, Mayor-Elect
ABSENT: Emilena Turley, Council Member

MOTION: To approve the Town of Queen Creek's 2023 Legislative Guiding Principles, Item 8(C).
RESULT: Approved (4-1)
MOVER: Robin Benning, Council Member
SECONDER: Julia Wheatley, Mayor-Elect
AYES: Jeff Brown, Vice Mayor, Robin Benning, Council Member, Dawn Oliphant, Council Member, Julia Wheatley, Mayor-Elect
NAYS: Leah Martineau, Council Member
ABSENT: Emilena Turley, Council Member

9) **Public Hearing Consent Agenda:**


Vice Mayor Brown opened the public hearing. There were no comments and the public hearing was closed.


- 9.A) Public Hearing and possible action on Ordinance 803-22, P22-0223 Reasonable Accommodation Text Amendment, a staff initiated text amendment to Article 6.3 Group Residential Facilities of the Zoning Ordinance adding language regarding the reasonable accommodation waiver process. Staff is requesting a continuance to the February 15, 2023 Council Meeting.

Department: Development Services

Staff Report 

Proposed Zoning Ordinance - Redlined.pdf 

Proposed Zoning Ordinance - Clean.pdf 

Ordinance 803-22.pdf 

Presentation.pptx 

MOTION: To approve a continuance to the February 15, 2023 Council Meeting on P22-0223 Reasonable Accommodation Text Amendment, a staff initiated text amendment to Article 6.3 Group Residential Facilities of the Zoning Ordinance adding language regarding the reasonable accommodation waiver process.

RESULT: Approved unanimously (5-0)

MOVER: Robin Benning, Council Member

SECONDER: Leah Martineau, Council Member

AYES: Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Dawn Oliphant, Council Member, Julia Wheatley, Mayor-Elect

ABSENT: Emilena Turley, Council Member

10) Public Hearings:

None.

11) Items for Discussion:

11.A) Public Right of Way Improvement Projects CIP, Development Services and Public Works

Department: Development Services

CIP & Development Update_Final.pptx 

Capital Improvement Projects (CIP) Director Dave Lipinski provided an overview on the status of all transportation projects in Town including roadways, traffic signals and new upcoming projects.

Development Services Director Brett Burningham reported on active development projects (18) in Town and how they may impact roadways during construction. He outlined the developer's responsibility to improve roadways and medians adjacent to their projects and he assured the public that the Town monitors and inspects all roadway construction to minimize impacts to the public.

Mr. Burningham provided project details and roadway updates in relation to Acero Queen Creek Station; Ellsworth Ranch Site work; the mixed use commercial project site south of Costco; and the Vineyard Town Center at the northwest corner of Combs & Gantzel.


Public Works Director Mohamed Youssef discussed traffic control stages and the coordination that occurs between the Town, private contractors and utility companies. He explained the national standards that must be followed for work zones and said safety is our number one priority for both workers and motorists.


12) Final Action:


- 12.A) Consideration and possible approval of Resolution No. 1511-22 authorizing the Town Manager to execute: (1) Contract with the Town of Queen Creek for Delivery of Colorado River Water; (2) Partial Assignment and Transfer of Colorado River Water Under Contract with GSC Farm, LLC to the Town of Queen Creek; and (3) Reclamation Wheeling Contract between the United States and the Town of Queen Creek to transport non-project water; authorizing the finalization and implementation thereof; and providing for repeal of conflicting resolutions.


Department: Finance


Staff Report 

Resolution No. 1511-22 

Contract with the Town of Queen Creek for Delivery of Colorado River Water 

Partial Assignment and Transfer of Colorado River Water Under Contract with GSC Farm, LLC to the Town of Queen Creek 

Reclamation Wheeling Contract Agreement Between the United States and the Town of Queen Creek to Transport Non-Project Water 

Cibola Water Rights Acquisition and WIFA Financing 

Financial Services Manager Jessica Platt presented on both items 12A & 12B. She provided background information on the Town's objective to acquire long term water resources and the timeline and steps that have been taken thus far. She said Resolution 1511-22 authorizes the execution of the three contracts that are required to complete the transfer of Cibola Water to the Town. Ms. Platt said the second resolution (1508-22) authorizes the funding of the water rights and she provided details of the Water Infrastructure Finance Authority (WIFA) loan of \$27M.

MOTION: To approve Resolution No. 1511-22 authorizing the Town Manager to execute: (1) Contract with the Town of Queen Creek for Delivery of Colorado River Water; (2) Partial Assignment and Transfer of Colorado River Water Under Contract with GSC Farm, LLC to the Town of Queen Creek; and (3) Reclamation Wheeling Contract between the United States and the Town of Queen Creek to transport non-project water; authorizing the finalization and implementation thereof; and providing for repeal of conflicting resolutions.

RESULT: Approved unanimously (5-0)

MOVER: Leah Martineau, Council Member

SECONDER: Julia Wheatley, Mayor-Elect


AYES: Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Dawn Oliphant, Council Member, Julia Wheatley, Mayor-Elect

ABSENT: Emilena Turley, Council Member

- 12.B) Consideration and possible approval of Resolution 1508-22 authorizing a Drinking Water State Revolving Fund Program Loan ("DWSRF") through the Water Infrastructure Finance Authority of Arizona ("WIFA") for costs related to the acquisition of surface water rights (Cibola) in an amount not to exceed \$27 million and declaring an emergency to avoid delay in an economic environment in which interest rates are anticipated to increase.

Department: Finance

Staff Report 

Resolution 1508-22 

WIFA Drinking Water Loan Agreement 

Cibola Water Rights Acquisition and WIFA Financing Presentation 

MOTION: To approve Resolution 1508-22 authorizing a Drinking Water State Revolving Fund Program Loan ("DWSRF") through the Water Infrastructure Finance Authority of Arizona ("WIFA") for costs related to the acquisition of surface water rights (Cibola) in an amount not to exceed \$27 million and declaring an emergency to avoid delay in an economic environment in which interest rates are anticipated to increase.

RESULT: Approved unanimously (5-0)

MOVER: Julia Wheatley, Mayor-Elect

SECONDER: Robin Benning, Council Member


AYES: Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Dawn Oliphant, Council Member, Julia Wheatley, Mayor-Elect

ABSENT: Emilena Turley, Council Member

- 12.C) Consideration and possible approval of Resolution 1506-22 allowing for the evaluation of additional infrastructure uses for the 2% construction sales tax.

Department: Finance

Staff Report 

Resolution 1506-22 

Finance Director Scott McCarty presented follow up information from the last Council meeting regarding use of the 2% portion of the 4.25% total construction sales tax. Historically 2% has been dedicated to use for new roads, which are about 65% to 75% complete. Mr. McCarty said other options are being explored to use the money in three additional areas including water supply, fire facilities and police facilities. He noted that it would still include roads.

Mr. McCarty said that Resolution 1506-22 formalizes this and provides staff direction to explore alternative uses for the tax. He said it does not obligate Council to make changes and any change of use regarding the sales tax would require a separate action at a future meeting.

MOTION: To approve Resolution 1506-22 allowing for the evaluation of additional infrastructure uses for the 2% construction sales tax.

RESULT: Approved unanimously (5-0)

MOVER: Dawn Oliphant, Council Member

SECONDER: Leah Martineau, Council Member

AYES: Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Dawn Oliphant, Council Member, Julia Wheatley, Mayor-Elect

ABSENT: Emilena Turley, Council Member

- 12.D) Consideration and possible approval of a \$7M payment to fully fund the Town's Police Pension Plan in the Arizona Public Safety Personnel Retirement System and a \$7M budget adjustment from the contingency account.

Department: Finance

Staff Report 

Reduction of Tier 2 Public Safety Pension Costs Presentation 

Finance Director Scott McCarty said he serves as the Chair on the Board of Trustees for the Public Safety Personnel Retirement System (PSPRS) and he is honored to serve public safety employees. He provided background information on the tier system, contribution rates, and the different plans within the system. Mr. McCarty said there were recent changes by the Board on how contribution rates for Tier 2 employees are set. He explained the corrections made by PSPRS in accordance with state law for Tier 2 employees who made excess contributions when their pension plan was fully funded (such as Queen Creek's). Mr. McCarty said as a result of this the Town made corrections for our Tier 2 Queen Creek Fire employees who were affected and he said we have the chance to do the same for the Police Tier 2 employees as well.

Mr. McCarty said approval of the \$7M payment would fund our new Police Pension Plan in PSPRS and reduce our Police Tier 2 employee contribution amounts to PSPRS.

Council commented that they are appreciative of the second look at this issue and the correction made by PSPRS resulting in a decrease on our employee contribution rates and overall pension costs. Council discussed the positive extent that this change has made for our employees and other municipalities and took great pride in Mr. McCarty's role in this accomplishment. Council thanked Mr. Kross and Mr. McCarty for their efforts.

Mr. McCarty thanked the Town and Manager Kross for allowing him the time to participate on the PSPRS Board and was grateful that he can bring back information to the Town.

Town Attorney Scott Holcomb shared accolades he received at the State level regarding Mr. McCarty and his contributions to PSRPS.

Fire Chief Vance Gray thanked the Council for fully funding the fire pension fund and thanked Mr. McCarty and staff for their efforts. He was appreciative of the refunds and reduced contributions for the employees and said it has made a great impact and is an effective recruitment tool for Queen Creek.

Police Chief Randy Brice agreed that the fully funded pension is a great recruitment tool and commented how well run the organization and leadership is in Queen Creek. He said it is an honor to work for Queen Creek and the efforts on this has made a big impact on the employees.

Town Manager Kross said the annual savings to the Town is significant and commented on Mr. McCarty's leadership and ability to influence change.

MOTION: To approve a \$7M payment to fully fund the Town’s Police Pension Plan in the Arizona Public Safety Personnel Retirement System and a \$7M budget adjustment from the contingency account.

RESULT: Approved unanimously (5-0)

MOVER: Julia Wheatley, Mayor-Elect

SECONDER: Robin Benning, Council Member

AYES: Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Dawn Oliphant, Council Member, Julia Wheatley, Mayor-Elect

ABSENT: Emilena Turley, Council Member

13) Adjournment:

Executive Session reconvened at 8:05 p.m. The Regular Session reconvened and adjourned at 8:45 p.m.

TOWN OF QUEEN CREEK

Jeff Brown, Vice Mayor

ATTEST:

Maria E. Gonzalez, Town Clerk

I, Maria E. Gonzalez, do hereby certify that to the best of my knowledge and belief, the foregoing Minutes are a true and correct copy of the Town Council Regular Session Minutes of the December 7, 2022 Town Council Regular Session of the Queen Creek Town Council. I further certify that the meeting was duly called and that a quorum was present.

Passed and approved on: _____



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER
FROM: MELISSA BAUER, PROCUREMENT MANAGER
RE: CONSIDERATION AND POSSIBLE APPROVAL OF EXPENDITURES \$25,000 AND OVER, PURSUANT TO TOWN PURCHASING POLICY. (FY 22/23 BUDGETED ITEMS)
DATE: December 21, 2022

Suggested Action:

To approve the Expenditures \$25,000 and over, pursuant to Town Purchasing Policy.

Discussion:

The following items being requested are:

1. Corporate Technology Solutions (CTS) - Security and Protection Systems: \$80,000 (Information Technology)
2. B&F Contracting - Emergency repair of 8" HDPE water line: \$45,000 (CIP)
3. Southern Tire Mart - Replacement Tires: \$50,000 (Public Works-Fleet)
4. Swain Electric - Electrical Services: \$75,000 (Facilities / Town Wide)

Fiscal Impact:

The fiscal impact of the requested spending authority for the above expenditures is: \$250,000.00. Funds have been identified within the line item budget as approved in the FY22/23 budget or subsequently approved by Council.

Attachment(s):

1. [Expenditures Over \\$25k 12-21-2022.pdf](#)

**Attachment: Expenditures \$25,000 and Over
Budgeted in Fiscal Year 22/23
December 21, 2022**

Item #	Vendor(s)	Description	Purpose	Requesting Dept(s)	Fiscal Impact \$	Procurement Method	Alternative
1	Corporate Technology Solutions (CTS)	Security and Protection Systems	Contract spending authority for security camera equipment to be installed within Town campus areas. (FY23 Budgeted Item)	Information Technology	\$80,000	State Contract #CTR056380	Town Procurement Policies for purchases over 25K is to either utilize an existing Regional/National Cooperative or the Town would have to initiate our own Request for Proposal and bid process. Council could choose not to approve this expenditure authority. This action will require staff to come back to Council at a later date for additional expenditure authority once spending exceeds the \$25,000 threshold.
2	B&F Contracting	Emergency Purchase to repair an 8" HDPE water line.	Approve the emergency expenditure per Town's Purchasing Policy and Procedures, Section 3-109, Emergency Procurement	CIP	\$45,000	Emergency Procurement	During boring operations for geotechnical investigations an 8" HDPE water line was hit and ruptured. This waterline needed to be repaired immediately to restore the water distribution system to its designed configuration. Contractor provide traffic control, excavation, pipe repair, backfill and pavement replacement for the water line 15' in depth. Staff recommends that The Town Council approves the emergency repair.
3	Southern Tire Mart	Replacement Tires	Additional contract spending authority for replacement tires for all Town vehicles, especially to maintain Police vehicles to service the community. Town Council approved \$50,000 on July 20, 2022, this request will take the total contract spending authority to \$100,000. (FY 22-23 budgeted item)	Public Works - Fleet	\$50,000	Maricopa County #190256 Staff may purchase from another approved vendor/contract based on availability and price	Council could choose not to approve the expenditure, but this would cause us to not be able to have the required stock ready and available for town vehicles and public safety vehicles in a timely manner or we would have to use a different vendor that has a higher cost per tire.
4	Swain Electric	Electrical Services	Additional contract spending authority for as-needed and emergency electrical services to meet the needs for various electrical installations for various Town Facilities. Town council approved \$3,685,000 on September 7, 2022 (\$3.6M for Utilities and \$85K for Facilities) this request will take the total contract spending authority to \$3,760,000 (FY 23 budgeted item)	Facilities / Town Wide	\$75,000	Town Contract #2021-076	The Town issued RFP No. 15-006 for Electrical Services in which vendor was awarded contract. Council could choose not to approved the expenditure. The impact of this action would prevent staff from required maintenance on the Town's water well sites and other electrical services needed by the Town. This would also prevent timely responses for emergencies which would jeopardize the water availability to our customers. In addition, this would require staff to complete the bid process for each individual CIP project and delay many planned and budgeted projects for the fiscal year.



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: SCOTT MCCARTY, FINANCE DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF FY 22-23 BUDGET AMENDMENTS TOTALING \$2,398,757 IN EXPENDITURE REALLOCATIONS FROM CONTINGENCIES TO ACCOMMODATE ADVANCE ORDERS OF MATERIALS AND EQUIPMENT DUE TO LONG-LEAD ORDER TIMES AND SUPPLY CHAIN ISSUES, AND TO ALLOW THE TOWN MANAGER TO SIGN ALL NECESSARY CONTRACTS AND AGREEMENTS.

DATE: December 21, 2022

Suggested Action:

To approve FY 22-23 budget amendments totaling \$2,398,757 in expenditure reallocations from contingencies to accommodate advance orders of materials and equipment due to long-lead order times and supply chain issues, and to allow the Town Manager to sign all necessary contracts and agreements.

Relevant Council Goal(s):

- Effective Government: KRA Financial Stability

Discussion:

For the past year, global supply chain issues have impacted our ability to acquire vehicles, supplies, and critical infrastructure in a timely manner. In many cases, the lead times from order to delivery for equipment and materials is anywhere from 6 to 24 months.

Because of these supply chain issues and long lead times, staff is requesting authorization to order items now that would normally have been included in next year's budget.

The majority of items requested is for new machinery and equipment that will be required to maintain the grounds and facilities at Frontier Family Park. This park is expected to open in November 2023; therefore, the Town needs to order these items now to ensure they arrive by the time the park opens.

The remaining items are replacements of equipment that are scheduled to be included in the FY 2023-24 budget but, due to long-lead order times, are being requested now with the expectation that they will be delivered about this time next year. A schedule of the requested items is shown on Attachment 1.

Additionally, these purchases will require increases to contract spending authority on existing contracts above the levels previously approved by the Town Council. The increased amount is shown by vendor on Attachment 1.

Finally, staff anticipates ordering the items from the vendors identified on Attachment 1; however, in some cases staff is finding that vendors will not hold their quoted prices and quantities for very long because the vendors themselves are facing product and shipping cost increases and shortages. Staff is requesting that the Town Council allow for purchases from another approved vendor/contract based on availability and price, if necessary, and to allow the Town Manager to sign the final contracts and agreements once quotes and commitments from the vendors are secured. Any change in vendor will not be allowed if the contract price exceeds the amount shown on Attachment 1.

Fiscal Impact:

The budget amendments reallocate \$2,398,757 of expenditure authority from contingency. The proposed amendments do not increase or decrease the total adopted budget; rather, these changes reallocate expenditure authority from contingency to accommodate purchase orders that need to be issued now.

Town Council approval of this request will also increase spending authority on certain existing vendor contracts as noted in Attachment 1.

Staff expects to bring another long-lead request for additional vehicles and equipment to the Town Council in March once we have better information about new staffing and equipment needs for the FY 2023-24 budget.

Alternatives:

The Town Council could choose to not approve some or all of these budget reallocations and contract spending increases. Staff would remove any item not approved and request the items be included in the FY 2023-24 budget. Staff would then order those items that are included in the final FY 2023-24 budget at the end of May 2023. This would delay delivery of these items until June 2024 or later and significantly impact staff's ability to maintain Frontier Family Park after it opens.

Attachment(s):

1. [Attachment 1 – Long-Lead Items Requested December 2022](#)

Attachment 1 - Long-Lead Items Requested December 2022

Vendor	Qty	Description	Unit Cost	Cost Estimate	Lead time	New / Replace	Department	Contract #	Current Contract Authority	Additional Contract Authority Needed	New Contract Authority
Items Required for Frontier Family Park:											
RWC	1	International - 17ft dump truck	\$216,486	\$216,486	24	New	Grounds	State of AZ	\$170,000	\$360,000	\$530,000
	1	International - Water Truck 2000 gallon	\$143,420	\$143,420	6-18	New	Grounds	#CTR041813			
Simpson Norton	5	Toro SANDPRO 5040	\$35,030	\$175,149	10-12	New	Grounds	Omnia Partners #2017025	NA	\$1,384,000 (includes replacements below)	\$1,384,000
	2	Toro Top Dressor 2500	\$19,476	\$38,952	10-12	New	Grounds				
	3	Toro Rake-o-vac (turf vacuum)	\$55,892	\$167,677	10-12	New	Grounds				
	11	Toro MDX with roof and windshield	\$18,489	\$203,380	10-12	New	Grounds				
	1	Toro MDX with roof, windshield, and lights	\$19,030	\$19,030	10-12	New	Grounds				
	1	Toro attachment - Deep Tine Toro ProCore SR series	\$34,233	\$34,233	10-12	New	Grounds				
	1	Toro HDX with roof and light kit	\$39,821	\$39,821	10-12	New	Grounds				
	3	Toro MultiPro 5800 (Self-contained herbicide boom spray rig(appx 300 gallon)	\$95,487	\$286,461	10-12	New	Grounds				
	3	Toro ProCore 648	\$38,585	\$115,755	10-12	New	Grounds				
	1	Toro attachment - Deep Tine Toro ProCore SR series	\$27,901	\$27,901	10-12	New	Grounds				
A to Z Equipment	2	Exmark Lazer 144's Model: LZS86TDYM12RW0	\$82,500	\$165,000	12	New	Grounds	State of AZ #ADSP018-202491	\$147,500	\$313,500 (includes replacements below)	\$461,000
	2	Exmark Lazer 96's Model: LZX980EKC96RW0	\$44,000	\$88,000	2	New	Grounds				
Bingham	2	KUBOTA L6060HST - 4WD HST TRACTOR W/ROOF,PTO,GRAPPLE BUCKET, GANNON	\$69,804	\$139,608	5-6	New	Grounds	State of AZ #CTR062304	\$322,500	\$342,000	\$664,500
	2	John Deere attachment - 360 flail mower (large scale scaling machine)	\$10,150	\$20,300	6-9	New	Grounds				
	1	Bobcat Compact Track Loader T770 T4 Selectable Joystick Control with attachments: -Trench attachment -Bob-Dock Adapter Plate -80" Grapple industrial bucket attachment -Automatic Grade Control Sonic Slope attachment -50PH Auger attachment -Angle 84" Brush attachment	\$181,753	\$181,753	6-9	New	Grounds				
				\$2,062,927							
Items Required for FY 2023-24 Replacement Schedule:											
Simpson Norton	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds	Omnia Partners #2017025	NA	See Simpson Norton above	See Simpson Norton above
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro MDX workman (2 seater)	\$19,030	\$19,030	12	Replace	Grounds				
	1	Toro - Bunker Rake	\$35,200	\$35,200	12	Replace	Grounds				
	1	Toro - 4 Seater	\$30,800	\$30,800	12	Replace	PW - Streets				
A to Z Equipment	1	Broce Sweeper BW260	\$60,500	\$60,500	12	Replace	Grounds	State of AZ #ADSP018-202491	\$147,500	See A to Z Equipment above	See A to Z Equipment above
				\$335,830							
Total Amount Requested				\$2,398,757							



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER
FROM: SCOTT MCCARTY, FINANCE DIRECTOR
RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE ANNUAL REPORT ON DEDICATED SALES TAX REVENUES.
DATE: December 21, 2022

Suggested Action:

To approve the Annual Report on Dedicated Sales Tax Revenues for FY 2019-20, FY 2020-21 and FY 2021-22.

Relevant Council Goal(s):

- Effective Government: KRA Financial Stability

Discussion:

See attached staff report.

Alternatives:

None. Town policies require the Town Council to adopt the annual report.

Attachment(s):

1. [Dedicated Sales Tax Report Staff Report](#)
2. [FY 2019-20 through FY 2021-22 Dedicated Sales Tax Report](#)



Requesting Department:

Finance

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

FROM: SCOTT MCCARTY, FINANCE DIRECTOR

RE: Consideration and possible approval of the Annual Report on Dedicated Sales Tax Revenues

DATE: December 21, 2022

Proposed Motion:

Motion to approve the Annual Report on Dedicated Sales Tax Revenues for FY 2019-20, FY 2020-21 and FY 2021-22.

Relevant Council Goals:

Effective Government: KRA Financial Stability

Discussion:

The Town has three separate sales taxes that, in their original enacting ordinances, included a legal restriction on use to specific programs, as shown below:

Sales Tax Description	Year Enacted / Ordinance #	Legal Restriction
2% Construction Sales Tax for Transportation	2005 / Ordinance 316-05	Growth Infrastructure
0.25% Town Center Sales Tax	2007 / Ordinance 402-07	Town Center
0.25% Public Safety Sales Tax	2007 / Ordinance 390-07	Public Safety

In November 2019, the Town Council approved Ordinance 716-19 which removed the legal restrictions associated with expending these sales taxes. This change allowed these three sales taxes to be included in the category of revenues that are pledged against the Town's excise tax bonds, which resulted in an improved debt service coverage ratio on the Town's excise tax bonds as reported to the bond rating agencies and contributed to our improved bond ratings.

At the same time, Resolution 1308-19 was approved to amend the Town's Revenue Management Policies to dedicate the use of 2% Construction Sales Tax, 0.25% Town Center Sales Tax, and 0.25% Public Safety Sales Tax for growth-related needs, Town Center programs, and public safety, respectively, as they were originally intended. This update to the policy also required an annual report to the Town Council to show the amount of revenue collected in each fund and how the money was spent.

Since the resolution was approved, Town staff has not prepared the required annual report; therefore, the attached report covers the two missing years prior to FY 2021-22 as well as the information for FY 2021-22. In all three fiscal years, revenues collected from the Town Center Sales Tax and Construction Sales Tax were used to pay expenses in accordance with Resolution 1308-19.

Fiscal Impact:

Not applicable.

Alternatives:

None. Town policies require the Town Council to adopt the annual report.

Attachment:

1. FY 2019-20 through FY 2021-22 Dedicated Sales Tax Report



TOWN OF
QUEEN CREEK
ARIZONA

FY 2019-20 through FY 2021-22 Dedicated Sales Tax Report

Issued December 2022



Overview

In November 2019, the Town Council approved Ordinance 716-19 which removed the legal restrictions associated with expending the 2% Construction Sales Tax, 0.25% Town Center Sales Tax, and 0.25% Public Safety Sales Tax. This change was made to include these three sales taxes in the category of revenues that are pledged against the Town’s excise tax bonds. The result was an improved debt service coverage ratio on the Town’s excise tax bonds as reported to the bond rating agencies.

Resolution 1308-19 was approved at the same time to amend the Town’s Revenue Management Policies to dedicate the use of the 2% Construction Sales Tax, 0.25% Town Center Sales Tax, and 0.25% Public Safety Sales Tax for growth-related needs, Town Center programs, and public safety, respectively, as they were originally intended. This update to the policy also required an annual report to the Town Council showing the taxes collected in each fund and how the money was spent.

Since the resolution was approved, Town staff has not prepared the required annual report. Therefore, this report covers the two missing years prior to FY 2021-22, as well as information for FY 2021-22, for a total of three fiscal years. This report shows that each of the identified sales taxes were utilized for their intended purposes.

2.0% Construction Sales Tax

These taxes are being spent on the construction of new roads in accordance with Resolution 1308-19. From FY 2019-20 through FY 2021-22, sales tax revenues collected from the Construction Sales Tax were used to pay debt service (debt issued to build new roads) and pay for new roads as shown in the schedule below. Because of timing issues related to when the revenue is received and when it is expended on projects, an accumulated amount of unspent tax revenues may exist at the end of a fiscal year (shown as ending fund balance in the schedule below). This has been the case over the last several years. Eventually, the timing will equal out and all of the tax revenues will be spent on new roads.

Fund 413 - Construction Sales Tax	FY 2019-20	FY 2020-21	FY 2021-22
Beginning Balance	(\$8,041,785)	\$84,237	\$4,273,389
Revenues			
2.0% Construction Sales Tax	9,571,851	13,052,827	15,607,714
Investment Income	-	83	18
	<u>9,571,851</u>	<u>13,052,910</u>	<u>15,607,732</u>
Expenses			
Debt Service	1,445,829	1,393,316	1,518,566
Transportation Project Expenses	-	7,470,442	6,593,227
	<u>1,445,829</u>	<u>8,863,758</u>	<u>8,111,793</u>
Ending Balance	\$84,237	\$4,273,389	\$11,769,328



0.25% Town Center Sales Tax

These taxes are being spent on programs that support activities in and maintain infrastructure that services the Town Center in accordance with Resolution 1308-19. Expenses fall into four main categories:

1. Economic Development Activities – These programs are meant to attract new businesses and encourage economic activity in the Downtown Core. Programs include holiday lighting, property appraisals, special studies for downtown-related issues such as parking or design guidelines, and the façade improvement program.
2. Facility Maintenance & Repairs – These expenses are for maintenance of Town-owned properties in the Town Center such as Gangplank, the Chamber of Commerce building, the old Community Center, and buildings that are rented out to private businesses.
3. Infrastructure Design – These expenses are for the design of drainage and road improvements to the Town-owned property directly north of the Municipal Services Building. Construction of these improvements is expected to begin in early 2023 and will be paid for out of the Town’s Drainage & Transportation CIP Fund, not the Town Center Fund.
4. Debt Service – These costs are for a portion of the annual debt service costs on bonds that were issued to build the transportation and drainage improvements of the Town Center, mostly along Ellsworth Loop Road.

From FY 2019-20 through FY 2021-22, sales tax revenues collected from the Town Center Sales Tax were used to pay for these four categories of expenses as shown in the schedule below. Because of timing issues related to when the revenue is received and when it is expended, an accumulated amount of unspent tax revenues may exist at the end of a fiscal year (shown as ending fund balance in the schedule below). This has been the case over the last several years. Eventually, the timing will equal out and all of the tax revenues will be spent on programs that benefit the Town Center.

Fund 408 - Town Center	FY 2019-20	FY 2020-21	FY 2021-22
Beginning Balance	\$598,261	\$783,109	\$1,227,222
Revenues			
0.25% Town Center Sales Tax	721,950	1,148,803	1,623,051
Rental Revenue	24,099	78,194	66,059
Signage Revenue	15,145	16,975	28,160
Investments & Other Income	9,369	6,704	6,298
	<u>770,563</u>	<u>1,250,676</u>	<u>1,723,568</u>
Expenses			
Economic Development Activities	71,007	20,889	36,137
Facility Maintenance & Repairs	9,085	158,393	41,484
Infrastructure Design	171,848	293,406	462,831
Debt Service	333,775	333,875	331,475
	<u>585,715</u>	<u>806,563</u>	<u>871,927</u>
Ending Balance	\$783,109	\$1,227,222	\$2,078,863



0.25% Public Safety Tax

These taxes are being spent on public safety services in accordance with Resolution 1308-19. The 0.25% Public Safety Sales Tax is recorded in the Emergency Services (EMS) Fund. The Public Safety Sales Tax covers about 20% of the annual expenses in the EMS Fund, as shown in the table below. Expenses in the EMS Fund represent all costs associated with operating the Town's police and fire departments.

Fund 447 - EMS Fund for Public Safety	FY 2019-20	FY 2020-21	FY 2021-22
Revenues			
Public Safety 0.25% Tax	\$4,077,077	\$5,333,628	\$6,227,614
Expenses			
Fire Expenses	13,807,186	15,037,297	15,587,073
Police Expenses*	7,539,752	13,086,435	15,490,945
Total Public Safety Expenses	\$21,346,938	\$28,123,732	\$31,078,018
Sales Tax as Percent of Public Safety Expense	19%	19%	20%

**Police Expenses include Maricopa County Sheriff Office Services through January 10, 2022.*



TOWN OF
QUEEN CREEK
ARIZONA

8.E

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: DAVE LIPINSKI, CIP DEPARTMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT CONTRACTS 4217251, 4217246, AND 4217253 FOR THE CHANDLER HEIGHTS ROAD FROM SOSSAMAN ROAD TO HAWES ROAD IMPROVEMENT PROJECT (CIP PROJECT #A0602) IN THE COMBINED AMOUNT NOT TO EXCEED \$1,126,041. (THIS IS A FY 2022/23 BUDGETED ITEM)

DATE: December 21, 2022

Suggested Action:

To approve Salt River Project Agricultural Improvement and Power District contracts 4217251, 4217246, and 4217253 for the Chandler Heights Road from Sossaman Road to Hawes Road Improvement Project (CIP Project #A0602) in the combined amount not to exceed \$1,126,041. (This is a FY 2022/23 Budgeted Item)

Relevant Council Goal(s):

Superior Infrastructure – Capital Improvement Program

Discussion:

These contracts will provide design services for Salt River Project Agricultural Improvement and Power District (SRP) to relocate the overhead power distribution to underground, contract 4217251; remove overhead poles and wire, contract 4217246; and connect street lights, contract 4217253, along the Chandler Heights Road from Sossaman Road to Hawes Road Improvement in accordance with Town standards.

The proposed Chandler Heights Road from Sossaman Road to Hawes Road Improvements include relocation of the existing overhead distribution electrical facilities adjacent to the existing Chandler Heights Road and Sossaman Road. This relocation will allow for the new roadway improvements construction, which will provide up to two travel lanes in each direction with a center turn lane.

The Town staff and the roadway design consultant have worked with SRP to identify the existing SRP facilities in conflict with the proposed improvement construction, and SRP is being contracted to design the proposed relocated distribution electric system facilities. The SRP design work will approximately encompass design of three phases for relocating power to underground facilities:

placement of approximately 21,780 linear feet of wire in Town supplied conduit, removal of approximately 27 poles and overhead wire, and connection of 65 streetlights and installation of wire and transformers.

These contracts authorize SRP to begin design only for the three efforts. These contracts are not an agreement for construction. However, the conceptual project cost provided includes both design and construction. The total conceptual project estimate is \$1,126,041: \$891,699 for contract 4217251, \$68,347 for contract 4217246, and \$165,995 for contract 4217253. A separate agreement for construction of each component will be provided at a future date once the design has been completed.

Fiscal Impact:

The Chandler Heights Road from Sossaman Road to Hawes Road Improvement project was included in the FY 2022/23 Adopted Budget, with sufficient funding for the design costs. The project currently has a \$2,376,959 available budget.

The funding sources for the project are a combination of growth (30%) covered by transportation impact fees and construction sales tax, and non-growth (70%) covered by the Town's operating budget.

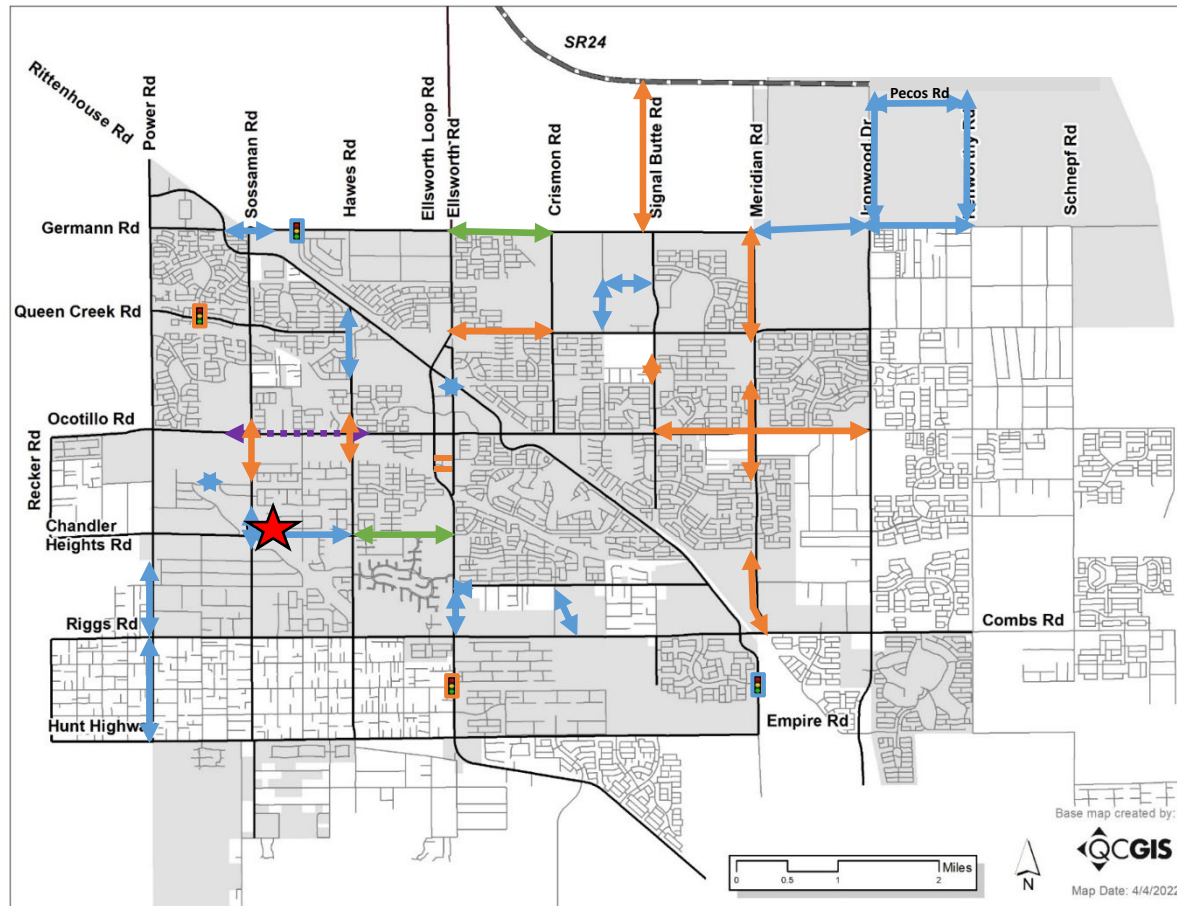
Alternatives:

- The Town Council may decide not to approve the contract with SRP. The impact of this decision would be to delay the design of SRP conversion from overhead to underground power thereby delaying the construction of the road improvements.
- The Town Council may decide to approve a portion of the project including one or more individual contracts.
- The Town Council may direct staff to leave the SRP distribution system as an overhead system and/or eliminate the street lighting.








Attachment(s):

1. [A0602 Project Location Exhibit](#)
2. [A0602 Project Site Exhibit](#)
3. [Contract 4127246](#)
4. [Contract 217251](#)
5. [Contract 4217253](#)

Chandler Heights Road: Sossaman Road to Hawes Road (A0602) Location Exhibit



Key

-  Subject Project
-  In Design
-  Bidding Soon
-  Under Construction
-  Future
-  Traffic Signal in Design
-  Traffic Signal Under Construction

Note: Roadway projects include all utilities within the same footprint.

Rev. 9-13-22

Town of Queen Creek
Chandler Heights Road Improvements – Sossaman Road to Hawes Road
(A0602)
Site Map





Design Services Contract (Municipal – Distribution)

Customer Construction Services
SRP XCT-320
P.O. Box 52025
Phoenix, AZ 85072-2025

Contract #: 4217246
Issue Date: 11/29/2022

ATTN: Mandley Rust
QUEEN CREEK TOWN OF
19715 S 220th St
Queen Creek, AZ 85142

SRP Contact: William Howard
Contact Phone: 602-236-0854
Contact Fax: 602-236-4807

The Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (SRP), and QUEEN CREEK TOWN OF, a municipal corporation organized and existing under the laws of the State of Arizona, (Municipality) enter into this contract (Contract) for the design of electrical facilities for the following Municipality project (Project):

Project:	CUS OH RMVL CHANDLER HEIGHTS ROAD IMPRV - SOSSAMAN RD TO HAWES RD	Work Order #:	T3444215
Location:	CHANDLER HEIGHTS RD - SOSSAMAN RD TO HAWES RD, QUEEN CREEK	Municipality Job #:	A0602

This Contract includes the attached Terms and Conditions, and describes the general obligations of SRP and the Municipality. Except as otherwise specifically provided in this Contract, any changes, amendments or modifications to this Contract shall be in writing and signed by both parties.

Municipality understands that SRP will not begin design until Municipality signs and returns this Contract. Upon receipt of the signed Contract, SRP will commence design and defer collecting any design fees or costs until the parties execute a contract for construction of the Project.

Upon completion of the job design, SRP shall provide to the Municipality a set of design drawings and a contract for construction of the Project. If Municipality desires SRP to proceed with construction of the Project in accordance with the design drawings, Municipality shall execute and return the Construction Services Contract and pay SRP the specified fees for construction of the Project. Municipality acknowledges and agrees that the fees payable under the Construction Services Contract will include the design fees and costs incurred by SRP under this Contract. **If Municipality cancels the Project at any time, or if Municipality fails to execute a contract with SRP for construction of the Project within 120 days after SRP delivers design drawings for the Project to Municipality, Municipality agrees to reimburse SRP for the design fees and costs incurred by SRP under this Contract.**

For informational purposes only, the following conceptual Project estimate is provided to the Municipality. This conceptual estimate is non-binding.

Conceptual Project Estimate:	\$68,347.00
Comments:	SRP to remove of 27+/- poles and OH wire.

SRP shall not be required to perform inspections or begin any construction or installation work on the Project until Municipality (i) approves and returns the signed Construction Services Contract that will be provided upon completion of this Design Services Contract, (ii) accepts the completed design drawings by signing them, (iii) pays SRP the specified fees for construction of the Project, (iv) provides SRP the approved Municipal permit(s) and (v) provides to SRP a copy of a deed or deeds evidencing ownership of all the real property that is encompassed within or will be affected by the Project or other written documentation acceptable to SRP that establishes Municipality's authority in connection with the Project before SRP will begin any construction or installation work under this Contract. If Municipality is unable to provide such documentation, and as a result SRP is required to modify its designs for the Project, Municipality shall be responsible for paying additional costs of the redesign work. If Municipality changes the Project, or if there is any change to the information regarding the Project provided by Municipality and relied upon by SRP, SRP will charge Municipality and Municipality shall pay for any additional costs incurred by SRP, including but not limited to redesign and engineering costs.

SRP's delivery of this Contract to Municipality constitutes an offer to perform the design services on the terms and conditions set forth in this Contract. Municipality may accept this offer by signing this Contract (with no additions, deletions, or modifications) and returning it to SRP. This offer shall expire if Municipality has not signed and returned this Contract to SRP within 120 days of the date first set forth above.

Municipality understands and agrees to the terms and conditions of this Contract. The undersigned represents and warrants that he or she has the authority to sign this Contract on behalf of Municipality.

For Customer:

Authorized Signature: _____

Date: _____

Printed Name: _____

Title: _____

For SRP:

Authorized Signature: _____

Date: _____

Printed Name: William Howard

Title: _____



Terms and Conditions

1. The existing applicable SRP Rules and Regulations, as they may be amended or revised from time to time by SRP, and all terms and conditions thereof, are adopted and incorporated herein by reference as part of this Contract. The Rules and Regulations can be found at www.srpnet.com and are on file at the principal offices of SRP.
2. SRP shall construct all electric facilities up to the point(s) of delivery, including any connections to electric, in accordance with the SRP Rules and Regulations and SRP construction specifications and practices.
3. Municipality shall timely provide SRP all drawings and data requested by SRP that are pertinent to the design of the Municipality Project. SRP shall review such drawings and data for compatibility with SRP facilities and shall have sole discretion in determining whether the Municipality facilities may be used with SRP's facilities.
4. Before beginning construction, Municipality shall provide SRP executed originals of the Contract, all requested easements, including any easements required from third parties, for SRP to access and maintain the electric facilities installed under this Contract, using SRP's standard form(s) of easement. Municipality understands and agrees that SRP shall have no obligation to provide electric service to the Project unless and until Municipality has provided all such easements. Municipality, at all times, shall permit SRP to access and maintain any SRP electric facility on Municipality property.
5. Municipality shall require that any construction work performed by Municipality or its contractor or subcontractor shall be in accordance with national and local building and safety codes, the SRP Electric Service Specifications and construction drawings, and the Electric Utility Service Entrance Requirements Committee.
6. Municipality shall secure all required State, County, and local permits and approvals.
7. If Municipality decides to provide trenching, provision and installation of conduit, backfilling and/or surveying, ("Municipality Work"), then all Municipality Work shall conform to SRP's standards, and Municipality shall permit SRP to inspect, at any time, any Municipality Work or Municipality-provided facility. If Municipality decides to provide surveying, then Municipality shall be responsible for setting or verification of road right-of-way monuments and/or construction staking, and Municipality shall forward all results of survey to SRP for review and approval. If, at the time of inspection, there are no offset stakes to enable SRP to verify that the facilities are installed within the easements granted to SRP, SRP's Survey Department will reset the offset staked at Municipality's expense. Any inspection by SRP shall not be deemed an approval of any Municipality-provided facility or a waiver by SRP of any right to enforce strict compliance with the terms and conditions of this Contract.
8. SRP shall not be responsible for, and Municipality shall indemnify, defend and hold harmless SRP and members of its governing bodies, its officers, agents and employees, for, from and against any and all claims, demands, suits, costs of defense, attorney's fees, witness fees of any type, losses, damages, expenses and liabilities ("Claims") arising out of or relating to Municipality's performance of the Municipality Work, including without limitation Municipality's breach of its obligations under this Agreement or Claims arising out of the performance of Municipality Work.
9. Prior to SRP's installing any electric facility, the Municipality shall install all water and sewer facilities and backfill. Municipality shall not install any curb, sidewalk, paving, or any conflicting foundation within the Project boundaries until SRP completes the installation of the electric facilities. Municipality shall and hereby does release SRP from any loss, damage, liability, cost, or expense incurred by Municipality arising out of (i) any delay by SRP in performing or completing its work or inspecting any Municipality Work or (ii) any loss or damage to any installation prohibited by this Section 9, even if such damage was caused by the negligent or intentional act or omission of SRP.
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11. Municipality, upon demand, shall reimburse SRP for the costs of relocation of facilities found to be installed at the wrong location or grade due to Municipality requested changes in property lines, easement grade, and/or errors in staking, trenching, or survey.
12. If Municipality's load grows to a total coincident demand of 6,740 kVA or greater, but less than 11,800 kVA, the load will be served from at least one dedicated SRP feeder circuit or a substation dedicated to serve only Municipality. Any dedicated feeder circuit(s) or substations shall be provided by SRP at the sole expense of Municipality. Notwithstanding the foregoing, Municipality may elect to provide its own substation at Municipality's sole expense. Any dedicated substation, whether provided by SRP or Municipality, shall be owned, operated, and maintained by Municipality or its agents at Municipality's sole expense.
13. This Contract shall be interpreted, governed by and construed in accordance with the substantive and procedural laws of the State of Arizona, without regard to conflicts of law principles. SRP and Municipality agree that any action, suit, or proceeding arising out of or relating to this Contract shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction and venue of such court. To the fullest extent permitted by law, SRP and Municipality hereby irrevocably waive any and all rights to a trial by jury and covenant and agree that neither will request a trial by jury, with respect to any legal proceeding arising out of or relating to this Contract.
14. The title to all work performed by SRP, or performed by Municipality at SRP's request and accepted by SRP, shall remain with SRP at all times.
15. Municipality shall meet with an SRP inspector before construction begins. The meeting may be scheduled by calling SRP Inspection Scheduling.



Design Services Contract (Municipal – Distribution)

Customer Construction Services
SRP XCT-320
P.O. Box 52025
Phoenix, AZ 85072-2025

Contract #: 4217251
Issue Date: 11/29/2022

ATTN: Mandley Rust
QUEEN CREEK TOWN OF
19715 S 220th St
Queen Creek, AZ 85142

SRP Contact: Jennifer Hungate
Contact Phone: 602-236-5371
Contact Fax: 602-236-0875

The Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (SRP), and QUEEN CREEK TOWN OF, a municipal corporation organized and existing under the laws of the State of Arizona, (Municipality) enter into this contract (Contract) for the design of electrical facilities for the following Municipality project (Project):

Project:	CUS CONV CHANDLER HEIGHTS ROAD IMPRV - SOSSAMAN RD TO HAWES RD	Work Order #:	T3444213
Location:	CHANDLER HEIGHTS RD - SOSSAMAN RD TO HAWES RD, QUEEN CREEK	Municipality Job #:	A0602

This Contract includes the attached Terms and Conditions, and describes the general obligations of SRP and the Municipality. Except as otherwise specifically provided in this Contract, any changes, amendments or modifications to this Contract shall be in writing and signed by both parties.

Municipality understands that SRP will not begin design until Municipality signs and returns this Contract. Upon receipt of the signed Contract, SRP will commence design and defer collecting any design fees or costs until the parties execute a contract for construction of the Project.

Upon completion of the job design, SRP shall provide to the Municipality a set of design drawings and a contract for construction of the Project. If Municipality desires SRP to proceed with construction of the Project in accordance with the design drawings, Municipality shall execute and return the Construction Services Contract and pay SRP the specified fees for construction of the Project. Municipality acknowledges and agrees that the fees payable under the Construction Services Contract will include the design fees and costs incurred by SRP under this Contract. **If Municipality cancels the Project at any time, or if Municipality fails to execute a contract with SRP for construction of the Project within 120 days after SRP delivers design drawings for the Project to Municipality, Municipality agrees to reimburse SRP for the design fees and costs incurred by SRP under this Contract.**

For informational purposes only, the following conceptual Project estimate is provided to the Municipality. This conceptual estimate is non-binding.

Conceptual Project Estimate:	\$891,699.00
Comments:	SRP to install approx 3-1ph UG facilities, 12-3phase UG facilities, and 21,780 of wire in customer installed conduit.

SRP shall not be required to perform inspections or begin any construction or installation work on the Project until Municipality (i) approves and returns the signed Construction Services Contract that will be provided upon completion of this Design Services Contract, (ii) accepts the completed design drawings by signing them, (iii) pays SRP the specified fees for construction of the Project, (iv) provides SRP the approved Municipal permit(s) and (v) provides to SRP a copy of a deed or deeds evidencing ownership of all the real property that is encompassed within or will be affected by the Project or other written documentation acceptable to SRP that establishes Municipality's authority in connection with the Project before SRP will begin any construction or installation work under this Contract. If Municipality is unable to provide such documentation, and as a result SRP is required to modify its designs for the Project, Municipality shall be responsible for paying additional costs of the redesign work. If Municipality changes the Project, or if there is any change to the information regarding the Project provided by Municipality and relied upon by SRP, SRP will charge Municipality and Municipality shall pay for any additional costs incurred by SRP, including but not limited to redesign and engineering costs.

SRP's delivery of this Contract to Municipality constitutes an offer to perform the design services on the terms and conditions set forth in this Contract. Municipality may accept this offer by signing this Contract (with no additions, deletions, or modifications) and returning it to SRP. This offer shall expire if Municipality has not signed and returned this Contract to SRP within 120 days of the date first set forth above.

Municipality understands and agrees to the terms and conditions of this Contract. The undersigned represents and warrants that he or she has the authority to sign this Contract on behalf of Municipality.

For Customer:

Authorized Signature: _____

Date: _____

Printed Name: _____

Title: _____

For SRP:

Authorized Signature: _____

Date: _____

Printed Name: Jennifer Hungate

Title: _____



Terms and Conditions

1. The existing applicable SRP Rules and Regulations, as they may be amended or revised from time to time by SRP, and all terms and conditions thereof, are adopted and incorporated herein by reference as part of this Contract. The Rules and Regulations can be found at www.srpnet.com and are on file at the principal offices of SRP.
2. SRP shall construct all electric facilities up to the point(s) of delivery, including any connections to electric, in accordance with the SRP Rules and Regulations and SRP construction specifications and practices.
3. Municipality shall timely provide SRP all drawings and data requested by SRP that are pertinent to the design of the Municipality Project. SRP shall review such drawings and data for compatibility with SRP facilities and shall have sole discretion in determining whether the Municipality facilities may be used with SRP's facilities.
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6. Municipality shall secure all required State, County, and local permits and approvals.
7. If Municipality decides to provide trenching, provision and installation of conduit, backfilling and/or surveying, ("Municipality Work"), then all Municipality Work shall conform to SRP's standards, and Municipality shall permit SRP to inspect, at any time, any Municipality Work or Municipality-provided facility. If Municipality decides to provide surveying, then Municipality shall be responsible for setting or verification of road right-of-way monuments and/or construction staking, and Municipality shall forward all results of survey to SRP for review and approval. If, at the time of inspection, there are no offset stakes to enable SRP to verify that the facilities are installed within the easements granted to SRP, SRP's Survey Department will reset the offset staked at Municipality's expense. Any inspection by SRP shall not be deemed an approval of any Municipality-provided facility or a waiver by SRP of any right to enforce strict compliance with the terms and conditions of this Contract.
8. SRP shall not be responsible for, and Municipality shall indemnify, defend and hold harmless SRP and members of its governing bodies, its officers, agents and employees, for, from and against any and all claims, demands, suits, costs of defense, attorney's fees, witness fees of any type, losses, damages, expenses and liabilities ("Claims") arising out of or relating to Municipality's performance of the Municipality Work, including without limitation Municipality's breach of its obligations under this Agreement or Claims arising out of the performance of Municipality Work.
9. Prior to SRP's installing any electric facility, the Municipality shall install all water and sewer facilities and backfill. Municipality shall not install any curb, sidewalk, paving, or any conflicting foundation within the Project boundaries until SRP completes the installation of the electric facilities. Municipality shall and hereby does release SRP from any loss, damage, liability, cost, or expense incurred by Municipality arising out of (i) any delay by SRP in performing or completing its work or inspecting any Municipality Work or (ii) any loss or damage to any installation prohibited by this Section 9, even if such damage was caused by the negligent or intentional act or omission of SRP.
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11. Municipality, upon demand, shall reimburse SRP for the costs of relocation of facilities found to be installed at the wrong location or grade due to Municipality requested changes in property lines, easement grade, and/or errors in staking, trenching, or survey.
12. If Municipality's load grows to a total coincident demand of 6,740 kVA or greater, but less than 11,800 kVA, the load will be served from at least one dedicated SRP feeder circuit or a substation dedicated to serve only Municipality. Any dedicated feeder circuit(s) or substations shall be provided by SRP at the sole expense of Municipality. Notwithstanding the foregoing, Municipality may elect to provide its own substation at Municipality's sole expense. Any dedicated substation, whether provided by SRP or Municipality, shall be owned, operated, and maintained by Municipality or its agents at Municipality's sole expense.
13. This Contract shall be interpreted, governed by and construed in accordance with the substantive and procedural laws of the State of Arizona, without regard to conflicts of law principles. SRP and Municipality agree that any action, suit, or proceeding arising out of or relating to this Contract shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction and venue of such court. To the fullest extent permitted by law, SRP and Municipality hereby irrevocably waive any and all rights to a trial by jury and covenant and agree that neither will request a trial by jury, with respect to any legal proceeding arising out of or relating to this Contract.
14. The title to all work performed by SRP, or performed by Municipality at SRP's request and accepted by SRP, shall remain with SRP at all times.
15. Municipality shall meet with an SRP inspector before construction begins. The meeting may be scheduled by calling SRP Inspection Scheduling.



Design Services Contract (Municipal – Distribution)

Customer Construction Services
SRP XCT-320
P.O. Box 52025
Phoenix, AZ 85072-2025

Contract #: 4217253
Issue Date: 11/29/2022

ATTN: Mandley Rust
QUEEN CREEK TOWN OF
19715 S 220th St
Queen Creek, AZ 85142

SRP Contact: Jennifer Hungate
Contact Phone: 602-236-5371
Contact Fax: 602-236-0875

The Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (SRP), and QUEEN CREEK TOWN OF, a municipal corporation organized and existing under the laws of the State of Arizona, (Municipality) enter into this contract (Contract) for the design of electrical facilities for the following Municipality project (Project):

Project:	CUS STLT CHANDLER HEIGHTS ROAD IMPRV - SOSSAMAN RD TO HAWES RD	Work Order #:	T3454191
Location:	CHANDLER HEIGHTS RD - SOSSAMAN RD TO HAWES RD, QUEEN CREEK	Municipality Job #:	A0602

This Contract includes the attached Terms and Conditions, and describes the general obligations of SRP and the Municipality. Except as otherwise specifically provided in this Contract, any changes, amendments or modifications to this Contract shall be in writing and signed by both parties.

Municipality understands that SRP will not begin design until Municipality signs and returns this Contract. Upon receipt of the signed Contract, SRP will commence design and defer collecting any design fees or costs until the parties execute a contract for construction of the Project.

Upon completion of the job design, SRP shall provide to the Municipality a set of design drawings and a contract for construction of the Project. If Municipality desires SRP to proceed with construction of the Project in accordance with the design drawings, Municipality shall execute and return the Construction Services Contract and pay SRP the specified fees for construction of the Project. Municipality acknowledges and agrees that the fees payable under the Construction Services Contract will include the design fees and costs incurred by SRP under this Contract. **If Municipality cancels the Project at any time, or if Municipality fails to execute a contract with SRP for construction of the Project within 120 days after SRP delivers design drawings for the Project to Municipality, Municipality agrees to reimburse SRP for the design fees and costs incurred by SRP under this Contract.**

For informational purposes only, the following conceptual Project estimate is provided to the Municipality. This conceptual estimate is non-binding.

Conceptual Project Estimate:	\$165,995.00
Comments:	Connection of 65 streetlights and installation of wire and transformers.

SRP shall not be required to perform inspections or begin any construction or installation work on the Project until Municipality (i) approves and returns the signed Construction Services Contract that will be provided upon completion of this Design Services Contract, (ii) accepts the completed design drawings by signing them, (iii) pays SRP the specified fees for construction of the Project, (iv) provides SRP the approved Municipal permit(s) and (v) provides to SRP a copy of a deed or deeds evidencing ownership of all the real property that is encompassed within or will be affected by the Project or other written documentation acceptable to SRP that establishes Municipality's authority in connection with the Project before SRP will begin any construction or installation work under this Contract. If Municipality is unable to provide such documentation, and as a result SRP is required to modify its designs for the Project, Municipality shall be responsible for paying additional costs of the redesign work. If Municipality changes the Project, or if there is any change to the information regarding the Project provided by Municipality and relied upon by SRP, SRP will charge Municipality and Municipality shall pay for any additional costs incurred by SRP, including but not limited to redesign and engineering costs.

SRP's delivery of this Contract to Municipality constitutes an offer to perform the design services on the terms and conditions set forth in this Contract. Municipality may accept this offer by signing this Contract (with no additions, deletions, or modifications) and returning it to SRP. This offer shall expire if Municipality has not signed and returned this Contract to SRP within 120 days of the date first set forth above.

Municipality understands and agrees to the terms and conditions of this Contract. The undersigned represents and warrants that he or she has the authority to sign this Contract on behalf of Municipality.

For Customer:

Authorized Signature: _____

Date: _____

Printed Name: _____

Title: _____

For SRP:

Authorized Signature: _____

Date: _____

Printed Name: Jennifer Hungate

Title: _____



Terms and Conditions

1. The existing applicable SRP Rules and Regulations, as they may be amended or revised from time to time by SRP, and all terms and conditions thereof, are adopted and incorporated herein by reference as part of this Contract. The Rules and Regulations can be found at www.srpnet.com and are on file at the principal offices of SRP.
2. SRP shall construct all electric facilities up to the point(s) of delivery, including any connections to electric, in accordance with the SRP Rules and Regulations and SRP construction specifications and practices.
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15. Municipality shall meet with an SRP inspector before construction begins. The meeting may be scheduled by calling SRP Inspection Scheduling.



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: DAVE LIPINSKI, CIP DEPARTMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A ONE-YEAR ON-CALL PROFESSIONAL SERVICES CONTRACTS FOR WATER, AND WASTEWATER TREATMENT WITH UP TO FOUR POSSIBLE ONE-YEAR RENEWALS, WITH BLACK & VEATCH CORP; KIMLEY-HORN AND ASSOCIATES INC.; WILSON ENGINEERS, LLC.; .AND WSP ENVIRONMENTAL AND INFRASTRUCTURE, INC.

DATE: December 21, 2022

Suggested Action:

To approve a one-year On-Call Professional Services Contracts for Water, and Wastewater Treatment, with up to four possible one-year renewals, with Black & Veatch Corp; Kimley-Horn and Associates Inc.; Wilson Engineers, LLC.; and WSP Environmental and Infrastructure, Inc.

Relevant Council Goal(s):

Superior Infrastructure – Capital Improvement Program

Discussion:

The CIP and Utilities departments have identified a need for on-call design services for Water, and Wastewater Treatment projects. As the Town utility system continues to grow and age, additional improvements are regularly needed. The on-call design consultants provide design services from consultants who are pre-qualified to perform the work. This pre-qualification saves a minimum of 4-6 weeks from a standard solicitation for design services allowing both the CIP and Utilities departments to respond quickly to projects.

On August 10, 2022, the Town issued a (RFQ) No. 23-004 for On-Call Professional Services Contract for Water, and Wastewater Treatment. On September 15, 2022, staff received 11 proposals in response to the RFQ. The selection and evaluation process were conducted in accordance with Town policies and procedures and administered by Purchasing staff. The proposals were reviewed by a five-member evaluation committee consisting of representatives from the CIP Department and Public Works. The Town recommends awarding contracts to the four highest scored proposals.

Annual expenditures under this contract cannot be determined in advance since services will be placed on an as-needed basis, according to the contract terms. The Request for Qualifications did not guarantee the awarded Consultants a contract amount; it stated that services would be requested on an as-needed basis. The contracts with the Consultants are for a one-year period with an option to

renew for four additional one-year periods.

Fiscal Impact:

The award of these contracts does not explicitly obligate any dollar amount, but allows for the Town to procure work on an as-needed basis with the contractors designated.

There is no fiscal impact until the on-call services are needed for Water, and Wastewater Treatment services, at which time any project orders over \$25,000 will be presented to Council for approval, unless funding has already been approved under a Delegation Resolution. Project orders under \$25,000 will still only require Town Manager approval.

Alternatives:

Town Council could direct staff to go through the selection/bidding process each time a service is needed. This would add, cumulatively, significant time to each project as the selection time per service needed is 4-6 weeks.

Attachment(s):

1. [ON-CALL PROFESSIONAL SERVICE CONTRACTS](#)

ATTACHMENT 1

On-Call Professional Services Contracts
for Water and Wastewater Treatment

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS

Document Type:	Contract	Contact Person:	Daniel Wojcik/Dave Lipinski
Council Date:	December 21, 2022	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	CIP		
Vendor/Contractor:	Black & Veatch Corporation	Vendor ID#:	
Brief Description:	On-Call Professional Services		
Terms of Contract:	Start: Upon Approval	End:	TBD
\$ Amount or Not to Exceed:	As Needed	Account Line Item #:	
Procurement Method:	RFQ 23-004		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA	<div style="border: 1px solid black; width: 100px; height: 60px;"></div>	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date: _____
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date: _____
N/A	<input type="checkbox"/>	Dept Director: <i>Dave Lipinski</i>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Purchasing: <i>[Signature]</i> <small>Daniel Wojcik (Nov 28, 2022 16:32 MST)</small>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Town Attorney: <i>Todd A. Baxter</i> <small>Todd A. Baxter (Nov 29, 2022 15:49 MST)</small>	Date: Nov 29, 2022
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date: _____



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL SERVICES
Water & Wastewater Treatment**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Black & Veatch Corporation, an Delaware corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated September 15, 2022;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
 22350 South Ellsworth Road
 Queen Creek, Az 85142
 Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
 1850 N Central Avenue, Suite 1400
 Phoenix, Arizona 85004
 Attn: Scott A. Holcomb
 Email: SHolcomb@dickinsonwright.com

Consultant: Black & Veatch Corporation
 Attn: Andy Mally
 2231 East Camelback Road, Suite 250
 Phoenix, AZ 85016
 Email:mallyaj@bv.com
 (602) 381-4466

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Black & Veatch Corporation, Lisa Jackson, P.E. Vice President



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-004 Contract Pricing

On-Call Water & Wastewater Treatment Services Pricing

Firm Name: Black & Veatch Corporation

Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)	Total Hourly Rate
1	Project Principal / Director	\$90.00	191%	10%	\$288.00
2	Senior Project Manager	\$85.00	191%	10%	\$272.00
3	Project Manager	\$78.00	191%	10%	\$249.60
4	Technical Expert / QC	\$78.00	191%	10%	\$249.60
5	Senior Engineer / Specialist	\$75.00	191%	10%	\$240.00
6	Lead Engineer / Specialist	\$63.00	191%	10%	\$201.60
7	Project / Design Engineer	\$57.00	191%	10%	\$182.40
8	Staff Engineer	\$48.00	191%	10%	\$153.60
9	Sr. Architect	\$70.00	191%	10%	\$224.00
10	Architect	\$53.00	191%	10%	\$169.60
11	Sr. Resident / CM	\$85.00	191%	10%	\$272.00
12	Resident	\$63.00	191%	10%	\$201.60
13	Senior Designer	\$55.00	191%	10%	\$176.00
14	Designer	\$47.00	191%	10%	\$150.40
15	Sr. GIS Specialist	\$50.00	191%	10%	\$160.00
16	GIS Specialist	\$42.00	191%	10%	\$134.40
17	Senior CADD Technician	\$48.00	191%	10%	\$153.60
18	CADD Technician	\$42.00	191%	10%	\$134.40
19	Admin Manager / Project Analyst	\$48.00	191%	10%	\$153.60
20	Project / Admin Assistant	\$35.00	191%	10%	\$112.00

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS


Document Type:	<input type="text" value="Contract"/>	Contact Person:	<input type="text" value="Daniel Wojcik/Dave Lipinski"/>
Council Date:	<input type="text" value="December 21, 2022"/>	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	<input type="text" value="CIP"/>		
Vendor/Contractor:	<input type="text" value="Kimley-Horn & Associates, Inc."/>	Vendor ID#:	<input type="text" value="1382"/>
Brief Description:	<input type="text" value="On-Call Professional Services"/>		
Terms of Contract:	Start: <input type="text" value="Upon Approval"/>	End:	<input type="text" value="TBD"/>
\$ Amount or Not to Exceed:	<input type="text" value="As Needed"/>	Account Line Item #:	<input type="text"/>
Procurement Method:	<input style="background-color: #e6f2ff;" type="text" value="RFQ 23-004"/>		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date: <input type="text"/>
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date: <input type="text"/>
N/A	<input type="checkbox"/>	Dept Director: <u>Dave Lipinski</u>	Date: <input type="text" value="Nov 28, 2022"/>
N/A	<input type="checkbox"/>	Purchasing: <u></u> <small>Daniel Wojcik (Nov 28, 2022 16:32 MST)</small>	Date: <input type="text" value="Nov 28, 2022"/>
N/A	<input type="checkbox"/>	Town Attorney: <u>Todd A. Baxter</u> <small>Todd A. Baxter (Nov 29, 2022 15:52 MST)</small>	Date: <input type="text" value="Nov 29, 2022"/>
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date: <input type="text"/>



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL SERVICES
Water & Wastewater Treatment**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Kimley-Horn and Associates, Inc., a North Carolina corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The Mayor is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated September 15, 2022;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: Kimley-Horn and Associates, Inc.
Attn: Angela McHugh
7740 N. 16th Street, Suite 300
Phoenix, AZ 85020

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:

Kimley-Horn, Angela McHugh



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-004 Contract Pricing

On-Call Water & Wastewater Treatment Services Pricing

Firm Name: Kimley-Horn and Associates, Inc.

Item	Classification / Title	Average Hourly Rate	Overhead (194.77%)	Net Fee (10% Profit)	Total Hourly Rate
1	Senior Professional II	\$ 93.78	\$ 182.66	\$ 27.64	\$ 304.08
2	Senior Professional I	\$ 80.87	\$ 157.51	\$ 23.84	\$ 262.22
3	Professional	\$ 55.46	\$ 108.02	\$ 16.35	\$ 179.83
4	Engineer in Training (EIT)/Analyst	\$ 46.18	\$ 89.94	\$ 13.61	\$ 149.74
5	Senior Designer	\$ 60.75	\$ 118.32	\$ 17.91	\$ 196.98
6	Technician / Drafter	\$ 44.46	\$ 86.59	\$ 13.11	\$ 144.16
7	Administrative Assistant	\$ 34.27	\$ 66.75	\$ 10.10	\$ 111.12

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS

Document Type:	Contract	Contact Person:	Daniel Wojcik/Dave Lipinski
Council Date:	December 21, 2022	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	CIP		
Vendor/Contractor:	Wilson Engineers	Vendor ID#:	1435
Brief Description:	On-Call Professional Services		
Terms of Contract:	Start: Upon Approval	End:	TBD
\$ Amount or Not to Exceed:	As Needed	Account Line Item #:	
Procurement Method:	RFQ 23-004		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			Work Order #
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			Project Order #
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date: _____
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date: _____
N/A	<input type="checkbox"/>	Dept Director: <i>Dave Lipinski</i>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Purchasing: <i>[Signature]</i> <small>Daniel Wojcik (Nov 28, 2022 16:32 MST)</small>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Town Attorney: <i>Todd A. Baxter</i> <small>Todd A. Baxter (Nov 29, 2022 15:54 MST)</small>	Date: Nov 29, 2022
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date: _____



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL SERVICES
Water & Wastewater Treatment**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Wilson Engineers, an Arizona corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The Mayor is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated September 15, 2022;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: Wilson Engineers
Attn: Stephen Todd
1620 W. Fountainhead Parkway, Suite 501
Tempe, AZ 85282

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. **Construction Services:** If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. **Specifications:** The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. **Corrections:** Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. **Coordination:** Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Wilson Engineers, Stephen Todd



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-004 Contract Pricing

On-Call Water & Wastewater Treatment Services Pricing

Firm Name: Wilson Engineers

Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)	Total Hourly Rate
1	Principal	\$83.00	161%	10%	\$238.29
2	Department Manager	\$78.00	161%	10%	\$223.94
3	Senior Project Manager	\$75.00	161%	10%	\$215.33
4	Project Manager	\$68.00	161%	10%	\$195.23
5	Senior Engineer	\$65.00	161%	10%	\$186.62
6	Engineer	\$48.00	161%	10%	\$137.81
7	Engineer 2 (Unlicensed)	\$35.00	161%	10%	\$100.49
8	Engineer 1 (Unlicensed)	\$32.00	161%	10%	\$91.87
9	Senior Construction Manager	\$77.00	161%	10%	\$221.07
10	Construction Manager	\$45.00	161%	10%	\$129.20
11	Senior Construction Inspector	\$48.00	161%	10%	\$137.81
12	Construction Inspector	\$40.00	161%	10%	\$114.84
13	Senior Electrical Designer	\$62.00	161%	10%	\$178.00
14	Electrical Designer	\$50.00	161%	10%	\$143.55
15	Senior CADD Technician	\$40.00	161%	10%	\$114.84
16	CADD Technician	\$30.00	161%	10%	\$86.13
17	Senior Administrative	\$28.00	161%	10%	\$80.39
18	Intern	\$25.00	161%	10%	\$71.78

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS

Document Type:	Contract	Contact Person:	Daniel Wojcik/Dave Lipinski
Council Date:	December 21, 2022	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	CIP		
Vendor/Contractor:	WSP Environmental and Infrastructure	Vendor ID#:	8620
Brief Description:	On-Call Professional Services		
Terms of Contract:	Start: Upon Approval	End:	TBD
\$ Amount or Not to Exceed:	As Needed	Account Line Item #:	
Procurement Method:	RFQ 23-004		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			Work Order #
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			Project Order #
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date:
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date:
N/A	<input type="checkbox"/>	Dept Director: <i>Dave Lipinski</i> _____	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Purchasing: <i>[Signature]</i> <small>Daniel Wojcik (Nov 28, 2022 16:32 MST)</small> _____	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Town Attorney: <i>Todd A. Baxter</i> <small>Todd A. Baxter (Nov 29, 2022 16:11 MST)</small> _____	Date: Nov 29, 2022
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date:



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL SERVICES
Water & Wastewater Treatment**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and WSP Environmental and Infrastructure Inc., an Nevada corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated September 15, 2022;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: WSP Environmental and Infrastructure Inc.
Attn: Jerry Bish
1105 Lakewood Parkway, Suite 300
Alpharetta, GA 30009

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager


ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



WSP Environmental and Infrastructure Inc., Jerry Bish



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-004 Contract Pricing

On-Call Water & Wastewater Treatment Services Pricing

Firm Name: WSP Environmental and Infrastructure Inc.

Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)
1	Principal/Sr Reviewer	\$77.50	163%	10%
2	Senior Project Manager	\$74.50	163%	10%
3	Project Manager	\$57.00	163%	10%
4	Senior Engineer	\$64.00	163%	10%
5	Project Engineer	\$52.00	163%	10%
6	EIT	\$41.50	163%	10%
7	Senior CADD	\$46.50	163%	10%
8	CADD	\$33.00	163%	10%
9	Technician	\$31.00	163%	10%
10	GIS	\$29.00	163%	10%
11	Admin/Intern	\$26.00	163%	10%
12	Senior Electrical Engineer	\$67.00	163%	10%
13	Electrical Engineer	\$52.00	163%	10%
14	Senior Structural Engineer	\$62.00	163%	10%
15	Structural Engineer	\$50.00	163%	10%
16	Senior HVAC Engineer	\$59.00	163%	10%
17	HVAC Engineer	\$37.00	163%	10%



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: DAVE LIPINSKI, CIP DEPARTMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A ONE-YEAR ON-CALL PROFESSIONAL SERVICES CONTRACTS FOR WATER AND WASTEWATER DISTRIBUTION WITH UP TO FOUR POSSIBLE ONE-YEAR RENEWALS, WITH DIBBLE & ASSOCIATES CONSULTING ENGINEERS, INC.; HILGARTWILSON, LLC; SUNRISE ENGINEERING, INC.; WSP ENVIRONMENTAL AND INFRASTRUCTURE, INC.

DATE: December 21, 2022

Suggested Action:

To approve a one-year On-Call Professional Services Contracts for Water and Wastewater Distribution, with up to four possible one-year renewals, with Dibble & Associates Consulting Engineers, Inc.; Hilgartwilson, LLC; Sunrise Engineering, Inc.; WSP Environmental and Infrastructure, Inc.

Relevant Council Goal(s):

Superior Infrastructure – Capital Improvement Program

Discussion:

The CIP and Utilities departments have identified a need for on-call design services for Water and Wastewater Distribution projects. As the Town utility system continues to grow and age, additional improvements are regularly needed. The on-call design consultants provide design services from consultants who are pre-qualified to perform the work. This pre-qualification saves a minimum of 4-6 weeks from a standard solicitation for design services allowing both the CIP and Utilities departments to respond quickly to projects.

On August 01, 2022, the Town issued a (RFQ) No. 23-002 for On-Call Professional Services Contract for Water and Wastewater Distribution. On September 7, 2022, staff received 18 proposals in response to the RFQ. The selection and evaluation process was conducted in accordance with Town policies and procedures and administered by Purchasing staff. The proposals were reviewed by a five-member evaluation committee consisting of representatives from the CIP Department and Public Works. The Town recommends awarding contracts to the four highest scored proposals.

Annual expenditures under this contract cannot be determined in advance since services will be placed on an as-needed basis, according to the contract terms. The Request for Qualifications did not guarantee the awarded Consultants a contract amount; it stated that services would be requested on

an as-needed basis. The contracts with the Consultants are for a one-year period with an option to renew for four additional one-year periods.

Fiscal Impact:

The award of these contracts does not explicitly obligate any dollar amount, but allows for the Town to procure work on an as-needed basis with the contractors designated.

There is no fiscal impact until the on-call services are needed for Water and Wastewater Distribution services, at which time any project orders over \$25,000 will be presented to Council for approval, unless funding has already been approved under a Delegation Resolution. Project orders under \$25,000 will still only require Town Manager approval.

Alternatives:

Town Council could direct staff to go through the selection/bidding process each time a service is needed. This would add, cumulatively, significant time to each project as the selection time per service needed is 4-6 weeks.

Attachment(s):

1. [ON-CALL PROFESSIONAL SERVICE CONTRACTS](#)

ATTACHMENT 1

On-Call Professional Services Contracts for Water and Wastewater Distribution

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS

Document Type:	<input type="text" value="Contract"/>	Contact Person:	<input type="text" value="Daniel Wojcik/Dave Lipinski"/>
Council Date:	<input type="text" value="December 07, 2022"/>	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	<input type="text" value="CIP"/>		
Vendor/Contractor:	<input type="text" value="Dibble & Associates Consulting Engineers, Inc."/>	Vendor ID#:	<input type="text"/>
Brief Description:	<input type="text" value="On-Call Professional Services"/>		
Terms of Contract:	Start: <input type="text" value="Upon Approval"/>	End:	<input type="text" value="TBD"/>
\$ Amount or Not to Exceed:	<input type="text" value="As Needed"/>	Account Line Item #:	<input type="text"/>
Procurement Method:	<input type="text" value="RFQ 23-002"/>		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date: <input type="text"/>
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date: <input type="text"/>
N/A	<input type="checkbox"/>	Dept Director: <i>Dave Lipinski</i> _____	Date: <input type="text" value="Nov 16, 2022"/>
N/A	<input type="checkbox"/>	Purchasing: <i>[Signature]</i> <small>Daniel Wojcik (Nov 16, 2022 11:30 MST)</small> _____	Date: <input type="text" value="Nov 16, 2022"/>
N/A	<input type="checkbox"/>	Town Attorney: <i>Todd A. Baxter</i> <small>Todd A. Baxter (Nov 23, 2022 09:01 MST)</small> _____	Date: <input type="text" value="Nov 23, 2022"/>
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date: <input type="text"/>



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**On-Call PROFESSIONAL SERVICES
Water & Wastewater Distribution**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Dibble Corp, an Arizona corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated September, 2018, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated *September 7, 2022*;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1 All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone

for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's

publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: Dibble Corp
Attn: Heather Brown
7878 North 16th Street Suite 300
Phoenix, AZ 85020

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period

stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. **RECORDS AND AUDIT RIGHTS.** Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. **INCORPORATION OF RECITALS AND EXHIBITS.** The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. **ENTIRE AGREEMENT.** This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. **GOVERNING LAW.** This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. **INDEPENDENT CONTRACTOR.** The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. **TAXES.** Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. **AMENDMENTS.** Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. **COMPLIANCE WITH LAW.** The Consultant specifically agrees and hereby

warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to

Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred

through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

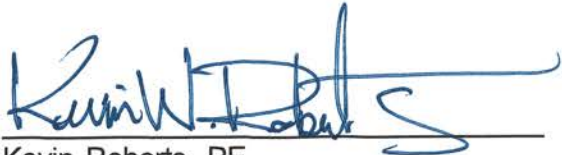
ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Kevin Roberts, PE

President
Dibble & Associates, Consulting Engineers Inc.



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1, 000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible

for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-002 Contract Pricing

On-Call Water & Wastewater Distribution Services Pricing

Firm Name: Dibble

Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)	Total Hourly Rate
1	Principal Engineer	\$ 79.03	186%	10%	\$ 248.22
2	Senior Project Manager	\$ 72.11	186%	10%	\$ 226.49
3	Project Manager	\$ 63.91	186%	10%	\$ 200.73
4	Senior Engineer / QA/QC Manager	\$ 65.32	186%	10%	\$ 205.16
5	Project Engineer	\$ 50.05	186%	10%	\$ 157.20
6	Engineer-In-Training (EIT)	\$ 38.98	186%	10%	\$ 122.43
7	Senior Designer	\$ 45.88	186%	10%	\$ 144.10
8	Designer	\$ 36.84	186%	10%	\$ 115.71
9	Technician/Drafter	\$ 33.01	186%	10%	\$ 103.68
10	Survey Manager	\$ 61.66	186%	10%	\$ 193.66
11	Land Surveyor (RLS)	\$ 52.25	186%	10%	\$ 164.11
12	Land Surveyor (LSIT)	\$ 35.53	186%	10%	\$ 111.59
13	Survey Crew (2-man)	\$ 67.07	186%	10%	\$ 210.66
14	Administrative Assistant	\$ 26.21	186%	10%	\$ 82.32

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS



Document Type:	Contract	Contact Person:	Daniel Wojcik/Dave Lipinski
Council Date:	December 21, 2022	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	CIP		
Vendor/Contractor:	Hilgartwilson LLC	Vendor ID#:	11334
Brief Description:	On-Call Professional Services		
Terms of Contract:	Start: Upon Approval	End:	TBD
\$ Amount or Not to Exceed:	As Needed	Account Line Item #:	
Procurement Method:	RFQ 23-002		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			Work Order #
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			Project Order #
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date: _____
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date: _____
N/A	<input type="checkbox"/>	Dept Director: <u>Dave Lipinski</u>	Date: <u>Nov 28, 2022</u>
N/A	<input type="checkbox"/>	Purchasing: <u></u> <small>Daniel Wojcik (Nov 28, 2022 16:30 MST)</small>	Date: <u>Nov 28, 2022</u>
N/A	<input type="checkbox"/>	Town Attorney: <u></u> <small>Todd A. Baxter (Nov 29, 2022 15:13 MST)</small>	Date: <u>Nov 29, 2022</u>
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date: _____



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL SERVICES
Water & Wastewater Distribution**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Hilgartwilson LLC., an Arizona corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated *September 7, 2022*;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: HilgartwilsonLLC
Attn: Ron Hilgart
2141 E Highland Ave. Suite 250
Phoenix, AZ, 85016

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Hilgartwilson, Ron Hilgart



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature 
Name Ron Hilgart

Title Managing Principal

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-002 Contract Pricing

On-Call Water & Wastewater Distribution Services Pricing

Firm Name: Hilgartwilson, LLC

Item	Classification / Title	Average Hourly Rate	Overhead Rate	Average Hourly Rate + Overhead Rate	Profit Rate	Total Hourly Rate
			163.2%		18%	
1	Principal	\$92.45	\$150.88	\$243.33	\$43.80	\$287.00
2	Department Manager	\$70.95	\$115.79	\$186.74	\$33.61	\$220.00
3	Project Manager	\$62.35	\$101.76	\$164.11	\$29.54	\$194.00
4	Project Engineer	\$43.00	\$70.18	\$113.18	\$20.37	\$134.00
5	Senior Project Designer	\$46.23	\$75.45	\$121.68	\$21.90	\$144.00
6	Engineer in Training	\$36.55	\$59.65	\$96.20	\$17.32	\$114.00
7	Designer (CAD)	\$36.55	\$59.65	\$96.20	\$17.32	\$114.00
8	CAD Tech III	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00
9	CAD Tech II	\$25.80	\$42.11	\$67.91	\$12.22	\$80.00
10	CAD Tech I	\$21.50	\$35.09	\$56.59	\$10.19	\$67.00
11	Project Coordinator	\$29.03	\$47.38	\$76.41	\$13.75	\$90.00
12	Administrative Assistant	\$0.00				
13	Survey Manager, RLS	\$61.28	\$100.01	\$161.29	\$29.03	\$190.00
14	Survey Crew Manager	\$63.43	\$103.52	\$166.95	\$30.05	\$197.00
15	Asst. Survey Crew Manager	\$39.78	\$64.92	\$104.70	\$18.85	\$124.00
16	As-Built Manager, RLS	\$64.50	\$105.26	\$169.76	\$30.56	\$200.00
17	Survey Project Lead	\$32.25	\$52.63	\$84.88	\$15.28	\$100.00

18	Survey Crew Chief	\$37.63	\$61.41	\$99.04	\$17.83	\$117.00
19	Junior Survey Crew Chief	\$24.73	\$40.36	\$65.09	\$11.72	\$77.00
20	Survey Instrument Tech	\$19.35	\$31.58	\$50.93	\$9.17	\$60.00
21	CAD Tech III	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00
22	CAD Tech II	\$25.80	\$42.11	\$67.91	\$12.22	\$80.00
23	CAD Tech I	\$21.50	\$35.09	\$56.59	\$10.19	\$67.00
24	As-Built Coordinator	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00
25	As-Built Technician	\$20.43	\$33.34	\$53.77	\$9.68	\$63.00
26	Construction Services Manager of Water & Wastewater	\$56.98	\$92.99	\$149.97	\$26.99	\$177.00
27	Construction Manager	\$39.78	\$64.92	\$104.70	\$18.85	\$124.00
28	Project Coordinator	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS

Document Type:	<input type="text" value="Contract"/>	Contact Person:	<input type="text" value="Daniel Wojcik/Dave Lipinski"/>
Council Date:	<input type="text" value="December 21, 2022"/>	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	<input type="text" value="CIP"/>		
Vendor/Contractor:	<input type="text" value="Sunrise Engineering Inc"/>	Vendor ID#:	<input type="text" value="108"/>
Brief Description:	<input type="text" value="On-Call Professional Services"/>		
Terms of Contract:	Start: <input type="text" value="Upon Approval"/>	End:	<input type="text" value="TBD"/>
\$ Amount or Not to Exceed:	<input type="text" value="As Needed"/>	Account Line Item #:	<input type="text"/>
Procurement Method:	<input type="text" value="RFQ 23-002"/>		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date: <input type="text"/>
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date: <input type="text"/>
N/A	<input type="checkbox"/>	Dept Director: <i>Dave Lipinski</i> _____	Date: <input type="text" value="Nov 28, 2022"/>
N/A	<input type="checkbox"/>	Purchasing: <i>[Signature]</i> <small>Daniel Wojcik (Nov 28, 2022 16:30 MST)</small> _____	Date: <input type="text" value="Nov 28, 2022"/>
N/A	<input type="checkbox"/>	Town Attorney: <i>Todd A. Baxter</i> <small>Todd A. Baxter (Nov 29, 2022 15:15 MST)</small> _____	Date: <input type="text" value="Nov 29, 2022"/>
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date: <input type="text"/>



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL SERVICES
Water & Wastewater Distribution**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Sunrise Engineering Inc., an Arizona corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated *September 7, 2022*;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: Sunrise Engineering Inc.
Attn: Geoffrey Child
2045 S. Vineyard, Suite 101
Mesa, AZ 85210

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Sunrise Engineering Inc., Geoffrey Child



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-002 Contract Pricing

On-Call Water & Wastewater Distribution Services Pricing

Firm Name: Sunrise Engineering Inc.,

Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)	Total Hourly Rate
1	Principal Engineer	\$72.11	187.43%	10%	\$228
2	Engineer V	\$65.47	187.43%	10%	\$207
3	Engineer IV	\$59.14	187.43%	10%	\$187
4	Engineer III	\$52.82	187.43%	10%	\$167
5	Engineer (E.I.T.) III	\$43.33	187.43%	10%	\$137
6	Engineer (E.I.T.) II	\$40.17	187.43%	10%	\$127
7	Engineer (E.I.T.) I	\$37.01	187.43%	10%	\$117
8	Engineering Tech IV	\$43.96	187.43%	10%	\$139
9	Engineering Tech III	\$40.80	187.43%	10%	\$129
10	Engineering Tech II	\$36.37	187.43%	10%	\$115
11	Engineering Tech I	\$30.05	187.43%	10%	\$95
12	Project Manager II	\$56.61	187.43%	10%	\$179
13	Project Manager I	\$50.29	187.43%	10%	\$159
14	CAD Technician IV	\$37.64	187.43%	10%	\$119
15	CAD Technician III	\$34.47	187.43%	10%	\$109
16	CAD Technician II	\$31.31	187.43%	10%	\$99
17	CAD Technician I	\$28.15	187.43%	10%	\$89
Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)	Total Hourly Rate
18	Civil Plan Reviewer	\$52.19	187.43%		\$150

19	Principal Surveyor	\$66.10	187.43%	10%	\$209
20	Registered Surveyor	\$59.78	187.43%	10%	\$189
21	Survey Manager	\$55.35	187.43%	10%	\$175
22	Survey Crew Chief	\$52.19	187.43%	10%	\$165
23	Survey CAD Tech	\$43.96	187.43%	10%	\$139
24	Survey Tech II	\$31.31	187.43%	10%	\$99
25	Survey Tech I	\$28.15	187.43%	10%	\$89
26	Administrative III	\$21.19	187.43%	10%	\$67
27	Administrative II	\$18.03	187.43%	10%	\$57
28	Administrative I	\$14.87	187.43%	10%	\$47
29	Construction Observer IV	\$36.37	187.43%	10%	\$115
30	Construction Observer III	\$33.21	187.43%	10%	\$105
31	Construction Observer II	\$30.05	187.43%	10%	\$95
32	Construction Observer I	\$26.88	187.43%	10%	\$85
33	Construction Manager II	\$45.86	187.43%	10%	\$145
34	Construction Manager I	\$39.54	187.43%	10%	\$125

REIMBURSABLE EXPENSES/TRAVEL EXPENSES

* Requires prior written authorization and shall be paid at actual cost.

Photo Copies \$ per outsourced invoice
Color Copies \$ per outsourced invoice
Mileage \$ 0.625/mile

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS

Document Type:	Contract	Contact Person:	Daniel Wojcik/Dave Lipinski
Council Date:	December 21, 2022	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	CIP		
Vendor/Contractor:	WSP ENVIRONMENTAL AND INFRASTRUCTURE	Vendor ID#:	8620
Brief Description:	On-Call Professional Services		
Terms of Contract:	Start: Upon Approval	End:	TBD
\$ Amount or Not to Exceed:	As Needed	Account Line Item #:	
Procurement Method:	RFQ 23-002		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			Work Order #
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			Project Order #
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date:
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date:
N/A	<input type="checkbox"/>	Dept Director: <i>Dave Lipinski</i> _____	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Purchasing: <i>[Signature]</i> <small>Daniel Wojcik (Nov 28, 2022 16:30 MST)</small> _____	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Town Attorney: <i>Todd A. Baxter</i> <small>Todd A. Baxter (Nov 29, 2022 15:17 MST)</small> _____	Date: Nov 29, 2022
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date:



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL SERVICES
Water & Wastewater Distribution**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and WSP Environmental and Infrastructure Inc., an Nevada corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated *September 7, 2022*;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: WSP Environmental and Infrastructure Inc.
Attn: Jerry Bish
1105 Lakewood Parkway, Suite 300
Alpharetta, GA 30009

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager


ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



WSP Environmental and Infrastructure Inc., Jerry Bish



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-002 Contract Pricing

On-Call Water & Wastewater Distribution Services Pricing

Firm Name: WSP Environmental and Infrastructure Inc.

Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)	Total Hourly Rate
1	Principal/Sr Reviewer	\$77.50	163%	10%	\$224.21
2	Senior Project Manager	\$74.50	163%	10%	\$215.53
3	Project Manager	\$57.00	163%	10%	\$164.90
4	Senior Engineer	\$64.00	163%	10%	\$185.15
5	Project Engineer	\$52.00	163%	10%	\$150.44
6	EIT	\$41.50	163%	10%	\$120.06
7	Senior CADD	\$46.50	163%	10%	\$134.52
8	CADD	\$33.00	163%	10%	\$95.47
9	Technician	\$31.00	163%	10%	\$89.68
10	GIS	\$29.00	163%	10%	\$83.90
11	Admin/Intern	\$26.00	163%	10%	\$75.22
12	Senior Electrical Engineer	\$67.00	163%	10%	\$193.83
13	Electrical Engineer	\$52.00	163%	10%	\$150.44
14	Senior Structural Engineer	\$62.00	163%	10%	\$179.37
15	Structural Engineer	\$50.00	163%	10%	\$144.65
16	Senior HVAC Engineer	\$59.00	163%	10%	\$170.69
17	HVAC Engineer	\$37.00	163%	10%	\$107.04



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: DAVE LIPINSKI, CIP DEPARTMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A ONE-YEAR ON-CALL PROFESSIONAL SERVICES CONTRACTS FOR WELLS, TANKS, AND BOOSTER STATIONS WITH UP TO FOUR POSSIBLE ONE-YEAR RENEWALS, WITH CONSOR NORTH AMERICAN INC; HILGARTWILSON, LLC; AND SUNRISE ENGINEERING, INC.

DATE: December 21, 2022

Suggested Action:

To approve a one-year On-Call Professional Services Contracts for Wells, Tanks, and Booster Stations, with up to four possible one-year renewals, with Consor North American Inc; Hilgartwilson, LLC; and Sunrise Engineering, Inc.

Relevant Council Goal(s):

Superior Infrastructure – Capital Improvement Program

Discussion:

The CIP and Utilities departments have identified a need for on-call design services for Wells, Tanks and Booster Station design projects. As the Town utility system continues to grow and age, additional improvements are regularly needed. The on-call design consultants provide design services from consultants who are pre-qualified to perform the work. This pre-qualification saves a minimum of 4-6 weeks from a standard solicitation for design services allowing both the CIP and Utilities departments to respond quickly to projects.

On August 04, 2022, the Town issued a (RFQ) No. 23-003 for On-Call Professional Services Contract for Water and Wastewater Distribution. On September 8, 2022, staff received 14 proposals in response to the RFQ. The selection and evaluation process were conducted in accordance with Town policies and procedures and administered by Purchasing staff. The proposals were reviewed by a five-member evaluation committee consisting of representatives from the CIP Department and Public Works. The Town recommends awarding contracts to the three highest scored proposals.

Annual expenditures under this contract cannot be determined in advance since services will be placed on an as-needed basis, according to the contract terms. The Request for Qualifications did not guarantee the awarded Consultants a contract amount; it stated that services would be requested on an as-needed basis. The contracts with the Consultants are for a one-year period with an option to renew for four additional one-year periods.

Fiscal Impact:

The award of these contracts does not explicitly obligate any dollar amount, but allows for the Town to procure work on an as-needed basis with the contractors designated.

There is no fiscal impact until the on-call services are needed for Wells, Tanks, and Booster Stations services, at which time any project orders over \$25,000 will be presented to Council for approval, unless funding has already been approved under a Delegation Resolution. Project orders under \$25,000 will still only require Town Manager approval.

Alternatives:

Town Council could direct staff to go through the selection/bidding process each time a service is needed. This would add, cumulatively, significant time to each project as the selection time per service needed is 4-6 weeks.

Attachment(s):

1. [ON-CALL PROFESSIONAL SERVICE CONTRACTS](#)

ATTACHMENT 1

On-Call Professional Services Contracts
for Wells, Tanks, and Booster Stations

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS


Document Type:	Contract	Contact Person:	Daniel Wojcik/Dave Lipinski
Council Date:	December 21, 2022	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	CIP		
Vendor/Contractor:	Hilgartwilson LLC	Vendor ID#:	1134
Brief Description:	On-Call Professional Services		
Terms of Contract:	Start: Upon Approval	End:	TBD
\$ Amount or Not to Exceed:	As Needed	Account Line Item #:	
Procurement Method:	RFQ 23-003		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order# Work Order # Project Order #
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date:
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date:
N/A	<input type="checkbox"/>	Dept Director: <u>Dave Lipinski</u>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Purchasing: <u></u> <small>Daniel Wojcik (Nov 28, 2022 16:31 MST)</small>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Town Attorney: <u>Todd A. Baxter</u> <small>Todd A. Baxter (Nov 29, 2022 15:19 MST)</small>	Date: Nov 29, 2022
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date:



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL DESIGN
SERVICES
Wells, Tanks, & Booster Stations**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Hilgartwilson LLC., an Arizona corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated September 8, 2022;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: HilgartwilsonLLC
Attn: Ron Hilgart
2141 E Highland Ave. Suite 250
Phoenix, AZ, 85016

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. **Construction Services:** If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. **Specifications:** The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. **Corrections:** Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. **Coordination:** Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager


ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Hilgartwilson, Ron Hilgart



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.

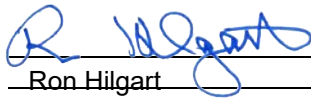


IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature 
Name Ron Hilgart

Title Managing Principal

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-003 Contract Pricing

On-Call Wells, Tanks, & Booster Stations Design Services Pricing

Firm Name: Hilgartwilson, LLC

Item	Classification / Title	Average Hourly Rate	Overhead Rate	Average Hourly Rate + Overhead Rate	Profit Rate	Total Hourly Rate
			163.2%		18%	
1	Principal	\$92.45	\$150.88	\$243.33	\$43.80	\$287.00
2	Department Manager	\$70.95	\$115.79	\$186.74	\$33.61	\$220.00
3	Project Manager	\$62.35	\$101.76	\$164.11	\$29.54	\$194.00
4	Project Engineer	\$43.00	\$70.18	\$113.18	\$20.37	\$134.00
5	Senior Project Designer	\$46.23	\$75.45	\$121.68	\$21.90	\$144.00
6	Engineer in Training	\$36.55	\$59.65	\$96.20	\$17.32	\$114.00
7	Designer (CAD)	\$36.55	\$59.65	\$96.20	\$17.32	\$114.00
8	CAD Tech III	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00
9	CAD Tech II	\$25.80	\$42.11	\$67.91	\$12.22	\$80.00
10	CAD Tech I	\$21.50	\$35.09	\$56.59	\$10.19	\$67.00
11	Project Coordinator	\$29.03	\$47.38	\$76.41	\$13.75	\$90.00
12	Administrative Assistant	\$0.00	\$0.00	\$0.00		
13	Survey Manager, RLS	\$61.28	\$100.01	\$161.29	\$29.03	\$190.00
14	Survey Crew Manager	\$63.43	\$103.52	\$166.95	\$30.05	\$197.00
15	Asst. Survey Crew Manager	\$39.78	\$64.92	\$104.70	\$18.85	\$124.00
16	As-Built Manager, RLS	\$64.50	\$105.26	\$169.76	\$30.56	\$200.00
17	Survey Project Lead	\$32.25	\$52.63	\$84.88	\$15.28	\$100.00
18	Survey Crew Chief	\$37.63	\$61.41	\$99.04	\$17.83	\$117.00
19	Junior Survey Crew Chief	\$24.73	\$40.36	\$65.09	\$11.72	\$77.00
20	Survey Instrument Tech	\$19.35	\$31.58	\$50.93	\$9.17	\$60.00
21	CAD Tech III	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00
22	CAD Tech II	\$25.80	\$42.11	\$67.91	\$12.22	\$80.00

23	CAD Tech I	\$21.50	\$35.09	\$56.59	\$10.19	\$67.00
24	As-Built Coordinator	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00
25	As-Built Technician	\$20.43	\$33.34	\$53.77	\$9.68	\$63.00
26	Construction Services Manager of Water & Wastewater	\$56.98	\$92.99	\$149.97	\$26.99	\$177.00
27	Construction Manager	\$39.78	\$64.92	\$104.70	\$18.85	\$124.00
28	Project Coordinator	\$30.10	\$49.12	\$79.22	\$14.26	\$93.00

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS


Document Type:	<input type="text" value="Contract"/>	Contact Person:	<input type="text" value="Daniel Wojcik/Dave Lipinski"/>
Council Date:	<input type="text" value="December 21, 2022"/>	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	<input type="text" value="CIP"/>		
Vendor/Contractor:	<input type="text" value="Sunrise Engineering"/>	Vendor ID#:	<input type="text" value="108"/>
Brief Description:	<input type="text" value="On-Call Professional Services"/>		
Terms of Contract:	Start: <input type="text" value="Upon Approval"/>	End:	<input type="text" value="TBD"/>
\$ Amount or Not to Exceed:	<input type="text" value="As Needed"/>	Account Line Item #:	<input type="text"/>
Procurement Method:	<input type="text" value="RFQ 23-003"/>		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	<input type="text"/>	Cooperative Agreement #	Change Order# Work Order # Project Order #
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.				
<input type="checkbox"/> Easement					

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date: <input type="text"/>
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date: <input type="text"/>
N/A	<input type="checkbox"/>	Dept Director: <u>Dave Lipinski</u>	Date: <input type="text" value="Nov 28, 2022"/>
N/A	<input type="checkbox"/>	Purchasing: <u></u> <small>Daniel Wojcik (Nov 28, 2022 16:31 MST)</small>	Date: <input type="text" value="Nov 28, 2022"/>
N/A	<input type="checkbox"/>	Town Attorney: <u>Todd A. Baxter</u> <small>Todd A. Baxter (Nov 29, 2022 15:37 MST)</small>	Date: <input type="text" value="Nov 29, 2022"/>
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date: <input type="text"/>



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL DESIGN
SERVICES
Wells, Tanks, & Booster Stations**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Sunrise Engineering Inc., an Arizona corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated September 8, 2022;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: Sunrise Engineering Inc.
Attn: Geoffrey Child
2045 S. Vineyard, Suite 101
Mesa, AZ 85210

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. **Construction Services:** If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. **Specifications:** The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. **Corrections:** Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. **Coordination:** Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Sunrise Engineering Inc., Geoffrey Child



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-003 Contract Pricing

On-Call Wells, Tanks, & Booster Stations Design Services Pricing

Firm Name: Sunrise Engineering Inc.

Item	Classification / Title	Average Hourly Rate	Overhead	Net Fee (Profit)	Total Hourly Rate
1	Principal Engineer	\$72.11	187.43%	10%	\$228
2	Engineer V	\$65.47	187.43%	10%	\$207
3	Engineer IV	\$59.14	187.43%	10%	\$187
4	Engineer III	\$52.82	187.43%	10%	\$167
5	Engineer (E.I.T.) III	\$43.33	187.43%	10%	\$137
6	Engineer (E.I.T.) II	\$40.17	187.43%	10%	\$127
7	Engineer (E.I.T.) I	\$37.01	187.43%	10%	\$117
8	Engineering Tech IV	\$43.96	187.43%	10%	\$139
9	Engineering Tech III	\$40.80	187.43%	10%	\$129
10	Engineering Tech II	\$36.37	187.43%	10%	\$115
11	Engineering Tech I	\$30.05	187.43%	10%	\$95
12	Project Manager II	\$56.61	187.43%	10%	\$179
13	Project Manager I	\$50.29	187.43%	10%	\$159
14	CAD Technician IV	\$37.64	187.43%	10%	\$119
15	CAD Technician III	\$34.47	187.43%	10%	\$109
16	CAD Technician II	\$31.31	187.43%	10%	\$99
17	CAD Technician I	\$28.15	187.43%	10%	\$89
18	Civil Plan Reviewer	\$52.19	187.43%		\$150

19	Principal Surveyor	\$66.10	187.43%	10%	\$209
20	Registered Surveyor	\$59.78	187.43%	10%	\$189
21	Survey Manager	\$55.35	187.43%	10%	\$175
22	Survey Crew Chief	\$52.19	187.43%	10%	\$165
23	Survey CAD Tech	\$43.96	187.43%	10%	\$139
24	Survey Tech II	\$31.31	187.43%	10%	\$99
25	Survey Tech I	\$28.15	187.43%	10%	\$89
26	Administrative III	\$21.19	187.43%	10%	\$67
27	Administrative II	\$18.03	187.43%	10%	\$57
28	Administrative I	\$14.87	187.43%	10%	\$47
29	Construction Observer IV	\$36.37	187.43%	10%	\$115
30	Construction Observer III	\$33.21	187.43%	10%	\$105
31	Construction Observer II	\$30.05	187.43%	10%	\$95
32	Construction Observer I	\$26.88	187.43%	10%	\$85
33	Construction Manager II	\$45.86	187.43%	10%	\$145
34	Construction Manager I	\$39.54	187.43%	10%	\$125

Contract/Agreement Review Cover Sheet

INSTRUCTIONS: Legal Review is required prior to submittal for Town Council and/or Town Manager approval. Public Works Director review and approval is required on all Public Works and/or Construction and A&E projects. Real Estate review and approval is required on all Real Estate matters. Purchasing review is also required. Complete this form for all contracts/agreements/IGA's/change orders/work orders/proposals/MOU's and submit to the Purchasing office for review/approval routing. Be sure to attach a staff report and all supporting documents for review(s).

ALLOW THREE WEEKS FOR THE REVIEW PROCESS


Document Type:	Contract	Contact Person:	Daniel Wojcik/Dave Lipinski
Council Date:	December 21, 2022	S.A.M. verification	<input checked="" type="checkbox"/>
Department Name:	CIP		
Vendor/Contractor:	CONSOR	Vendor ID#:	
Brief Description:	On-Call Professional Services		
Terms of Contract:	Start: Upon Approval	End:	TBD
\$ Amount or Not to Exceed:	As Needed	Account Line Item #:	
Procurement Method:	RFQ 23-003		

Attachments: *Reference original contract number.

Check all that apply:

<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Cooperative Agreement	Original Contract #	Cooperative Agreement #	Change Order#
<input type="checkbox"/> Staff Report	<input type="checkbox"/> IGA			Work Order #
<input type="checkbox"/> Amendment	<input type="checkbox"/> *Change Order/Work Order No.			Project Order #
<input type="checkbox"/> Easement				

Approved:

N/A	<input checked="" type="checkbox"/>	Real Estate: _____	Date:
N/A	<input checked="" type="checkbox"/>	Dept Director: _____	Date:
N/A	<input type="checkbox"/>	Dept Director: <u>Dave Lipinski</u>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Purchasing: <u></u> <small>Daniel Wojcik (Nov 28, 2022 16:31 MST)</small>	Date: Nov 28, 2022
N/A	<input type="checkbox"/>	Town Attorney: <u>Todd A. Baxter</u> <small>Todd A. Baxter (Nov 29, 2022 15:19 MST)</small>	Date: Nov 29, 2022
N/A	<input checked="" type="checkbox"/>	Town Clerk: _____	Date:



**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 86004
(480) 358-3000
www.queencreek.org**

**ON-CALL PROFESSIONAL DESIGN
SERVICES
Wells, Tanks, & Booster Stations**

MASTER CONTRACT

CONTRACT NO. _____

TOWN OF QUEEN CREEK

PROFESSIONAL SERVICES MASTER CONTRACT

THIS MASTER CONTRACT is made and entered into effective as of the ____ day of December, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and CONSOR North America, Inc, an Oregon corporation ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for On-Call Professional Services for Water & Wastewater Distribution and

Consultant is qualified to perform the Services; and

The Mayor is authorized and empowered by the Town Code to execute contracts for professional services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 Contract Documents:

The Contract between Town and Consultant for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by Town for this Master Contract;
6. The Statement of Qualifications (SOQ) submitted by Consultant dated September 8, 2022;
7. Exhibit C - Negotiated Fee Schedule.

1.2 Master Agreement: This is a Master Contract providing the basis by which Town may issue, and Consultant may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between Town and Consultant, unless expressly excluded, in writing, in such contract or agreement.

- 1.2.1 Authorization by Town to perform Services and agreement by Consultant to perform specific Services shall be made by separate "Project Task Order", as set forth in the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Consultant and shall be applicable for any and all Services performed by Consultant for Town and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Consultant and Town. This Master Contract does not obligate or require Town to offer any Project Task Order to Consultant, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by Town and Consultant.
- 1.2.2 Agreement to the terms set forth herein is a material and necessary precondition and inducement to Town entering into this Master Contract, and each Project Task Order, with Consultant.
- 1.3 Issuance of Project Task Orders: Town may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Consultant to perform the Services specified in the Project Task Order. Upon acceptance by the Consultant, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

ARTICLE 2. FEES

1. The amount paid to Consultant under this Contract, including reimbursable expenses, is on an as needed basis.
2. Town shall pay the Consultant for the Services as set forth in the Project Task Order in accordance with Exhibit C of this Master Contract.
3. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.
4. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. The term of the Contract shall commence on the date of award and shall continue for a period of One (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for Four (4) additional one-year periods. If the Contract is renewed, the total length of the Contract shall not exceed Five (5) years. Any of the one (1) year Contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

2. Time is of the essence of this Master Contract and each Project Task Order. Consultant shall complete all Services within the schedule set forth in each individual Project Task Order.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set forth in the applicable Project Task Order and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

6. Termination by the Consultant: If the Town fails to make payment of undisputed amounts due following fourteen (14) days' written notice to the Town, the Designer may

terminate the Contract and recover from the Town payment for Work actually executed and approved and accepted by the Town. Under no circumstances shall Town have any liability for any costs, expenses, overhead, or profits in relation to any work not actually performed, or for any future or anticipated profits, recovery, damages, expenses, or loses.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in the Request for Qualifications Scope of Work and Individual Project Task Orders. Services which are not included in the Request for Qualifications Scope of Work will be considered Additional Services only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of any Project Task Order. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in the Project Task Order shall be subject to the prior written approval of the Town. Employment of such subconsultants or professional associates in order to complete the work set forth in the Project Task Order shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract Documents, including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract, including any applicable Project Task Order and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP AND USE OF DOCUMENTS

1. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

2. Upon execution of a Project Task Order, the Consultant and all design professionals and sub-consultants working under or for Consultant, hereby grant to the Town an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by Consultant pursuant to this Agreement ("the Instruments of Service"), for the purposes of constructing and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof (including making derivative works from Consultant's Instruments of Service), or for construction of the same type of Project at other locations, by the Town and others retained by the Town for such purposes. This license shall extend to those parties retained by the Town for such purposes, including other design professionals. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Consultant shall obtain, in writing, similar non-exclusive licenses from its design professionals, and sub-consultants. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project. Upon completion of the Project and/or termination of the Agreement for any reason, Consultant shall deliver to the Town full sized and usable copies (including any and all CAD and/or computer files) of all data, documents, designs, drawings and specifications generated by Consultant, including those generated by any suppliers, subcontractors or sub-consultants. The Town shall retain all rights and ownership of all documents, designs, drawings, specifications, and/or styles provided to Consultant by the Town in relation to the Contract and the Project, and Consultant shall not utilize any such material in relation to any other work or project. If the Town elects to use, or permits others to use, the Consultant's drawings, designs or specifications for other Projects, uses, or in a manner not prescribed by the Consultant, the Consultant shall have no responsibility or liability for claims arising from said use.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or

expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole negligence. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 days' written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, Az 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: CONSOR North America, Inc.
Attn: Alexandra Orozco
888 SW 5th Avenue, Suite 1170
Portland, OR 97204

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by email transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by email transmission may also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by email transmission.

ARTICLE 15. SPECIAL PROVISIONS

1. Construction Services: If the Services include construction phase services and/or contract administration during the construction of the Project, Consultant shall provide, at no additional cost to the Town, such services, including without limitation inspections, attending meetings, responses to request for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the Town.

2. Specifications: The Uniform Specifications for Public Works Construction issued by the Maricopa Association of Governments ("MAG Specifications") have been adopted by the Town and shall apply to the Project and the Services, to the extent applicable. In addition, to the extent the Town has adopted its own Town Specifications, and/or Supplements and/or Modifications to the MAG Specifications (collectively the "Town Specifications"), those Town Specifications shall apply to the Project and the Services when and where appropriate. Any questions concern the applicability of any specific MAG or Town Specification to the Project or the Services shall be directed in writing to the Town Engineer.

3. Corrections: Consultant shall promptly provide, at no additional cost to the Town, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawing provided by Consultant. If requested by the Town, Consultant shall provide the Town with "As Built" drawing at the completion of the Project, in such form and detail as the Town may require.

4. Coordination: Consultant shall be responsible for coordinating the Services, and all designs, drawings and/or specifications developed in relation thereto, with the Town Engineering Department and other departments or agencies within the Town, other design professionals and other contractors involved in the Project, as well as the other designs, drawings and/or specifications for the Project. Consultant shall also cooperate with the Town in communicating with, obtaining necessary approvals or permits from, and responding to, any applicable government entity or regulatory agency, including participation in any hearings or meetings.

5. Quality/Special Features: Consultant is responsible, to the extent necessary to perform the Services, at no additional charge to the Town, to fully familiarize itself with the special and/or unique qualities and/or requirements of the Project and the Town. The Town's determination as to the level of quality required and on all aesthetic issues shall be final and binding.

ARTICLE 16. GENERAL PROVISIONS

1. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

2. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

3. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

4. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

5. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

6. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual

payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

7. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

8. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

9. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

10. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

11. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

12. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona

Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "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.

13. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

14. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

15. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

16. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

17. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

18. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

19. WORKPLACE COMPLIANCE. 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.

20. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document RFQ and the terms of a response, the terms of the bid document will control.

ARTICLE 17. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Jeff Brown, Vice Mayor

John Kross, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:

CONSOR North America, Inc., Alexandra Orozco



EXHIBIT A – PROJECT TASK ORDER FORM
TOWN OF QUEEN CREEK,
an Arizona municipal corporation (“TOWN”)

PROFESSIONAL PROJECT TASK ORDER

Title of project

Project Task Order No. 01
Contract No. _____
Project No. _____

THIS PROJECT ORDER is made and entered into on the _____ day of _____, 20__ by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called (“TOWN”) and the “CONSULTANT” designated below. This Project Task Order is entered in to pursuant to and incorporates herein the terms and provisions of the CONSULTANT Contract No. _____, dated _____ between TOWN and CONSULTANT (“Contract”). Upon full execution of this Project Task Order, the Project Task Order, together with the Project Task Order Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the professional services specified herein (“Services”).

TOWN and CONSULTANT agree as follows:

TOWN:

Town of Queen Creek
Project Manager:
Telephone:
Fax:
E-mail:

CONSULTANT:

Firm Name
Address
Arizona Registration No.
Federal Tax ID No.:
Design Professional Representative:
Telephone:
Fax:
E-mail:

PROJECT DESCRIPTION: This Project Task Order #01 is _____.

The Project is scheduled to commence on _____ and be completed no later than the agreed upon schedule to be submitted by the Consultant or a maximum of XXXX calendar days.

PROJECT SITE ADDRESS/LOCATION: The Project for this Project Task Order # 01 is located at
Location of Project

PROJECT TASK ORDER PRICE (Not to Exceed): **\$XXXXXX**

1. _____ **Fixed Price:** All-inclusive in the above Project Task Order Price; or



2. **Fee plus Costs:** The Project Order Task Fee is in the amount of \$_____ to be paid in installments based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN, to be paid subject to the following limitations:

a. Documentation of Monthly Progress

- i. Prior to approval of the preliminary documentation (or ___% of plans), the billed amount shall not exceed _____% of the total Contract Price.
- ii. Prior to approval of the final documentation (or ___% of plans) deliverable, the billed amount shall not exceed _____% of the total Contract Amount.
- iii. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed ___% of the total Contract Amount prior to submittal of the final report deliverables.

b. Reimbursable Costs: (Reimbursable costs are at state per diem rates for all travel, lodging, and incidentals.)

- i. The Project Task Order Reimbursable Cost is in the amount of \$_____ to be paid based upon monthly progress reports and detailed invoices submitted by _____ in such form as approved by TOWN

c. Other:

- i. Subcontractor Mark Up will be paid in the following manner: _____.
- ii. Unique Insurance and/or Bond Requirements: _____.
- iii. Unique Compliance with Government Provisions: _____.

SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION: Attached Exhibit A

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.



IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____
Name _____
Title _____

“DESIGN PROFESSIONAL”

Signature _____
Name _____

Title _____

ATTEST:

Signature _____
Name _____
Title _____

DRAFT



PROJECT TASK ORDER # 01
EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

DRAFT



PROJECT TASK ORDER # 01

EXHIBIT B

PROJECT SPECIFIC CONDITIONS (IF ANY)

DRAFT

EXHIBIT B
INSURANCE

1. The Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit B, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. The Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and two million dollars (\$2,000,000.00) policy aggregate naming the Town as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, and workman's compensation, the Town shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A or better through Lloyd's of London. Should coverage be written on a claims-made basis, the Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event the Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the Town may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the Town elects to purchase the insurance under this provision, Consultant shall be liable to the Town for all costs incurred by the Town for purchasing such insurance.

2. The Consultant shall submit to the Town a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph **within ten (10) days** of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require the Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish the Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to the Consultant.

3. Additional Insurance Requirements: The Consultant is primarily responsible for the risk management of its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract subject to at least 30 days written notice. The Consultant shall require any and all subcontractors to maintain insurance as required herein naming Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its council members, agents, representatives, officers, officials, and employees. All insurance policies, except Workers' Compensation required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Contract, Town of Queen Creek, its council members, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

EXHIBIT C

RFQ 23-003 Contract Pricing

On-Call Wells, Tanks, & Booster Stations Design Services Pricing

Firm Name: CONSOR North America, Inc.

2023 SCHEDULE OF CHARGES

Personnel:

Labor will be invoiced by staff classification at the following hourly rates, which are valid through December 31, 2023. After this period, the rates are subject to adjustment.

<u>Billing Classifications</u>	<u>2023 Rates</u>	<u>Billing Classifications</u>	<u>2023 Rates</u>
Principal Engineer VI	\$298	Construction Manager X	\$284
Principal Engineer V	\$287	Construction Manager XI	\$265
Principal Engineer IV	\$276	Construction Manager VIII	\$250
Principal Engineer III	\$264	Construction Manager VII	\$242
Principal Engineer II	\$254	Construction Manager VI	\$225
Principal Engineer I	\$245	Construction Manager V	\$207
Professional Engineer IX	\$233	Construction Manager IV	\$196
Engineering Designer IX	\$225	Construction Manager III	\$179
Professional Engineer VIII	\$223	Construction Manager II	\$165
Engineering Designer VIII	\$213	Construction Manager I	\$147
Professional Engineer VII	\$210	Inspector VII	\$207
Engineering Designer VII	\$203	Inspector VI	\$190
Professional Engineer VI	\$201	Inspector V	\$172
Engineering Designer VI	\$193	Inspector IV	\$161
Professional Engineer V	\$188	Inspector III	\$143
Engineering Designer V	\$181	Inspector II	\$128
Professional Engineer IV	\$177	Inspector I	\$110
Engineering Designer IV	\$177	Technician IV	\$171
Professional Engineer III	\$172	Technician III	\$153
Engineering Designer III	\$172	Technician II	\$132
Engineering Designer II	\$158	Technician I	\$112
Engineering Designer I	\$146	Project Coordinator IV	\$166
Principal III	\$310	Project Coordinator III	\$154
Principal II	\$284	Project Coordinator II	\$138
Principal I	\$257	Project Coordinator I	\$122
Project Manager III	\$236	Administrative III	\$122
Project Manager II	\$210	Administrative II	\$112
Project Manager I	\$184	Administrative I	\$99
Cost Estimator III	\$276		
Cost Estimator II	\$221		
Cost Estimator I	\$166		

Project Expenses:

Expenses incurred that are directly attributable to the project will be invoiced at actual cost. These expenses include the following:

CADD Hardware/Software	\$18.00/hour
Modeling and GIS Hardware/Software	\$10.00/hour
Mileage	Current IRS Rate
Postage and Delivery Services	At Cost
Printing and Reproduction	At Cost
Travel, Lodging, and Subsistence	At Cost

Outside Services:

Outside technical, professional, and other services will be invoiced at actual cost-plus 10 percent to cover administration and overhead.



TOWN OF
QUEEN CREEK
ARIZONA

8.1

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER
FROM: VANCE GRAY, FIRE CHIEF
RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF MESA FOR FIRE APPARATUS MAINTENANCE AND REPAIR SERVICES, ON AN AS NEEDED BASIS, IN AN AMOUNT NOT TO EXCEED \$30,000. (FY 22/23 BUDGETED ITEM)

DATE: December 21, 2022

Suggested Action:

Move to approve of the Intergovernmental Agreement with the City of Mesa for Fire Apparatus Maintenance and Repair Services, on an as needed basis, in an amount not to exceed \$30,000. (FY 22/23 Budgeted Item)

Relevant Council Goal(s):

KRA 9: Public Safety (Fire, Emergency Services, and Police/Sheriff)

Discussion:

Currently, Queen Creek Fire and Medical has an IGA with the Town of Gilbert for Support Services until November 30, 2023, and Hughes Fire Equipment until January 2023 for fire fleet support services. The IGA with the Mesa Fire and Medical Department is for after hours and emergency roadside service as needed. Currently neither Gilbert Support Services nor Hughes Fire Equipment are not set up to provide this service.

The Mesa Fire and Medical Department is a nationally accredited fire agency. All three vendors employ Certified Emergency Vehicle Technicians (EVT) as well as several Pierce Manufacturing Certified Master Technicians. In order to maintain the Town's Fire Equipment, these "best practices" along with the certification level of the mechanics are highly desired in providing the level of service expected by Queen Creek.

The IGA with City of Mesa will be for a three-year term beginning December 1, 2022 to November 30, 2025.

Fiscal Impact:

The IGA for Support Services is included in the FY22/23 Emergency Service Fund. This line item is currently budgeted at \$225,000.

Alternatives:

The Town of Queen Creek currently does not have the resources to provide these specialized services in house so we are required to contract for these services.

If this agreement is not approved, the Town will continue to have services provided by the Town of Gilbert and Hughes Fire Equipment. However, after hours and roadside emergency service may not be available and could impact the fire departments ability to provide services.

Attachment(s):

1. [IGA - City of Mesa Apparatus Repairs and Maint.pdf](#)

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF MESA
AND THE TOWN OF QUEEN CREEK
RELATING TO
FIRE APPARATUS MAINTENANCE AND REPAIR SERVICES**

This intergovernmental agreement ("Agreement") is entered into this 1st day of December 2022, between the City of Mesa, an Arizona municipal corporation ("Mesa"), and the Town of Queen Creek (collectively "Parties").

RECITALS:

WHEREAS, Arizona Revised Statutes, sections 11-951 *et seq.*, authorizes the Parties to enter into an intergovernmental agreement for services; and

WHEREAS, the Parties are authorized by law to provide fire and emergency medical services; and

WHEREAS, the Mesa Fire and Medical Department has a Fleet Maintenance Division that provides preventive maintenance and repair services on all Fire Department vehicles and apparatus; and

WHEREAS, Town of Queen Creek desires to have Mesa provide preventive maintenance and repair services on its fire apparatus; and

WHEREAS, the Parties have determined that it is mutually beneficial for the Mesa Fire and Medical Department to provide fire apparatus maintenance and repair services Town of Queen Creek fire vehicles/apparatus.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements contained in this Agreement, the Parties agree as follows:

SECTION 1 – TERM, TERMINATION

1.1 **Term.** This Agreement shall commence on December 1, 2022 and shall continue until November 30, 2025, unless sooner terminated or renewed pursuant to the provisions of this agreement.

Renewal. This Agreement may be renewed two times following re-negotiation of the terms and conditions of the Agreement. If either Party desires to renew this Agreement, it must give the other Party ninety (90) days notice before the expiration of the then-current term of the Agreement. A renewal term shall not exceed one (1) year.

1.2 **Termination on Notice.** Either Party may terminate this Agreement for any or no reason by providing at least sixty (60) days written notice to the non-terminating party of the intention to terminate. Termination shall be effective sixty (60) days after the effective date of service of the notice.

- 1.3 Termination for Cause. In the event of a material breach of any of the provisions of this Agreement, the non-breaching party may terminate this Agreement by delivering written notice to the breaching party specifically stating the nature of the breach. Upon being served with such notice, the breaching party shall have sixty (60) days from the date of the notice in which to cure said breach. If said breach has not been cured within this sixty (60) day time period, this Agreement shall be deemed terminated. During the cure period, the non-breaching party may suspend performance under this Agreement without penalty.
- 1.4 Termination for Non-appropriation. Mesa is a governmental agency that relies upon the appropriation of funds by its governing body to satisfy its obligations. If Mesa reasonably determines that it does not have funds to meet its obligations under the Agreement, Mesa will have the right to terminate the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, the City will provide written notice of its intent to terminate thirty (30) calendar days prior to the stated termination.

SECTION 2 – SCOPE OF WORK AND COMPENSATION

2.1 Mesa’s Responsibilities and Obligations:

- a. For the term of this Agreement, Mesa shall provide full maintenance and repair services that meet manufacturer maintenance schedules and the applicable National Fire Protection Association fire apparatus guidelines for Town of Queen Creek fire apparatus as needed on a 24-hour basis, seven (7) days per week.
- b. All maintenance and repair services shall be performed by Emergency Vehicle Technician (EVT) certified technicians.
- c. Routine preventative maintenance and major repairs for Town of Queen Creek’s fire apparatus will be performed by Mesa at the Mesa Fire Department Fire Maintenance Facility located at 708 W. Baseline in the City of Mesa.
- d. Mesa shall provide emergency maintenance services at a Town of Queen Creek facility in the event a Town of Queen Creek fire apparatus is not drivable and thus cannot be delivered to the Mesa Fire Maintenance shop.
- e. In providing maintenance services for Town of Queen Creek’s fire apparatus, Mesa shall not obtain assistance from an outside source without the prior written consent of Town of Queen Creek if the cost of such assistance exceeds one thousand dollars (\$1,000.00).
- f. Mesa will loan fire apparatus to Town of Queen Creek upon request at the compensation rate set forth in Section 2.2b(vi) if Mesa has such apparatus available.
- g. Mesa shall maintain records on all repairs made by Mesa to Town of Queen Creek fire apparatus on a computerized record keeping system, and shall provide Town of Queen Creek with monthly summaries of the repairs on a monthly basis.
- h. Mesa shall provide workers compensation coverage, under Mesa’s self-insured policy, for all Mesa employees performing services under this Agreement.

- i. Mesa shall submit an invoice to Town of Queen Creek on a quarterly basis reflecting the compensation owed by Town of Queen Creek, which amount shall be calculated pursuant to the provisions set out in Section 2.2.

2.2 Town of Queen Creek's Responsibilities and Obligations:

- a. Town of Queen Creek shall both deliver to and pick up from the Fire Maintenance shop, located at 708 W. Baseline in the City of Mesa, all fire apparatus needing or having received maintenance or repairs.
- b. Compensation to be paid by Town of Queen Creek to Mesa under this Agreement shall be calculated as follows:
 - (i) Town of Queen Creek shall pay a labor rate of \$103.04 per hour for maintenance services performed between the hours of 6 a.m. and 2:30 p.m., Monday through Friday; and
 - (ii) Town of Queen Creek shall pay a labor rate of \$118.21 per hour for maintenance services performed on weekends, holidays, and for services performed outside of the weekday hours stated in Section 2.2b(i); and
 - (iii) In addition to the hourly labor rates stated in Sections 2.2b(i) and 2.2b(ii), Town of Queen Creek agrees to pay for all parts and materials utilized in the maintenance and repair of Town of Queen Creek fire apparatus. The cost to Town of Queen Creek for such parts and materials shall be the same as Mesa's cost, plus a ten percent (10%) handling fee; and
 - (iv) Town of Queen Creek agrees to pay for costs incurred in the event that Mesa obtains maintenance assistance from an outside source as provided in Section 2.1e. The cost for such outside maintenance assistance shall be Mesa's cost plus a ten percent (10%) handling fee with a cap of one thousand dollars (\$1,000.00), absent prior approval from Town of Queen Creek for any amount exceeding the cap; and
 - (v) If Town of Queen Creek does not deliver and/or pick up fire apparatus needing or receiving maintenance or repairs as required under Section 2.2a, then Town of Queen Creek shall reimburse Mesa for any costs incurred by Mesa in delivering or returning Town of Queen Creek's fire apparatus; and
 - (vi) Town of Queen Creek shall pay Mesa two hundred dollars (\$200.00) per day for the rental of apparatus as specified in Section 2.1f. The rented apparatus shall be returned to Mesa cleaned and fully fueled.
 - (vii) The compensation described in Section 2.2b(i) and 2.2b(ii), may be adjusted up to 8% on July 1 of each year of the contract term.

- c. Within forty-five (45) days after receiving an invoice(s), Town of Queen Creek shall pay Mesa all compensation due and owing as determined pursuant Section 2.2b.

SECTION 3 – INDEMNIFICATION AND LIMITATION OF LIABILITY; INSURANCE

- 3.1 Town of Queen Creek shall defend, indemnify, and hold harmless Mesa, its officers, agents, employees, elected and appointed officials, and volunteers, from and against all actions, lawsuits, losses and expenses (including court costs, expenses for litigation, and reasonable attorney fees), damages, claims, or other liabilities of any kind (“Liability”) resulting from or arising out of this Agreement and/or Mesa’s performance hereunder (including, without limitation, Liability on account of any injury, sickness, disease, or death of any person or damage, destruction, or loss of any property). The obligations of the foregoing indemnification provision shall not apply in the event that any such Liability is found to have resulted from the negligence or intentional misconduct of Mesa.
- 3.2 Town of Queen Creek shall obtain and maintain at its expense throughout the Term of this Agreement, at a minimum, commercial general liability insurance in amounts not less than \$3 million per occurrence and \$5 million in the aggregate for bodily injury, personal injury, and products and completed operations with broad form contractual and property damage coverage. Town of Queen Creek shall also obtain and maintain at its expense through the Term of this Agreement automobile liability insurance for bodily injury and property damage with a limit of \$1 million per occurrence, including owned, hired and non-owned autos. Town of Queen Creek shall also cause their annual automobile insurance policy to be endorsed to be the primary coverage on any and all Mesa vehicles/apparatus whenever those vehicles/apparatus are loaned to Town of Queen Creek as set forth in Section 2.1f. Failure to produce sufficient evidence of the endorsement on an annual basis shall be considered a breach of this Agreement and must be remedied before any further vehicles loans can continue. The intent of this provision is that any coverage that Mesa may carry on its vehicles shall be secondary to and non-contributory to Town of Queen Creek’s coverage during the loan period when the substitute vehicles are under Town of Queen Creek’s control.

Nothing in this Section 3.2 shall limit Town of Queen Creek’s responsibility to Mesa. The insurance requirements herein are minimum requirements for the Agreement and in no way limit the indemnity promise contained in Section 3.1 of this Agreement.

Mesa does not warrant that the minimum limits contained herein are sufficient to protect Town of Queen Creek from liabilities that might arise out this Agreement Town of Queen Creek is encouraged to purchase additional insurance as it deems necessary.

Each insurance policy required under this Agreement must be in effect at or prior to the execution of the Agreement and remain in effect for the Term of the Agreement.

Prior to the execution of the Agreement, Town of Queen Creek will provide Mesa with a Certificate of Insurance (using an appropriate “ACORD” or equivalent certificate) signed by the insurer with applicable endorsements. Mesa reserves the right to request additional copies of any or all of the policies, endorsements or notices relating thereto under the Agreement.

When Mesa requires a Certificate of Insurance to be furnished, Town of Queen Creek's insurance is primary of all other sources available. When Mesa is a certificate holder or additional insured Town of Queen Creek agrees no policy will expire, be canceled, or be materially changed to affect the coverage available without advance written notice to the City.

The policies required by this Agreement must contain a waiver of transfer of rights of recovery (waiver of subrogation) against Mesa, its agents, representatives, officials, volunteers, officers, elected and appointed officials, and employees for any claims arising out of the performance of services under this Agreement.

All insurance certificates and applicable endorsements are subject to review and approval by Mesa's Risk Management Division.

SECTION 4 - MISCELLANEOUS

- 4.1 Funding. Each party to this agreement shall have the separate and independent responsibility of budgeting for and funding its own participation in this Agreement.
- 4.2 A.R.S. §38-511. This Agreement may be cancelled in accordance with Arizona Revised Statutes §38-511.
- 4.3 Entire Agreement. This Agreement constitutes the entire agreement between Town of Queen Creek and Mesa with respect to the subject matter hereof. This Agreement further supersedes all other oral and written representations, understandings, or agreements relating to the subject matter hereof.
- 4.4 Amendments. This Agreement may be modified only by a written amendment signed by both parties. However, if mutually agreed, the parties may enter into specific supplemental written agreements, subject to appropriate approvals, to accomplish the goals of this Agreement and to carry out its terms and conditions.
- 4.5 Assignment. Neither party shall assign or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the other party. Any such assignment or other transfer, either voluntary or by operation of law, shall be void.
- 4.6 Waiver. The parties agree that no waiver of any default or breach of any of the terms or conditions of this Agreement shall be construed to be a waiver of any succeeding breach or default.
- 4.7 Governing Law. This Agreement shall be governed by the laws of Arizona.
- 4.8 Severability. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- 4.9 No Partnership. Nothing contained in this Agreement shall create any partnership, joint venture or other arrangement between the parties. Except as specifically provided hereunder,

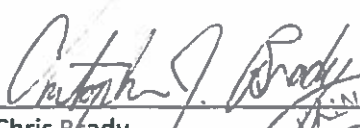
each party shall at all times be an independent operator and shall not at any time purport to act as an agent of any other party, or any of its officers or agents.

4.10 Force Majeure. Either party shall be excused for delay or failure to perform its obligations under this Agreement, in whole or in part, when and to the extent that such delay or failure is a result of causes beyond the control and without the fault or negligence of the party unable to perform. Such causes include, without limitation, acts of God, acts of the public enemy, acts of the United States government, fires, floods, epidemics, quarantine restrictions or embargoes.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year first written above.


CITY OF MESA
A Municipal Corporation

TOWN OF QUEEN CREEK


Chris Brady
City Manager

John Kross
Town Manager

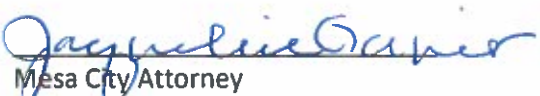


ATTEST:

Joely Masely
City Clerk

ATTEST:

Town Clerk

In accordance with A.R.S. § _____, this Agreement has been reviewed by the undersigned attorneys who have determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the respective public entities they represent.


Mesa City Attorney

Queen Creek Attorney


Date

Date



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: VANCE GRAY, FIRE CHIEF

RE: CONSIDERATION AND POSSIBLE RENEWAL OF THE INTERGOVERNMENTAL AGREEMENT FOR THE REGIONAL METROPOLITAN PHOENIX FIRE SERVICE AUTOMATIC AID.

DATE: December 21, 2022

Suggested Action:

To approve the renewal of the Intergovernmental Agreement for the Regional Metropolitan Phoenix Fire Service Automatic Aid.

Relevant Council Goal(s):

KRA 9: Public Safety (Fire, Emergency Services, and Police/Sheriff)

Discussion:

Queen Creek Fire and Medical has been a member in the Regional Metropolitan Phoenix Fire Service Automatic Aid Agreement since 2008. There are currently twenty-three fire departments that make up this valley wide system. Fire Chiefs who are signatories on the Automatic Aid Agreement oversee and manage the agreement as part of the Central Arizona Life Safety Council.

The automatic aid agreement is an important and valued partnership benefitting Queen Creek as well as other cities and towns in the Phoenix area in two primary ways. First, fire departments who are a part of the automatic aid system operate essentially as one fire department in both providing services to other agencies and receiving services from other agencies. This creates a reciprocal and seamless (no delay in dispatching resources needed for another agency) approach to an emergency response since the two regional 911 dispatch centers are able to dedicate resources to an emergency as if operating as one single agency.

Second, the automatic aid system is technically able to ensure that when dispatching emergency units from within the automatic aid system the closest emergency unit(s) to a particular emergency respond, no matter what agency they may be from. This is accomplished through software and hardware systems linking 911 dispatch centers to emergency units in the field pinpointing exact locations of fire units throughout the Phoenix region.

Automatic aid should not be confused with mutual aid, as they are two distinct methodologies. Automatic provides a quicker response of emergency units based on the explanations provided

above while mutual aid does not possess any of those characteristics and relies on requests for assistance from one agency to another to go through multiple communications steps and approvals before any emergency units are sent. Mutual aid requests also does not guarantee the closest units respond to assist; mutual aid simply makes a verbal request for a resource to respond. This equates to automatic aid being the faster, more efficient means in getting emergency units and personnel to the scene of an emergency and serving the public in the best way.

Fiscal Impact:

This is a reciprocating agreement with our regional partners. Emergency services are both received and given as needed.

Alternatives:

The Mayor and Council could direct staff to not be a signatory on this agreement. In that case Queen Creek would not be a part of the regional automatic aid system, and instead, rely on mutual aid for any assistance needed for Queen Creek.

Attachment(s):

1. [IGA_Regional Metropolitan Phoenix Fire Service Automatic Aid.pdf](#)

**INTERGOVERNMENTAL AGREEMENT FOR
THE REGIONAL METROPOLITAN PHOENIX
FIRE SERVICE AUTOMATIC AID**

This Intergovernmental Agreement (“Agreement”) is made and entered into by and between the Cities, Towns, Fire Districts, and governmental jurisdictions (hereinafter collectively referred to either as “Participants,” or “Parties,” and sometimes referred to individually as “Participant” or “Party”), to provide for automatic assistance for fires and other types of emergency incidents as described under the terms of this Agreement (the “Automatic Aid System”). The initial Participants are listed in Attachment A to this Agreement, which Attachment shall be amended upon the addition of new members as set forth herein.

RECITALS

WHEREAS, agreements for automatic assistance in fire protection and response to other emergencies have existed between specific municipalities and governmental jurisdictions; and

WHEREAS, the Automatic Aid System has been in existence since 1976 to provide the highest levels of service in conjunction with the most effective use of local fire department/district resources working collaboratively through intergovernmental cooperation; and

WHEREAS, the Participants in the Automatic Aid System seek to provide the most efficient, safe, and effective fire-rescue-emergency medical services to their respective communities; and

WHEREAS, the safety of the employees of each Participant is paramount; and

WHEREAS, this Agreement shall encourage the development of cooperative procedures and protocols, including, but not limited to, the possibility of joint purchasing, coordination of communications, training, health and safety, fire prevention, public education, fire investigations and other activities that will enhance each Participant’s ability to fulfill its mission; and

WHEREAS, the Participants are committed to demonstrate public equity through reasonable commitment and distribution of resources within their jurisdictions to ensure that no Participant unfairly benefits at the expense of other Participants and that jurisdictional equity and autonomy is maintained; and

WHEREAS, it is the desire of the Participants to continue and improve the nature and coordination of emergency assistance to incidents that threaten loss of life or property within the geographic boundaries of their respective jurisdictions; and

WHEREAS, it is further the determination of each of the Participants that the decision to

enter into this Agreement constitutes a fundamental governmental policy of the Parties hereto and, by entering this Agreement each Participant has made the determination that the policies and procedures set forth in this Agreement constitute the proper use of the resources available with respect to the provision of governmental services and the utilization of existing resources of each of the Parties hereto, including the use of equipment and personnel; and

WHEREAS, it is the desire of the Participants to initiate and/or renew their support for an Automatic Aid System for fire department/district services.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 - PURPOSE AND AUTHORITY

- 1.1 **Purpose.** All Parties to this Agreement agree that its purpose is to provide a highly efficient, effective and mutually beneficial relationship among multiple regional jurisdictions to provide for the overall public safety of the region through an Automatic Aid System. This Agreement will continue to allow for an automatic response of the closest, most appropriate fire department/district resources.
- 1.2 **Authority.** The Parties acknowledge that this Agreement is being entered into pursuant to the Intergovernmental Agreement Statute, Section 11-952, Arizona Revised Statutes (“A.R.S.”)
- 1.3 **Effect on Prior Agreements.** The Parties further understand that this Agreement supersedes any previous automatic aid agreements between any of the Parties hereto.

ARTICLE 2—AUTOMATIC AID ELIGIBILITY STANDARDS AND REQUIREMENTS

To be eligible to participate in the Automatic Aid System, a Participant shall meet the standards and requirements set forth in this Article at all times during the Term of this Agreement. Any Participant failing to meet these eligibility standards and requirements is subject to removal from the Automatic Aid System as prescribed herein.

- 2.1 **Allocation of Resources.** It is agreed that the scope of this Agreement includes automatic assistance in responding to fires, medical emergencies, hazardous materials incidents, rescue and extrication situations and other types of emergency incidents that are within the standard scope of services provided by fire departments/districts in the Automatic Aid System.

- A. **Standard Automatic Dispatch.** The Participants executing this Agreement agree to dispatch their respective assigned fire department/district units on an automatic basis. The Computer Aided Dispatch and Automatic Vehicle Locator system will automatically determine the closest available, most appropriate unit(s) regardless of jurisdictional boundaries. Each jurisdiction agrees that such unit(s) will respond.

- B. **Specialized Unit Dispatch.** Participants agree the assignment of a specialized unit to an incident relies on predefined response levels (as predefined by Volume II Standard Operating Procedure Phoenix Fire Department) to specific types of incidents, the closest specialized unit to the call, and/or any special call for resources that may be made by an incident commander and is not pre-programmed in the CAD system. This includes, but is not limited to, hazardous materials support, technical rescue support, loss control, rehab, command, utility, brush, and water tenders. Members assigned to a specialized unit will be required to complete all initial training and continuing education requirements of the specialty. The current recognized regional Special Operations training program is the Phoenix Fire Department Special Operations training program. The inclusion of other recognized training programs will be approved by the Life Safety Council.

2.2 **Standard Service Requirements.** Participants in this Agreement agree to the following standard service requirements as the primary response system elements:

- A. **Communications and Dispatch.** All Participants must be part of the Phoenix Fire Regional Dispatch System or the Mesa Fire Regional Dispatch System. All Participants must also be a member of either the Phoenix Regional Wireless Cooperative (“PRWC”) or the Topaz Regional Wireless Cooperative (“TRWC”). Departments/Districts that enter the system that are not members of PRWC or TRWC shall have an active plan to become members within one (1) year of entry. For a Participant(s) that does not meet this requirement, any Party can request a vote of the Central Life Safety Response System Council for a determination as to whether the Participant(s) not meeting this requirement will remain eligible for automatic aid response, or if that Participant(s) will then default to a mutual aid response. These Regional Dispatch Systems will use a Computer Aided Dispatch (“CAD”) system that automatically selects the closest, most appropriate Participants’ unit(s) for dispatch. The CAD system shall be a centralized, totally integrated unit dispatch/status keeping system.
 - (1) The CAD system will allow the most appropriate emergency response unit closest to an emergency to be dispatched automatically— regardless of the jurisdiction where the emergency occurs or the jurisdictional affiliation of the response unit. The CAD system utilizes Automatic Vehicle Location (“AVL”) equipment to

discern the location of emergency response units and a computerized Geographic Information System (“GIS”) to discern the location of the emergency call. The AVL and GIS systems allow the CAD system to match the closest response unit to the emergency and recommend it for dispatch within the Automatic Aid System boundaries. Each Automatic Aid System Participant shall ensure that its respective emergency response apparatus and vehicles are equipped with AVLs.

- (2) The Regional Dispatch System relies on a consistent and preplanned system of communications. Communications support for Participants includes a comprehensive radio system with multiple tactical radio frequencies. Participants are required to provide for their individual needs to ensure consistent, interoperable and safe communications not only within their jurisdictional areas, but within the entire Automatic Aid System.
- (3) If the Life Safety Council decides at any time that additional communications infrastructure is necessary to meet the operational requirements of the Automatic Aid System, each Participant will be responsible for all costs, authorizations and/or agreements to maintain interoperable communications within its jurisdictional boundaries.

B. Command Procedures. All Participants will use standard command procedures. A standardized Incident Management System (“IMS”) provides for efficient management of the emergency and for the safety of firefighters through the use of standard terminology, reporting relationships, and support structures. The IMS and associated standard operating procedures adopted for use by all Automatic Aid Participants is the Phoenix Fire Department’s Standard Operating Procedures in the Phoenix Volume II Manual (which can be obtained by sending an e-mail to firechief.pfd@phoenix.gov), or the Mesa Fire and Medical Department Standard Operating Procedures 200 Series available at fireinfo@mesaaz.gov.

C. Incident Management and Minimum Company Standards. Participants shall use the same set of procedures for Incident Management and Minimum Company Standards according to Volume II, Standard Operating Procedures Phoenix Fire Department (basic evolutions used by the fire service) or the Mesa Fire and Medical Department Standard Operations Procedures 200 Series. It is required that Command Officers that function in an Operational response capacity, attend at least 50% of the Command Officer training curriculum offered at the Phoenix Fire Department Command Training Center, or as determined by the Central Arizona Life Safety Response System Council. Participants that do not meet this

requirement are subject to removal from the Automatic Aid System, as determined and voted on by the Central Arizona Life Safety Response System Council.

- D. Incident Safety Officer.** To ensure safety, all Participants agree that their standard operating procedures and command procedures shall match those adopted by the Life Safety Council. To do this, Participants shall use an Incident Safety Officer System (“ISOS”) that will follow NFPA Standard 1521.
- E. Compatible Equipment.** To ensure compatibility of equipment, Participants shall maintain an inventory of equipment (based on National Fire Protection Association (“NFPA”) standards), including hoses, couplings, pump capacity, communications equipment, and will maintain the minimum standard amount of equipment on each type of apparatus (as recommended by all applicable NFPA standards).
- F. Standardized Numbering and Terminology.** Participants shall utilize the Valley-wide apparatus numbering system and standardized terminology for apparatus and fire stations as established and maintained by the Life Safety Council.
- G. Standardized Response Criteria.** Participants shall use standardized response criteria (*i.e.*, pre-established type and number of apparatus that will be automatically dispatched based on type of call as per standard NFPA and International Organization for Standardization (“ISO”) recommendations). The CAD system can tailor the response to specific types of incidents by jurisdiction, or part of a jurisdiction, upon request by the jurisdiction needing the tailored response. This includes the capability to automatically dispatch selected specialty units.
- H. Staffing Levels.** Full staffing as described in NFPA 1710 on engines and ladders provides the most efficient and effective personnel safety and service delivery to the public. System Participants recognize the importance of service delivery and personnel safety issues. The minimum daily staffing level for all engines and ladders shall be four (4) members which is “full staffing” under NFPA 1710.
- **Temporary Reduction in Staffing.** Full staffing may be temporarily reduced to three (3) trained personnel for up to a total of 8 hours in any 24-hour shift period. Departments/Districts that enter the system with a staffing level of three (3) members on any engine and/or ladder shall have an active plan to accomplish full staffing within one (1) year of entry. For a Participant(s) that does not meet this requirement, any Party can request a vote of the Central Life Safety Response System Council for a determination as to whether the

Participant(s) not meeting this requirement will remain eligible for automatic aid response, or if that Participant(s) will then default to a mutual aid response.

- **Other Reductions in Staffing; Changes to Deployment Model.** Any Participants that have reached full staffing, that then subsequently reduce staffing below full staffing, or make significant changes to their deployment model, shall be subject to removal from the Automatic Aid System, as determined and voted on by the Central Arizona Life Safety Response System Council.

I. **Minimum Firefighter Training Standards.** To ensure safety, baseline knowledge and a consistent approach to performing tactical operations, all participants agree to require that all emergency response employees receive initial firefighter recruit training through a recognized regional fire training academy or through an alternative method, as approved by the Life Safety Council, which meets the published curriculum. The four-currently recognized regional fire training academies are Phoenix, Mesa, Glendale and Chandler.

2.3 **Reciprocity; No Guaranty of Perfect Equity.** Participants agree that automatic aid is reciprocal. While this does not ensure that a Participant's jurisdiction will receive the exact amount of assistance it gives, it does mean that all Participants will provide assistance outside their jurisdictional boundaries and that the level of service delivered, and decisions made within the Automatic Aid System will be mutually beneficial to all Participants in the system and will maintain general equity among all Participants to the greatest degree possible.

2.4 **Ownership of Property and Equipment.** Each Participant shall retain ownership of any equipment or property it brings to the performance of this Agreement and shall retain ultimate control of its employees.

2.5 **No Reimbursement for Services.** Except as specifically agreed to by the Parties involved in a specific incident, none of the involved Parties shall be reimbursed by any of the others for any costs incurred in responding pursuant to this Agreement. In the event of formally declared disasters, however, Participants may directly apply for reimbursements from County, State and/or Federal agencies as appropriate.

ARTICLE 3–LIFE SAFETY COUNCIL; VOTING

3.1 **Life Safety Council.** The Participants shall be jointly responsible for administering this Agreement through the Central Arizona Life Safety Response

System Council (the "Life Safety Council"). The purpose of the Life Safety Council is to ensure the effective and efficient operation of the Automatic Aid System. Each

Participant is a member of the Life Safety Council and is expected to participate in scheduled meetings.

A. Composition. The Fire Chief from each Participant shall serve as the official representative to the Life Safety Council from that jurisdiction. The Fire Chief may appoint an alternate to attend Life Safety Council meetings.

B. Responsibilities. The responsibilities of the Life Safety Council shall be as follows:

- (1) Evaluate requests to participate in this Automatic Aid Agreement from other fire departments/districts that are dispatched by the Phoenix Dispatch Center or Mesa Dispatch Center. Requests for participation will be evaluated to ensure compliance with the Automatic Aid Eligibility Standards and Requirements prescribed herein and to determine impact upon existing Participants.
- (2) Evaluate proposed modifications to a Participant's service delivery model for compliance with the criteria established herein and for impact on other Participants.
- (3) Establish such technical committees or working groups as may be necessary for the efficient and effective operation of the Automatic Aid System.
- (4) Develop, approve or modify such technical documents as may be necessary for the efficient and effective operation of the Automatic Aid System.
- (5) Develop, within the first year of this Agreement, Life Safety Council bylaws establishing Life Safety Council procedure, such as and without limitation, notice of meetings, the taking of meeting minutes, the distribution of minutes, etc.
- (6) Evaluate and consider for adoption national benchmarks as may be appropriate for implementation within the Automatic Aid System.
- (7) Develop, approve or modify alternative response models as appropriate based on the area served by the Participants (i.e. urban, suburban, rural), which may be subsequently implemented by Participants.
- (8) Establish methods for service measurement, provided that:
 - (a) "Time of dispatch" will be measured from the point in time at which the Dispatch and Deployment Center has notified the

station, or the responding unit out of the station, of the call through the station alert system, radio, or Mobile Computer Terminal (“MCT”).

(b) “Response time” will be measured from the Time of Dispatch to the time of arrival on-scene.

(9) Vote on all actions that will significantly or materially impact or change the responsibilities of the Life Safety Council and/or the automatic aid eligibility standards and requirements for the Participants’, as prescribed in this Agreement, utilizing the voting process set forth below.

3.2 Voting Process. For matters pertaining to this Agreement that require voting by the Life Safety Council, the voting process shall incorporate tiered voting. The initial vote (Tier 1) will utilize a single, non-weighted vote per Participant. After the initial vote has been conducted, any Participant shall have the right to request a second vote that will utilize weighted voting (Tier 2). For the weighted vote, each individual Participant’s vote will be formed by assigning a percentage to that Participant. The percentage to be assigned will be calculated based upon that individual Participant’s total calls for service within that Participant’s geographical boundaries, compared to the total number of calls for service within the geographical boundaries of all Participants to this Agreement combined (see Attachment B). This calculation will be based on the reported call volumes as determined by the Regional Computer Aided Dispatch centers. Any members’ voting weight exceeding forty percent (40%) shall be reduced and will be weighted to no more and to no less than 40%. Such reduction shall not affect the weighted vote of any other member. The percentages assigned to Participants will be reviewed, recalculated and reassigned every five (5) years at the time this Agreement is renewed.

3.3 Passage. In order to pass, all matters to be voted on by the Life Safety Council will require a simple majority vote for Tier 1 voting, and for Tier 2 voting, a majority vote of at least fifty-one (51) percent is required.

ARTICLE 4–SERVICE AREA CHANGES

4.1 Service Area Changes. Certain changes to a Participant’s operations within its service area have the potential to negatively affect its neighboring Participants and ultimately negatively affect the Automatic Aid System in its entirety. The occurrence of the following events is subject to review by the Life Safety Council.

A. Reduction in Service Levels. If at any time while this Agreement is in effect, an Automatic Aid System Participant desires to, close a fire station and/or increase its geographical/jurisdictional boundaries to include an area more than five (5) square miles, or reduce its level of fire, medical or

emergency services provided within its municipal or jurisdictional boundaries, the Automatic Aid System Participant desiring to initiate the change and prior to initiating the change, will give a minimum of 120 day notice to all Parties for a 30 day review period for any potential impacts to the system. This notice shall include a proposed plan on how the notifying party will maintain the requirements and standards set forth in Article 2 of this Agreement. If after review, it is determined by any Participant that the change will result in a change to the response order of another jurisdiction's primary response units or any other negative impact to any jurisdiction or to the system as a whole, any Party can request a vote of the Central Life Safety Response System Council for a determination as to whether the proposed newly modified area will remain eligible for automatic aid response or if the proposed newly modified area will then default to a mutual aid response. The Council will utilize the voting process set forth in this Agreement.

ARTICLE 5–MUTUAL AID AND OTHER AGREEMENTS

- 5.1 Mutual Aid Areas.** Calls to response areas outside of the jurisdictional boundaries of the Participants in the Automatic Aid System will be considered mutual aid when such written agreements between relevant parties exist or when a Participant has been defaulted from the Automatic Aid System and deemed a Mutual Aid Member (as set forth in Article 4, Service Area Changes). Requests for and responses to mutual aid will be at the sole discretion of the parties involved. Any response to a mutual aid jurisdiction by a Participant will not bind any other Participant to respond. Under these circumstances, a mutual aid request may require approval by the highest ranking on-duty fire officer of the Participant asked to provide the resources.
- 5.2 Other Agreements.** Nothing in this Agreement shall limit the ability of any or all the Parties from continuing to perform under existing agreements (other than any previous automatic aid agreements between any of the Parties, hereto, which upon execution of this Agreement are superseded), entering into future agreements, or agreeing to participate in more specific contracts for services, mutual assistance or automatic response(s) or prohibit any of the Parties from providing emergency assistance to another jurisdiction that is not a Participant in this Agreement. Such agreements will not be binding on or commit any other Participants to provide automatic aid or mutual aid to the other jurisdiction; such other future agreements also do not extend any rights associated with this Agreement to any other entity that is not a Party.

ARTICLE 6–TERM OF THE AGREEMENT

- 6.1 Term; Renewal.** This Agreement shall commence on December 20, 2022, and shall continue in force through December 19, 2032, or until terminated by formal act of the Parties. This Agreement shall automatically renew for successive five-

year terms, unless terminated earlier by formal act of the Parties.

- 6.2 Termination.** If an individual Party wishes to terminate its participation in this Agreement, it shall provide all Participants 120 days' formal notice, in writing, of intention to terminate. That terminating party's termination will then be effective on the 121st day after notice has been provided, unless the notice to terminate has been withdrawn.

ARTICLE 7—GENERAL TERMS AND CONDITIONS

- 7.1 No Third-Party Beneficiaries.** The Parties expressly agree that this Agreement is neither intended by any of its provisions to create any third-Party beneficiary, nor to authorize anyone not a Party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.
- 7.2 Workers' Compensation.** To the extent required by law, and pursuant to A.R.S. §23-1022(D), for the purposes of workers' compensation coverage, all employees of each Party covered by this Agreement shall be deemed to be an employee of all Parties. The agency which regularly employs an employee entitled to workers' compensation arising out of work associated with this Agreement shall be the agency solely liable for payment of all workers' compensation and related benefits.
- 7.3 Immigration Requirements.** To the extent applicable by law, the Parties will comply with the Immigration Reform and Control Act of 1986 ("IRCA") and will permit inspection of its personnel records to verify such compliance. To the extent applicable under A.R.S. § 41-4401, each Party warrants compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Each Party has the right to inspect the papers of the other Parties participating in this Agreement to ensure compliance with this paragraph. A Party's breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement.
- 7.4 No Joint Venture.** No term or provision in this Agreement is intended to create a partnership, joint venture or agency arrangement between any of the Parties.
- 7.5 Notices.** Any notice to be provided to a Party or Parties to this Agreement shall be satisfied by sending a written letter by U.S. mail, certified, return receipt to the current fire chief of each respective Participant. Notice shall be deemed effective five days after mailing.
- 7.6 Cancellation for Conflicts of Interest.** This Agreement is subject to cancellation pursuant to the provisions of A.R.S. § 38-511.
- 7.7 No Israel Boycott.** In accordance with A.R.S. § 35-393.01, by entering into this

Agreement, each Participant certifies that it is not currently engaged in, and agrees that for the duration of this Agreement to not engage in a boycott of Israel.

REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF PHOENIX, a municipal corporation
Jeffrey Barton, City Manager

By: _____
Michael J. Duran
Fire Chief

ATTEST:

City Clerk

APPROVED AS TO FORM:

Assistant Chief Counsel

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF PHOENIX

By: _____
David Lavelle
Assistant Chief Counsel

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF AVONDALE, a municipal corporation

By: _____
Cherlene Penilla
Acting City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF AVONDALE

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

ARIZONA FIRE AND MEDICAL AUTHORITY

By: _____
Mark Burdick
Fire Chief

ATTEST:

Authority Administrative Director

APPROVED AS TO FORM:

Authority Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

ARIZONA FIRE AND MEDICAL AUTHORITY

By: _____
Authority Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF BUCKEYE a municipal corporation

By: _____
Daniel Cotterman
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF BUCKEYE

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

BUCKEYE VALLEY FIRE DISTRICT

By: _____
Mark Burdick
Fire Chief

ATTEST:

District Clerk

APPROVED AS TO FORM:

District Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

BUCKEYE VALLEY FIRE DISTRICT

By: _____
District Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF CHANDLER, a municipal corporation

By: _____
Joshua Wright
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF CHANDLER

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

DAISY MOUNTAIN FIRE AND MEDICAL

By: _____
Brian Tobin
Fire Chief

ATTEST:

Clerk

APPROVED AS TO FORM:

Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

DAISY MOUNTAIN FIRE AND MEDICAL

By: _____
Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF EL MIRAGE, a municipal corporation

By: _____
Crystal Dyches
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF EL MIRAGE

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF GLENDALE, a municipal corporation

By: _____
Kevin Phelps
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF GLENDALE

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

TOWN OF GILBERT, a municipal corporation

By: _____
Patrick Banger
Town Manager

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

TOWN OF GILBERT

By: _____
Town Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF GOODYEAR, a municipal corporation

By: _____
Julie Karins
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF GOODYEAR

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

TOWN OF GUADALUPE, a municipal corporation

By: _____
Valarie Molina
Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

TOWN OF GUADALUPE

By: _____
Town Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF MARICOPA, a municipal corporation

By: _____
Rick Horst
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF MARICOPA

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF MESA, a municipal corporation

By: _____
Chris Brady
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF MESA

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF PEORIA, a municipal corporation

By: _____
Jeff Tyne
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF PEORIA

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

TOWN OF QUEEN CREEK, a municipal corporation

By: _____
John Kross, ICMA-CM
Town Manager

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

TOWN OF QUEEN CREEK

By: _____
Town Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

RIO VERDE FIRE DISTRICT

By: _____
Jay Ducote
Fire Chief

ATTEST:

District Clerk

APPROVED AS TO FORM:

District Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

RIO VERDE FIRE DISTRICT

By: _____
District Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF SCOTTSDALE, a municipal corporation

By: _____
David D. Ortega
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF SCOTTSDALE

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

SUN CITY FIRE DISTRICT

By: _____
Rob Schmitz
Fire Chief

ATTEST:

District Clerk

APPROVED AS TO FORM:

District Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

SUN CITY FIRE DISTRICT

By: _____
District Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

SUPERSTITION FIRE AND MEDICAL DISTRICT

By: _____
John Whitney
Fire Chief

ATTEST:

District Clerk

APPROVED AS TO FORM:

District Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

SUPERSTITION FIRE AND MEDICAL DISTRICT

By: _____
District Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF SURPRISE, a municipal corporation

By: _____
Bob Wingenroth
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF SURPRISE

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF TEMPE, a municipal corporation

By: _____
Andrew Ching
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF TEMPE

By: _____
City Attorney

Date: _____

IN WITNESS HEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF TOLLESON, a municipal corporation

By: _____
Reyes Medrano Jr.
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION BY LEGAL COUNSEL

In accordance with the requirements of A.R.S § 11-952(D), the undersigned Attorney acknowledges that (i) he/she has reviewed the above agreement on behalf of his/her client and (ii) as to only his/her client, has determined that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

CITY OF TOLLESON

By: _____
City Attorney

Date: _____

ATTACHMENT A

AUTOMATIC AID SYSTEM PARTICIPANTS

	PARTICIPANT	DATE APPROVED
1	Avondale Fire and Medical	
2	Arizona Fire and Medical Authority	
3	Buckeye Fire and Medical	
4	Buckeye Valley Fire District	
5	Chandler Fire Department	
6	Daisy Mountain Fire and Medical	
7	El Mirage Fire Department	
8	Glendale Fire Department	
9	Gilbert Fire Department	
10	Goodyear Fire Department	
11	Guadalupe Fire Department	
12	Maricopa Fire Department	
13	Mesa Fire and Medical	
14	Peoria Fire and Medical	
15	Phoenix Fire Department	
16	Queen Creek Fire Department	
17	Rio Verde Fire District	
18	Scottsdale Fire Department	
19	Sun City Fire District	
20	Superstition Fire and Medical	
21	Surprise Fire and Medical	
22	Tempe Fire and Medical	
23	Tolleson Fire Department	

ATTACHMENT B

VOTING PROCESS and WEIGHTED VOTE PERCENTAGE

For matters pertaining to this Agreement that require voting by the Life Safety Council, the voting process shall incorporate tiered voting. The initial vote (Tier 1) will utilize a single, non-weighted vote per Participant. After the initial vote has been conducted, any Participant shall have the right to request a second vote that will utilize weighted voting (Tier 2). For the weighted vote, each individual Participant's vote will be formed by assigning a percentage to that Participant. The percentage to be assigned will be calculated based upon that individual Participant's total calls for service within that Participant's geographical boundaries, compared to the total number of calls for service within the geographical boundaries of all Participants to this Agreement combined. This calculation will be based on the reported call volumes as determined by the Regional Computer Aided Dispatch centers. Any members' voting weight exceeding forty percent (40%) shall be reduced and will be weighted to no more and to no less than 40%. Such reduction shall not affect the weighted vote of any other member. The percentages assigned to Participants will be reviewed, recalculated and reassigned every five (5) years at the time this Agreement is renewed.

Call Volume by Jurisdiction					
Jurisdiction	#Incidents	%Incidents	Vote	Yes	No
Arizona Fire and Medical Authority	14,786	2.44%			
Avondale Fire and Medical	10,551	1.74%			
Buckeye Fire and Medical	8,695	1.43%			
Buckeye Valley Fire District	2,191	0.36%			
Chandler Fire, Health & Medical	26,027	4.29%			
Daisy Mountain Fire and Medical	4,845	0.80%			
El Mirage Fire Department	3,312	0.55%			
Goodyear Fire Department	10,922	1.80%			
Gilbert Fire Department	21,331	3.52%			
Glendale Fire Department	34,782	5.73%			
Guadalupe Fire Department	1,134	0.19%			
Maricopa Fire Department	6,092	1.00%			
Mesa Fire and Medical	82,815	13.65%			
Peoria Fire and Medical	22,829	3.76%			
Phoenix Fire Department	241,565	39.83%			
Queen Creek Fire Department	8,360	1.38%			
Rio Verde Fire District	898	0.15%			
Scottsdale Fire Department	37,188	6.13%			
Sun City Fire District	11,135	1.84%			
Superstition Fire and Medical District	7,779	1.28%			
Surprise Fire and Medical	18,602	3.07%			

Tempe Fire and Medical	28,502	4.70%			
Tolleson Fire Department	2,210	0.36%			
Grand Total	606,551	100.00%			



TOWN OF
QUEEN CREEK
ARIZONA

8.K

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER
FROM: SCOTT MCCARTY, FINANCE DIRECTOR
RE: CONSIDERATION AND POSSIBLE APPROVAL OF A CHANGE ORDER WITH N. HARRIS COMPUTER CORPORATION'S ADVANCED UTILITY SYSTEMS FOR SOFTWARE IMPLEMENTATION SERVICES WITH CORRESPONDING BUDGET AMENDMENT IN AN AMOUNT NOT TO EXCEED \$473,393.
DATE: December 21, 2022

Suggested Action:

To approve a Change Order to amend the contract with N. Harris Computer Corporation Advanced Utility Systems for software implementation services, with a project budget amendment in an amount not to exceed \$473,393.

Relevant Council Goal(s):

- Superior Infrastructure: KRA Technology
- Effective Government: Intended Outcome: Increase effectiveness and efficiency of government services.

Discussion:

See attached staff report.

Fiscal Impact:

See attached staff report.

Alternatives:

Based on the increasing vulnerability of the current utility billing software and costs now exceeding \$2.2M invested in the new utility billing system implementation, there is no viable alternative that would achieve the goals already approved by the Town Council for the ongoing utility billing system.

Attachment(s):

1. [Staff Report CIS Project Change Order](#)
2. [Change Order to Software Implementation Services Agreement](#)



Requesting Department

Finance

TO: HONORABLE TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER, ICMA-CM

FROM: SCOTT MCCARTY, FINANCE DIRECTOR

RE: Consideration and possible approval of a Change Order with N. Harris Computer Corporation's Advanced Utility Systems for software implementation services with corresponding budget amendment in an amount not to exceed \$473,393.

DATE: December 21, 2022

Staff Recommendation:

Staff recommends approval of Change Order with N. Harris Computer Corporation's Advanced Utility Systems for software implementation services, with corresponding budget amendment in an amount not to exceed \$473,393.

Relevant Council Goal(s):



Superior Infrastructure: KRA Technology



Effective Government: Intended Outcome: Increase effectiveness and efficiency of government services.

Proposed Motion:

Staff recommends motion to approve a Change Order to amend the contract with N. Harris Computer Corporation Advanced Utility Systems for software implementation services, with a project budget amendment in an amount not to exceed \$473,393.

Discussion:

In October 2021, staff brought Change Orders No. 7a, 8, 9, 10, and 11 to the Town Council for approval. These changes related to two issues. One, the acquisition of the Diversified Water Utilities Company. This acquisition required necessary support from various project members and the overall effort had to be carefully coordinated with the new billing system implementation. The effort required additional time and support from AUS for system configuration, testing and data conversion. Two, several critical items were identified that were not included in the original scope of work and without these items certain operations and overall functionality would be significantly limited/impaired.

Critical items included 1) meter latitude and longitude data needed for Sensus Analytics and to reflect the exact location of meter boxes, 2) credit card expiration notification to customers registered for auto pay in the new utility customer payment portal, and 3) inspection mobile support for solid waste.

At the time the change orders were presented in October 2021, staff informed Council that another change order was forthcoming to extend the project timeframe to allow for thorough testing of all software components and secure additional AUS support. The approval of this change order is time sensitive. A delay in approving the change order would affect a number of planned activities, including Go-Live. This change order in the amount of \$473,393 relates to project extension for configuration and testing, including for the enhanced customer portal software and service order management system. Go-Live is anticipated in March, however a May fallback has been established in the change order, if needed.

Background

The Town of Queen Creek utilities include Water, Wastewater, Irrigation, and Solid Waste. The combined annual revenues from monthly billings for these three services is approximately \$40 million.

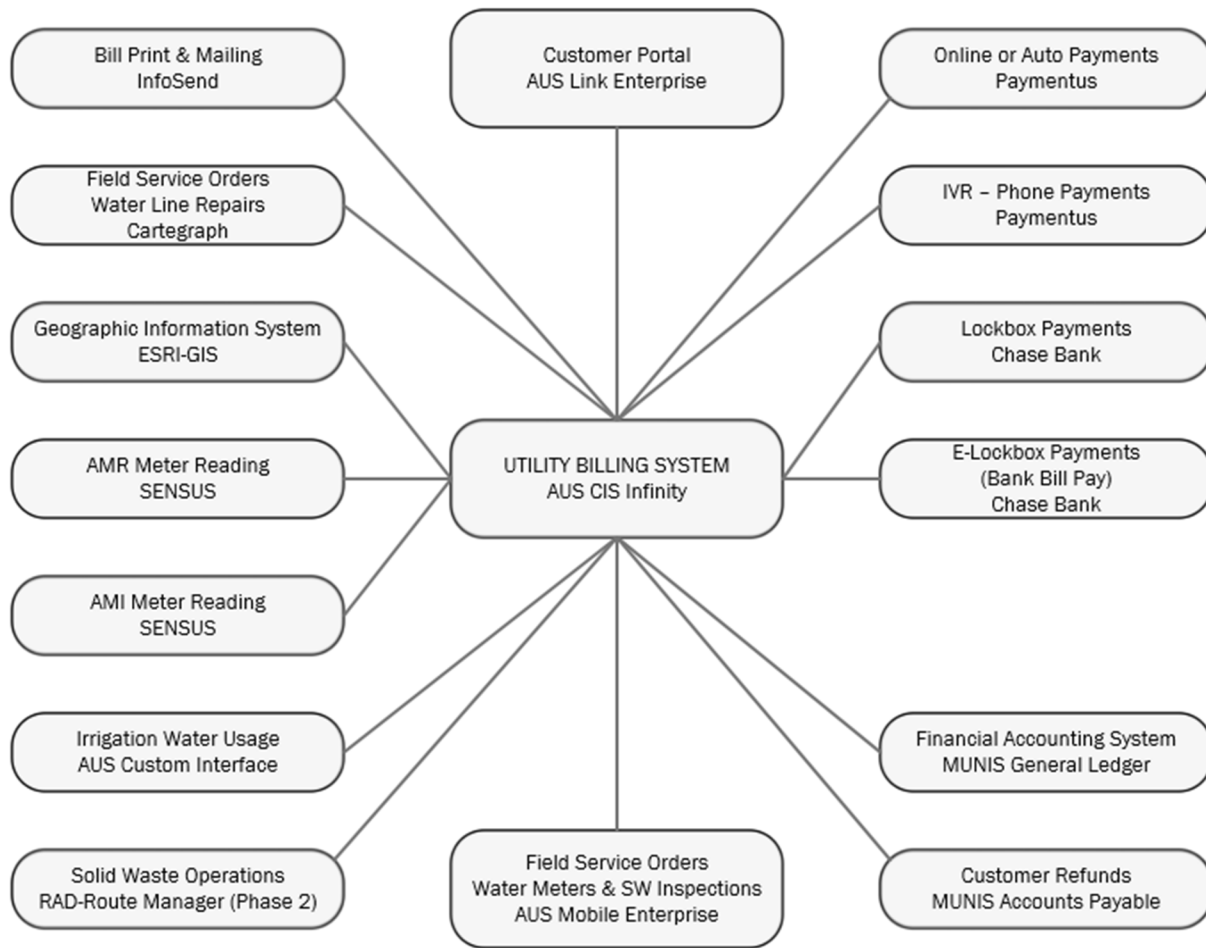
The Town currently utilizes InHance Software as its Utility Billing Software which the Town started using when the Queen Creek Water Company was purchased in 2008 with about 9,000 accounts. The software was originally acquired in 2002 by the Queen Creek Water Company, making it 20 years old. The software was intended to serve a maximum of 10,000 accounts.

Since that time, not only has technology advanced significantly, but our customer base has also increased. We currently have approximately 40,000 accounts, which includes non-Queen Creek residents because the Water utility service area is greater than the Town boundaries. The current population served by the Town utilities is over 100,000. With additional growth expected, it is essential to implement a system that can accommodate this growth as well as additional functionality (i.e. improved reporting and water meter inventory management). At buildout, we expect the number of residential accounts to be about 70,000 for the service area, representing a population of about 240,000 and total annual revenues estimated at approximately \$70 million. The new utility billing will support the Town's needs at buildout.

In July 2017, the Town contracted with N. Harris Computer Corporation's Advanced Utility Systems (AUS) to license software, to provide software implementation services, and for ongoing software support and maintenance services. The software license agreement includes three components: (1) the core customer information/billing system software (named "CIS Infinity"); (2) the customer portal software (named "CIS Link Enterprise/My Utilities"); and (3) the field service order management software (named "CIS Mobile Enterprise").

The implementation of the new billing system, including the new customer portal and field service order management system, is a significant and complex undertaking. The implementation effort includes building interfaces between these new systems and

several other systems including: (1) ESRI GIS; (2) Munis Financials; (3) Chase Lockbox for mail-in payments and E-Lockbox for bank bill pay transactions; (4) Paymentus payment portal for online payments and IVR systems for telephone payments; (5) Cartegraph work order management system; (6) Sensus AutoRead AMR; (7) Sensus FlexNet AMI; and (8) InfoSend bill printing and mailing services. This new software is now one of the most complex software systems the Town operates. The following diagram depicts the various software components that are within the scope of this project and its complexity:



Change Order No. 12

The project team has made progress working with the software vendor (AUS) and the various other vendors to configure and test the billing system software and other integrated systems. Although progress has been achieved, the project schedule has been impacted due to additional time and support needed from AUS for system configuration, including necessary system support related to the Diversified Water Utilities Company acquisition. There have also been delays associated with vendor performance due to limited resources requiring additional testing, development and quality assurance. AUS has accepted responsibility and will bear the cost of the related delays to the project timeline.

As a result of the aforementioned factors, Town staff has identified the need to extend the project timeframe to allow for thorough testing of all software components and secure additional AUS support and an expected “Go-Live” date. The change order amount to extend the project timeframe is \$473,393. Over the next several months, staff will provide the Town Council an update on the project status and customer communication planning efforts. Currently, Go-Live is anticipated for March. A fallback of May has been included in the change order.

Fiscal Impact:

The change order reflects a 24 month project extension to the current project from May 2021 to May 2023, which includes a tentative March 2023 go-live, with a fallback go-live of May 2023. Because the extension is the result of circumstances attributable to both the Town and the vendor, a cost share has been recommended as reflected in the table below.

Months	Hrs	Total	Cost Share	AUS	Queen Creek
May 2021 – August 2021	1,136	\$198,800	40% AUS / 60%Queen Creek	\$79,520	\$119,280
September 2021 - November 2022	4,260	\$708,225	50% AUS / 50% Queen Creek	\$354,113	\$354,113
November 2022 – March 2023 with May 2023 Fallback for Go-Live			100% AUS		

Funding for the change order will come from water capital contingency and requires an amendment to the current project. The current project budget is \$2,659,575 which includes the contract with AUS and other project costs not associated with the contract, such as IT infrastructure and vendor integration. The current AUS contract amount is \$2,380,360. With this change order, the total project budget is \$3,132,968 and the total contract amount is \$2,853,753.

Alternatives:

Based on the increasing vulnerability of the current utility billing software and costs now exceeding \$2.2M invested in the new utility billing system implementation, there is no viable alternative that would achieve the goals already approved by the Town Council for the ongoing utility billing system.

Attachments:

- 1) Change Order to Software Implementation Services Agreement



CONTRACT CHANGE ORDER

CONTRACT NUMBER:
2017-090

CHANGE ORDER NUMBER:
12

December 21, 2022

TO: N. Harris Computer Corporation
Vendor

FROM: Jessica Platt
Project Manager
Town of Queen Creek

RE: Utility Billing Software System – Additional Time and Support for System Configuration and Rate and Enhancement Testing

The Change Order is changed as follows:

1. Description of change to scope of project:

This Change Order reflects a project extension from May 2021 to a tentative project go live date of March 2023 with a fallback date of May 2023. Additional time is required for system support configuration and rate and enhancement testing.

2. Changes to the Contract Price for the Change Order Work

The original Contract Price was	\$ 1,463,128.00
Net Change by previously authorized Change Orders	\$ 917,232.00
The Contract Price prior to this Change Order was	\$ 2,380,360.00
The Contract will be <u>increased</u> by this Change Order in the amount of	\$ 473,393.00
The new Contract Price including this Change Order will be	\$ 2,853,753.00

3. Changes to the Contract Time:

The original Contract Implementation timeline was 14 months implementation plus 1 month post live.....	15 months
Net additional months by previously authorized Change Orders.....	21.5 months
Net fewer months by previously authorized Change Orders.....	0 months
The Contract Final Implementation/Post timeline prior to this Change Order was.....	36.5 months
The Contract Implementation Time will be <u>increased</u> by.....	24 months
The Contract Final Implementation time as of this Change Order therefore is 60.5 months implementation plus 1 month post live.	60.5 months

Approvals (Harris is authorized to proceed with the change for the Town of Queen Creek):

Mayor

Date

Director

Date

Project Manager

Date

Vendor

Date

Queen Creek CIS Infinity Change Order

Date: 12/21/2022
Change ID: Change Order #12
Description: Project Extension

Authorization

Advanced Utility Systems is authorized to proceed with the change for the Town of Queen Creek.

Project Role	Team Member	Signature / Date of Signature
Town Queen Creek Project Manager	Jessica Platt	
		Date:
Advanced Project Manager	Judy Schechter	Judy Schechter
		Date: 11/9/2022

Background Information

Town of Queen Creek and Advanced Utility Systems (Advanced) entered into a Master Agreement (Agreement) on July 19, 2017

Section 4.2 Change Orders

With respect to any proposed changes to the Services defined by this Agreement that do not materially impact the scope of either party's work effort required under this Agreement, the parties will cooperate in good faith to execute Change Orders in respect thereof, and will not unreasonably withhold approval of such proposed changes. If either party causes or requests a change that, in the reasonable opinion of the other party, materially impacts the scope of the parties' work effort required under this Agreement, such as, but not limited to, changes in the allocation of the resources of the Organization and of Harris applied to a task, changes in completion schedules for individual tasks or for overall implementation, and changes in staffing that require a party to provide additional work hours, the other party may propose a change to cover the additional work effort required of it. Approval of any such proposed changes will not be unreasonably withheld (it being acknowledged that any such material changes may require modifications to the consideration paid, and timelines governing, the Services), and any disputes regarding changes shall be handled initially by discussions between the parties which will be convened in good faith by the parties to resolve any such matters in dispute. A sample change order is presented in Schedule "C"

Based on that provision, Advanced presents the following Change Order to Town of Queen Creek.

Introduction / Purpose

This Change Order reflects a project extension from May 2021 to tentative go live date of March 2023 with a fallback date of May 2023; a 24-month extension. Additional time is required for system configuration, rate and enhancement testing.

Cost Sharing for Extension

- May 2021 – August 2021: (60% Queen Creek / 40% Advanced)
- September 2021 – November 2022: (50% Queen Creek/50% Advanced)

- Estimate:
 - Total: \$907,025
 - AUS: \$433,633
 - QC: \$473,393

Cost:

Total Hours								
	Month	Project Month	Hrs	Total		AUS	QC	Total
7B	May-21	36	284	\$ 49,700	60/40	\$ 19,880	\$ 29,820	\$ 119,280
	Jun-21	37	284	\$ 49,700	60/40	\$ 19,880	\$ 29,820	
	Jul-21	38	284	\$ 49,700	60/40	\$ 19,880	\$ 29,820	
	Aug-21	39	284	\$ 49,700	60/40	\$ 19,880	\$ 29,820	
7C	Sep-21	40	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	\$ 298,200
	Oct-21	41	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Nov-21	42	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Dec-21	43	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Jan-22	44	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Feb-22	45	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Mar-22	46	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Apr-22	47	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	May-22	48	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Jun-22	49	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
Post Change Order	Jul-22	50	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	\$ 55,913
	Sep-22	52	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Oct-22	53	284	\$ 49,700	50/50	\$ 24,850	\$ 24,850	
	Nov-22	54	284	\$ 12,425	50/50	\$ 6,213	\$ 6,213	
				\$ 907,025		\$ 433,633	\$ 473,393	

Milestones & Payments

Milestone #	Amount
MP95: PM 7b Timeframe (MAY2021 - AUG 2021)	\$ 59,976
MP96: PM 7C Timeframe (Sept2021 - Aug2022)	\$ 179,928
MP97: PM SEP2022	\$ 14,994
MP98: PM OCT2022	\$ 14,994
MP99: PM NOV2022	\$ 3,749
MP101: 7B-Support (May2021-AUG2021)	\$ 59,304
MP102: 7C-Support (SEP2021-AUG2022)	\$ 118,272
MP104: ITC Support SEP2022	\$ 9,856
MP105: ITC Support OCT2022	\$ 9,856
MP106: ITC Support NOV2022	\$ 2,464
	\$ 473,393

* Net of applicable taxes and associated expenses

Assumptions:

- Based on CR6, the hourly rate reduced to \$175/hr



TOWN OF
QUEEN CREEK
ARIZONA

8.L

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER
FROM: MOHAMED YOUSSEF, PUBLIC WORKS DIRECTOR
RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE JOINT AGENCY AGREEMENT (JAA) WITH THE MARICOPA ASSOCIATION OF GOVERNMENTS (MAG) FOR A ROADSIDE SAFETY PROJECT (RSP) WHICH INCLUDES A SAFETY IMPROVEMENT PROJECT FOR 18 INTERSECTIONS THROUGHOUT THE TOWN.
DATE: December 21, 2022

Suggested Action:

To approve the Joint Agency Agreement (JAA) with the Maricopa Association of Governments (MAG) for a Roadside Safety Project (RSP) which includes a safety improvement project for 18 Intersections throughout the Town.

Relevant Council Goal(s):

Superior Infrastructure

Discussion:

The purpose of the project is to improve the visibility of the traffic signal head by introducing a contrasting background. The Federal Highway Administration (FHWA) recognizes this treatment as a "human factors enhancement" for older and color vision challenged drivers. For this segment of the driving population, it has been shown to have a 15% decrease in total crashes.

Town staff was successful in obtaining funding to upgrade 18 intersections with these safety enhancements up to the reimbursable amount of \$148,720 from the Maricopa County Association of Governments (MAG), who oversees the Roadside Safety Program and its funding. These safety enhancements will help to standardize all of our intersections, creating consistency throughout Town.

Funds for the RSP are administered by the Arizona Department of Transportation (ADOT) through its Highway User Revenue Fund (HURF) sub-account for local agency streets designated collector or above, and through allocations of Surface Transportation Block Grant (STBG) funds that are allocated to the MAG region and administered by ADOT.

The Town will administer the design and will advertise, bid, award and administer the construction of the Project. The Town is responsible for all the survey, plan & design costs. In addition, the Town is responsible for any and all costs exceeding the RSP-MAG allocated funds for the construction portion

of the project. The Town will also be responsible for any costs incurred that are not covered by the RSP grant funding and any necessary acquisitions of right-of-way.

The reimbursable funds will be disbursed by ADOT once invoices are submitted, reviewed and approved in concurrence with MAG.

Fiscal Impact:

The total project costs are estimated at approximately \$169,720 with the Town being responsible, at this time, for the design phase for \$21,000. Sufficient funding for the design phase has been identified in the Public Works Traffic FY23 operational budget. The procurement/construction phase will not occur until FY24 and will be included in the Public Works Traffic FY24 operational budget.

As mentioned, there may be additional costs incurred, while not expected, that require payment by the Town. Any potential additional funding or change in timing of project spend will require either re-allocation within the Traffic budget or the use of budget contingency.

Alternatives:

Town Council could choose not to move forward with the JAA with MAG. The effect of this will be that the Town will have to self-fund the entirety of the project if the Town chooses to continue to incorporate the safety enhancements.

Attachment(s):

1. [a. #1232-JAA-Town of Queencreek-Townwide Queencreek.pdf](#)
2. [b. Safety Benefits of Retroreflective Borders around signal heads.pdf](#)



MARICOPA ASSOCIATION OF GOVERNMENTS
ROADWAY SAFETY PROGRAM

JOINT AGENCY AGREEMENT

MAG Roadway Safety Program, Joint Agency Agreement No 1232 MAG TIP
Project # QNC22-270D, QNC23-270C,
Town of Queen Creek Capital Improvement Plan # XXXXXX, XXXXXX, XXXXXX

This Joint Agency Agreement (**Agreement**) by and between the Maricopa Association of Governments (**MAG**) and the Town of Queen Creek (**Town**), an Arizona Municipal Corporation, will become effective on the day that the Agreement it is executed by the MAG Executive Director. MAG and the Town are referred to each individually as a **“Party”** and collectively as the **“Parties.”**

RECITALS

A. MAG is the regional planning agency for Maricopa County and portions of Pinal County. MAG is governed by a regional council, which includes the mayor or chief executive of each member agency (**Regional Council**). Pursuant to state law, MAG has developed, and the necessary parties have approved, a comprehensive, performance based, multimodal MAG MOMENTUM 2050 Regional Transportation Plan (**RTP**). The Roadway Safety Program (**RSP**) is a component of the RTP that includes safety improvements with a revenue allocation through 2024.

B. Funds for the RSP are administered by the Arizona Department of Transportation (**ADOT**) through its Highway User Revenue Fund (**HURF**) sub-account for local agency streets designated collector or above, and through allocations of Surface Transportation Block Grant (**STBG**) funds that are allocated to the MAG region and administered by ADOT. Funds will be disbursed by ADOT once an invoice is reviewed and approved in concurrence with MAG. Highway User Revenue funds (**HURF**) for the RSP provided by ADOT are allocated to the RSP via a funding exchange with the MAG region. Eligible activities must adhere to article IX, section 14 of the Arizona Constitution.

C. The RSP includes a safety improvement project at 18 Intersections Townwide (**Project**). The Project is described in greater detail in the Project Application (**Project Application**) submitted by the Town, dated September 17, 2021 and on file in the offices of the Town and MAG.

D. The Project will be designed and constructed in accordance with the standards adopted by the Town.

E. The regional reimbursement schedule for the Project is as follows:

Type of Work	Fiscal Year of Work	HURF Reimbursement	Local Match	Fiscal Year for Reimbursement
Pre-Design	NA		-	
Design	2022		\$21,000	
Right-of-Way	NA		-	
Procurement	2023	\$78,000		FY 2023
Construction	2023	\$70,720		FY 2023
Total Programmed for Reimbursement		\$148,720		

F. The Parties are authorized to enter into this agreement by the provisions of Arizona Revised Statutes (**A.R.S.**) § 28-6501 et seq. and by A.R.S. § 11-952, which authorize the Town to enter into joint agency agreements with other agencies.

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

A. Purpose. The purpose of this Agreement is to identify and define the responsibilities of the Town and MAG for the design, acquisition of right of way, construction and financing of the Project, as established in the RSP.

B. Responsibilities of the Parties.

1. MAG's Responsibilities. MAG agrees to:

- a. Administer the RSP, pursuant to the RSP Policies and Procedures;
- b. Provide to the Town the required format for submitting requests for payment, invoices, progress reports, and backup documentation;
- c. Review and approve invoices for projects to be reimbursed with HURF subject to the terms of this Agreement;
- d. Submit approved invoices to ADOT for payment by ADOT to the Town. The payments from ADOT to the County/City/Town will be based on the reimbursement amounts and schedule as noted in the **Recitals, Section E**. The basis for payment to Town shall be reimbursed for costs in conformance with the RSP and the Policies and Procedures.

2. Town's Responsibilities. The Town agrees to:

- a. Be responsible for all project costs and submit invoices to MAG for reimbursement.

The Town will:

1) be responsible for the completion of all surveys, design, plans and specifications, including contractor selection documents;

2) conduct contractor selection process(es), award contract(s) for construction pursuant to the applicable laws and ordinances, and provide necessary construction management and inspections, unless agreed to otherwise by the Parties;

3) if necessary, purchase or condemn right of way required for the completion of the Project, unless agreed to otherwise by the Parties;

4) be responsible for all utility relocations; and

5) review and approve invoices from its contractors and subcontractors before submitting an invoice to MAG;

- b. Abide by the RSP Policies and Procedures (available at azmag.gov/Programs/Transportation/Safety-Programs/Roadway-Safety-Program) throughout the completion of the Project.
- c. Be responsible for meeting all applicable federal requirements for the Project when using local funding (e.g., National Highway System requirements);
- d. Obtain appropriate indemnifications and insurance from all contractors and subcontractors involved in the Project;
- e. Be responsible for all Project costs in excess of the maximum amount of the RSP-MAG funds allocated for the Project in the amount of \$148,720 (Allocated Funds). The Allocated Funds for reimbursement are designated for the construction cost. The amount of funds to be paid to the Town pursuant to this Agreement will not exceed the Allocated Funds as included in the MAG approved Transportation Improvement Program (TIP). The Allocated Funds are expressed in Year of Expenditure dollar amounts, which will not be adjusted for inflation;

Provide invoices and progress reports to MAG consistent with the RSP Policies and Procedures;
- f. The Town's authorized representative to sign, approve and submit invoices to MAG is the Town's Public Works Director or designee; and
- g. Otherwise comply with all requirements of this Agreement.

C. **Records and Audit Rights.** The Town's work and accounting records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by MAG to substantiate charges and claims related to this Agreement shall be open to inspection and subject to audit and/or reproduction by authorized representatives of MAG, ADOT and the Auditor General of the State of Arizona (collectively Auditors), as applicable to the extent necessary to

adequately permit evaluation and verification of the performance and cost of the work, and to conduct and prepare all audits and reports required by law. Auditors shall be afforded access, at reasonable times and places, to all of the Town's records and personnel, pursuant to the provisions of this Section, throughout the term of this Agreement, and for a period of five (5) years after last or final payment.

D. **Term and Termination.** The Agreement is valid through the payment of the final invoice for completion of construction, by September 30, 2024 as noted in the reimbursement schedule of the **Recitals, Section E**, subject to earlier termination as specifically provided herein.

1. **Termination by MAG.** MAG reserves the right to terminate this Agreement in the event that MAG determines, in its reasonable discretion, that local or MAG allocated funds are not available to meet the Town's financial responsibilities in regard to the Project or in the event of an act of God or act of war or terror that makes continuation of work pursuant to this Agreement no longer in the public interest. MAG will give **60 calendar days** advance notice of such termination, unless such notice is impracticable, in which case MAG will provide such notice as is practicable under the circumstances. In the event of such termination, MAG will recommend to ADOT that it reimburse the Town as provided in this Agreement, for work satisfactorily performed up to the date of termination. MAG also reserves the right to terminate this Agreement in the following circumstances:

- a. No Material Project Reimbursement Request (**MPRR**) as defined and detailed in the RSP Policies and Procedures, has been submitted to MAG for a period of at least **18 months** from the date of the last Project Reimbursement Request (**PRR**), or the effective date of this Agreement, whichever is later;
- b. No Substantial Project Reimbursement Request (**SPRR**) as defined and detailed in the RSP Policies and Procedures, has been submitted to MAG for a period of **20 months** from the date of the last PRR, or the effective date of this Agreement, whichever is later; or
- c. In the event of a "**Material Project Change.**" Examples of a Material Project Change include:
 - 1) The Project's improvement type (arterial or intersection) listed in the Agreement changes;
 - 2) The Project's change affects more than one project or project segment.
 - 3) The Project's change affects more than one effective Joint Agency Agreement; or
 - 4) The lead agency of a Project changes.

2. **Termination by the Town.** The Town reserves the right to terminate this Agreement in the event that the Town determines, in its reasonable discretion, that local funds are not available to meet the Town's financial responsibilities in regard to the Project or in the event of an act of God or act of war or terror that makes continuation of work pursuant to this Agreement no longer in the

public interest. The Town will give **60 calendar days** advance notice of such termination, unless such notice is impracticable under these circumstances, in which case the Town will provide such notice, as is practicable.

3. **Termination by Mutual Consent.** The Parties may terminate this Agreement by mutual consent in the event that they determine that such termination is in furtherance of the goals of the RSP and is in the best interests of the Parties.
 4. **Safe Project Condition.** In the event of termination pursuant to this **Section D**, the Town agrees that it will leave the Project in condition that is safe for use by the public.
- E. **Availability of Funds.** Each Party's obligations under this Agreement are conditioned upon the availability of funds, appropriated or allocated, for the payment of such obligation. No liability shall accrue to MAG in the event MAG declines to review and/or approve invoices for payment on the basis that funds are not available for payment of such invoices and MAG terminates the Agreement in accordance with this Agreement's **Section D(1)**.
- F. **Indemnification.** Each party (as Indemnitor) agrees to indemnify, defend, and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as Claims) arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.
- G. **Conflict of Interest.** This Agreement is subject to termination for conflict of interest, pursuant to the provisions of A.R.S. § 38-511.
- H. **Ownership of Improvements upon Termination.** Upon the expiration or other termination of this Agreement, ownership of the Project and the improvements constructed under this Agreement shall be vested in the Town.
- I. **General Provisions.**
1. **Incorporation of Recitals.** The Recitals are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.
 2. **Entire Agreement.** This Agreement constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended, except by a written document, signed by authorized representatives of each Party.
 3. **Official Copies.** Upon date of execution by the MAG Executive Director, the Town shall receive a signed copy of the agreement within **14 calendar days** of execution.
 4. **Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

5. **Modifications.** Except as otherwise specifically provided in this Agreement, any amendment, modification or variation from the terms of this Agreement shall be in writing and shall be effective only after written approval of all Parties.
6. **Attorney's Fees.** In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default of this Agreement, the prevailing Party may seek from the other Party reasonable attorneys' fees and reasonable costs and expenses.
7. **Notices.** All notices or demands required to be given, pursuant to the terms of this Agreement, shall be given to the other Party in writing, delivered in person, sent by email with receipt confirmation, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

If to the Town :

Marshall Riegel
 Town of Queen Creek
 Traffic Engineer,
 Public Works Department
 22358 S. Ellsworth Road
 Queen Creek, AZ 85142
 Tel: 480.358.3153
 Emails: Marshall.Riegel@queencreekaz.gov

If to MAG:

Executive Director
 Maricopa Association of Governments 302 N.
 First Avenue
 Suite 300
 Phoenix, Arizona 85003
 Tel: (602) 254-6300
 Email: _____

A notice shall be deemed received on the date delivered, if delivered by hand, on the **day** it is sent by email, on the **second working day** after its deposit with any commercial air courier or express services or, if mailed, **three working days** (exclusive of United State Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by facsimile transmission shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by facsimile transmission. Email is not an acceptable means for meeting the requirements of this section unless otherwise agreed in writing.

8. **Force Majeure.** Neither Party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts

of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures or power failures.

9. **Advertising.** No advertising or publicity concerning MAG using any contractor's or subcontractor's services shall be undertaken without prior written approval of such advertising or publicity by MAG's Executive Director.
10. **Counterparts.** This Agreement may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Agreement shall be deemed to possess the full force and effect of the original.
11. **Captions.** The captions used in this Agreement are solely for the convenience of the Parties, do not constitute a part of this Agreement and are not to be used to construe or interpret this Agreement.
12. **Severability.** If any term or provision of this Agreement shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Agreement shall remain in full force and effect, and such term or provision shall be deemed to be deleted.
13. **Authority.** Each Party hereby warrants and represents that it has full power and authority to enter into and perform this Agreement, and that the person signing on behalf of each has been properly authorized and empowered to enter this Agreement. Each Party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.
14. **E-Verify.**
 - a. **Warrant of Compliance.** Pursuant to the provisions of A.R.S. §41-4401, each Party warrants to the other that it is in compliance with all federal immigration laws and regulations that relate to its employees and with the E-Verify Program under A.R.S. § 23-214(A).
 - b. **Breach of Warranty.** A breach of this warranty by a Party or any of its subcontractors will be considered a material breach of this Agreement and may subject the breaching party to penalties up to and including termination of this Agreement or any subcontract.
 - c. **Right to Inspect.** Each Party retains the legal right to inspect the papers of any employee who works on this Agreement or any subcontractor to ensure compliance with the warranty given above.
 - d. **Random Verification.** Either Party may conduct a random verification of the employment records of the other to ensure compliance with this warranty.
 - e. **Federal Employment Verification Provisions – No Material Breach.** A Party will not be considered in material breach of this Agreement if it establishes that it has complied with the employment verification provisions prescribed by 8 USCA §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A).

- f. **Inclusion of Article in Other Contracts**. The provisions of this Article must be included in any contract either Party enters into with any and all of its contractors or subcontractors who provide services pursuant to this Agreement.
15. **Israeli Boycott Provision**. Each Party certifies that it is not engaged in and agrees for the duration of the Agreement not to engage in a boycott of Israel as defined in A.R.S. §35-393.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed by their duly authorized officers. (The order for obtaining the signatures is as follows: the MAG General Counsel, the appropriate representative of the Town of Queen Creek, and the MAG Executive Director).

MAG:

Maricopa Association of Governments, an Arizona non-profit Corporation

Date

By: _____
Eric Anderson
Executive Director

Town of Queen Creek

Town of Queen Creek, an Arizona Municipal Corporation

Date

By: _____
Its: Vice Mayor Jeff Brown

ATTEST:

[Name], Town of Queen Creek Clerk

This Agreement is in proper form and is within the powers and authority granted under the laws of this state to MAG:

The Agreement is in proper form and is within the powers and authority granted under the laws of this state to Town:

By: _____
MAG General Counsel

By: _____
Scott A. Holcomb,
Attorney for the Town of
Queen Creek



Safety Benefits:

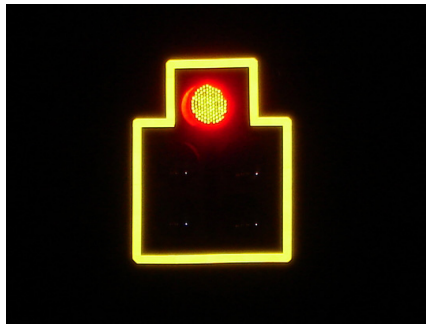
15%

reduction in total crashes.¹

Backplates with Retroreflective Borders

Backplates added to a traffic signal head improve the visibility of the illuminated face of the signal by introducing a controlled-contrast background. The improved visibility of a signal head with a backplate is made even more conspicuous by framing it with a 1- to 3-inch yellow retroreflective border. Signal heads that have backplates equipped with retroreflective borders are more visible and conspicuous in both daytime and nighttime conditions.

This treatment is recognized as a human factors enhancement of traffic signal visibility, conspicuity, and orientation for both older and color vision deficient drivers. This countermeasure is also advantageous during periods of power outages when the signals would otherwise be dark, providing a visible cue for motorists to stop at the intersection ahead.



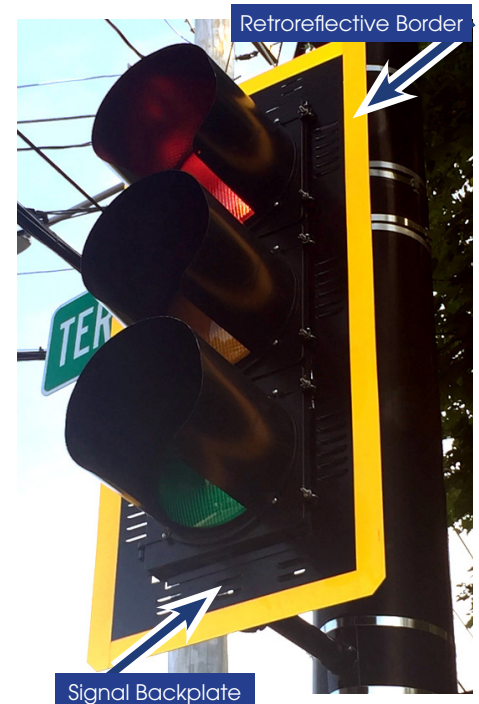
Retroreflective borders are highly visible during the night. Source: South Carolina DOT

safety countermeasure is to adopt it as a standard treatment for signalized intersections across a jurisdiction or State.

Implementation challenges include minimizing installation time, accessing existing signal heads, and structural limitations due to added wind load in instances where an entire backplate is added. Agencies should consider the design of the existing signal support structure to determine if the design is sufficient to support the added wind load.

Considerations

Transportation agencies should consider backplates with retroreflective borders as part of their efforts to systematically improve safety performance at signalized intersections. Adding a retroreflective border to an existing signal backplate is a very low-cost safety treatment. This can be done by either adding retroreflective tape to an existing backplate or purchasing a new backplate with a retroreflective border already incorporated. The most efficient means of implementing this proven



Signal backplate framed with a retroreflective border. Source: FHWA

For more information on this and other FHWA Proven Safety Countermeasures, please visit <https://safety.fhwa.dot.gov/provencountermeasures/> and <https://rosap.ntl.bts.gov/view/dot/42807>.

¹ Sayed, T., Leur, P., and Pump, J., "Safety Impact of Increased Traffic Signal Backboards Conspicuity," 2005 TRB 84th Annual Meeting: Compendium of Papers CD-ROM, Vol. TRB#05-16, Washington, D.C., (2005).



TOWN OF
QUEEN CREEK
ARIZONA

8.M

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: RANDY BRICE, CHIEF OF POLICE

RE: CONSIDERATION AND POSSIBLE APPROVAL OF AN INTERGOVERNMENTAL AGREEMENT (IGA) FOR THE SHARING OF LAW ENFORCEMENT INFORMATION BETWEEN THE CITY OF CHANDLER TOWN OF GILBERT, THE CITY OF MESA, THE CITY OF TEMPE, AND THE TOWN OF QUEEN CREEK.

DATE: December 21, 2022

Suggested Action:

To approve the Intergovernmental Agreement (IGA) for the sharing of law enforcement information between the City of Chandler Town of Gilbert, the City of Mesa, the City of Tempe, and the Town of Queen Creek.

Relevant Council Goal(s):

- Safe Community (Public Safety)
- Superior Infrastructure (Technology)
- Effective Government (Intergovernmental Relations)

Discussion:

Police Records Management Systems (RMS) enables law enforcement agencies to store, retrieve, retain, archive, and view information, records, or files pertaining to law enforcement operations. These tools automate vital processes that enhance day-to-day operations.

RMS is an agency-wide system that provides for the storage, retrieval, retention, management, archiving, and viewing of information, records, documents, or files pertaining to law enforcement operations. RMS covers the entire life span of records development—from the initial generation to its completion. RMS allows single entry of data, while supporting multiple reporting mechanisms. Such records include incident and accident reports, calls for service data, arrests, citations, warrants, case management, field contacts, civil process, orders/restraints, and other operations-oriented records.

In order to meet this critical need, the Queen Creek Police Department has obtained specific application and software services necessary to build and maintain a Records Management System (RMS), a field-based report writing interface, and critical computer-aided dispatch services.

This agreement would provide the ability or access to create a sharing network among several east valley law enforcement agencies that have the same system platform as QCPD. Specifically, this will allow officers/investigators from each agency to search and leverage the data gathered by the other partner agencies for investigative purposes. This sort of process improves communication, collaboration, and deconfliction between departments.

Alternatives:

The Council could choose not to approve this IGA. However, the digital/automated information-sharing process would be unavailable and may hinder or stifle investigations. Without the agreement, the police department would also have to request information manually and would not be able to actively search data outside of our own RMS system.

Attachment(s):

1. [IGA Data sharing_Versaterm.docx](#)

INTERGOVERNMENTAL AGREEMENT FOR THE SHARING OF LAW
ENFORCEMENT INFORMATION BETWEEN THE CITY OF CHANDLER TOWN
OF GILBERT, THE CITY OF MESA, THE CITY OF TEMPE, AND THE TOWN OF
QUEEN CREEK

DO NOT REMOVE

THIS IS PART OF THE OFFICIAL DOCUMENT.

**INTERGOVERNMENTAL AGREEMENT FOR THE SHARING OF LAW
ENFORCEMENT INFORMATION BETWEEN THE CITY OF CHANDLER
TOWN OF GILBERT, THE CITY OF MESA, THE CITY OF TEMPE, AND THE
TOWN OF QUEEN CREEK**

THIS AGREEMENT (“Agreement”) is entered into as of the dates adopted by the Parties below between the CITY OF CHANDLER, an Arizona municipal corporation (“Chandler”), the TOWN OF GILBERT, an Arizona municipal corporation (“Gilbert”), the CITY OF MESA, an Arizona municipal corporation (“Mesa”), the CITY OF TEMPE, an Arizona municipal corporation (“Tempe”), and the TOWN OF QUEEN CREEK, an Arizona municipal corporation (“Queen Creek”), collectively known herein as the “Parties” and each individually as “Party.”

RECITALS

WHEREAS, the Parties are authorized pursuant to A.R.S. § 11-951, *et. seq.*, and the respective provisions of their Town/City charters, if any, and related code and ordinances to enter into intergovernmental agreements to carry out public agency services; and

WHEREAS, the Parties all perform the function of law enforcement within their respective jurisdictions; and

WHEREAS, the Parties have acquired a law enforcement records management system to maintain a multi-agency, multi-jurisdictional set of law enforcement applications and associated databases for their Authorized Users; and

WHEREAS, the Parties will establish a no-cost Interface to provide Access to their respective law enforcement records management system; and

WHEREAS, implementation of this Intergovernmental Agreement will substantially further the public safety, health, and welfare.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties agree as follows.

AGREEMENT

I. PURPOSE OF THE AGREEMENT:

The purpose of this Agreement is to define the terms and conditions under which each Party will access and Use the RMS of the other Party.

II. DEFINITIONS:

The following is a definition of terms used herein:

- A. "Access" means the authority granted by each Party to the other Party's Authorized Users to review or receive information from their respective RMSs.
- B. "Administration of criminal justice" means as defined by A.R.S. § 41-1750.
- C. "Amendment" means a written document required to be signed by all Parties to the Agreement, that in any way alters the terms, conditions, or provisions of the Agreement.
- D. "Authorized Use" means functions and capabilities that a User is assigned and able to perform based on User ID and Password, as established by an RMS Administrator.
- E. "Authorized User" means any User that has passed the authentication process of the Party's RMS and is authorized to Use the RMS's functions and components based on the permissions established by that User's credentials (User ID and password, fingerprints, etc.).
- F. "Confidential Information" means any information contained within any Party's RMS.
- G. "Criminal History Record Information" and "Criminal History Record" means as defined by A.R.S. § 41-1750.
- H. "Criminal Justice Information" means as defined by A.R.S. § 41-1750.
- I. "Days" shall mean calendar days, including weekdays, weekends, and holidays, beginning at midnight and ending at midnight twenty-four hours later, unless otherwise specified by the Agreement.
- J. "Dissemination (Disseminate)" means as defined by A.R.S. § 41-1750.
- K. "Documentation" means User manuals, and other written and electronic materials in any form that describe the features or functions of the RMS including, but not limited to, published specifications, technical manuals, training manuals, and operating instructions.
- L. "Equipment" means any hardware, machinery, device, tool, computer, computer components, computer system or other high-technology equipment, including add-ons, or peripherals of tangible form together with the necessary supplies for upkeep and maintenance, and other apparatus necessary for the proper execution, installation and acceptable completion of the RMS.
- M. "Interface" means a point of interaction between RMS components or the device or code which enables such interaction; applicable to both Equipment and Software.

- N. “Intelligence and Investigative Information” means information compiled in an effort to anticipate, prevent, or monitor possible criminal activity, or compiled in a course of investigation of known or suspected crimes.
- O. “Material Breach” means any breach of this Agreement that (a) causes or may cause substantial harm to the non-breaching party; or (b) substantially deprives the non-breaching party of the benefit it reasonably expected under this Agreement.
- P. “Personal Computer (PC)” means computers that are capable of accessing RMS servers via a CJIS compliant connection.
- Q. “RMS” refers to the law enforcement records management system utilized by any Party.
- R. “RMS Administrator” shall mean a specially trained Authorized User that is authorized to perform RMS administrative functions.
- S. “RMS Contractor” shall mean the contractor of a Party that provides the respective RMS for that Party.
- T. “RMS Manager” is the individual with designated named backups appointed by a Party to manage and operate their respective RMS on a daily basis.
- U. “Use” means the authorized Access given to assign Users, permission levels, and receive information from an RMS.
- V. “User” shall mean any person employed by or working on behalf of a Party, the Party’s Bureaus and Divisions, Officers, Directors, and any person or entity authorized by that Party to provide it with services requiring use of the RMS, and to use the Party’s resources in whole or in part, in the course of assisting the Party.
- W. “User Board” shall mean the advisory body for the RMS that operates under the Master Intergovernmental Agreement for the User Board of the City’s RMS (PSNET).
- X. “VMC” (Versaterm Message Controller) shall mean the Interface between the RMS used by a Party as authorized by the RMS Contractor.

III. Duration, Renewal and Termination:

This Agreement shall become effective on November 1, 2022 and shall remain in effect until December 31, 2032 unless otherwise amended. Any Party may withdraw from this Agreement for any reason or no reason at all by giving 60 days written notice to each Party and filing the notice with the Secretary of State. Withdrawal from this Agreement by a Party shall not affect the terms of this Agreement as it pertains to the other Parties. Each Party reserves the right to withdraw from this Agreement for possible conflicts of interest in accordance with A.R.S. § 38-511. This Agreement shall automatically renew

under the same terms and conditions, including any adopted amendments in effect at the time of renewal.

IV. System Access:

Each Party will contract with the RMS Contractor and will purchase its own license(s) necessary to Access the Party's own RMS. The RMS Contractor will provide a VMC to VMC Interface allowing each Parties' RMS to share data. Each Party, by and through their respective Chief of Police or their designee, shall determine, at its sole and absolute discretion, what Confidential Information will be accessible by another Party through the VMC to VMC Interface.

V. Parties' Responsibilities:

Each Party is responsible for providing the RMS Contractor with VMC to VMC Interface for Access to the Party's RMS in exchange for Access to another Party's RMS.

Each Party is responsible for providing procedures, instructions, and other documents for its RMS to the other Parties regarding what data from its RMS will be available for sharing. If any Party does not provide Access to its RMS to another Party, there is no obligation of the other Party to provide access to its own RMS in reciprocation.

Each Party is responsible for ensuring that audit logs are maintained in their respective RMS in accordance with Criminal Justice Information System ("CJIS") requirements.

Each Party warrants it has complied and shall comply with all applicable laws, ordinances, orders, decrees, labor standards, and regulations of its domicile and wherever performance occurs in connection with the execution, delivery, and performance of this Agreement.

Each Party acknowledges and agrees that its respective employees will only Access another Party's RMS for an Authorized Use. Permission to Access information in another Party's RMS other than for an Authorized Use is strictly prohibited and shall only occur if prior permission is obtained in writing from the other Party.

Each Party acknowledges and agrees that its respective employees and subcontractors will only Access the other Party's RMS and information available in or through that RMS as authorized in this Agreement. Permission to Access the RMS or information available in or through the RMS other than as authorized in this Agreement shall be obtained in writing from the Party that control's the RMS before any such Access.

Each Party is responsible for providing its own Equipment, including PCs, and other devices required by the Users of the RMS.

Each Party is responsible for providing secure network Access that meets CJIS security requirements to its own RMS and for providing secure network connectivity to the VMC Interface that meets CJIS security requirements.

Each Party is responsible for ensuring that its respective network infrastructure and workstations with Access to the other Party's RMS comply with the most current CJIS security policy including, but not limited to, the physical security of workstations that are able to Access the other Party's RMS, access control, identification and authentication, information flow enforcement, and system and information integrity.

Each Party is responsible for resolving any problems uncovered as a result of an audit.

Each Party reserves the right to request and receive within a reasonable time period, verification of the other Party's compliance with CJIS security policy.

Each Party is responsible for ensuring that its Users granted Authorized Use of the other Party's RMS comply with the appropriate CJIS security requirements.

VI. Confidentiality:

The Parties shall treat as confidential any Confidential Information that has been made known or available to them or that was received, learned, heard or observed, or to which the Parties had access to the same extent the Parties would treat Confidential Information in their own RMS. The Parties shall use Confidential Information exclusively for the Party's benefit and in furtherance of this Agreement. Except as may be expressly authorized in writing by the Parties, in no event shall the Parties publish, use, discuss, cause, or permit to be disclosed to any other person such Confidential Information. The Parties shall (1) limit disclosure of the Confidential Information to those directors, officers, employees and agents of the Parties who need to know the Confidential Information, (2) exercise reasonable care with respect to the Confidential Information, at least to the same degree of care as the Parties employ with respect to protecting its own proprietary and Confidential Information, and (3) return immediately to the Party who provided the information, upon its request, all materials containing Confidential Information in whatever form, that are in the Party's possession or custody or under its control. The Parties are expressly restricted from and shall not use Confidential intellectual property of the Parties without that Party's prior written consent.

Each Party acknowledges that it is subject to the Arizona Public Records Law(s) and Federal law. Third persons may claim that the Confidential Information may be, by virtue of its possession by a Party, a public record and subject to disclosure. The Party receiving a public records request agrees, consistent with the Arizona Public Records Law(s), not to disclose any information that exists solely in another Party's RMS; however, a Party's commitment to maintain information confidential under this Agreement are all subject to the constraints of Arizona and Federal laws. Within the limits and discretion

allowed by those laws, the Parties will maintain the confidentiality of another Party's Confidential Information.

The Parties acknowledge and agree that the Parties own their own data in the RMS. RMS data can only be disclosed by the agency that entered it. In the event of a public record request for RMS data which belongs to another Party, the Party or receiving Party shall inform both the requestor and the appropriate Party that it is not the custodian of record for the requested data and identify the Party that may be able to comply with the public record request.

VII. Limits on Dissemination:

Each Party's Dissemination of Criminal Justice Information available in or through each RMS shall follow current Criminal Justice Information Security policies and procedures and other applicable state and/or federal laws.

VIII. Information Control and Responsibility:

Each Party will provide the other with a list of its respective Users and devices that are permitted Access to its RMS on an annual basis. Each Party shall verify the list and report any discrepancies within 60 Days. Each Party shall update the list of Authorized Users and devices to its respective RMS Administrators in a timely manner.

IX. Equitable Remedies:

Each Party acknowledges that unauthorized disclosure of Confidential Information or misuse of a computer system or network used to Access the other Party's RMS will result in irreparable harm to the other Party. In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, and prior to any seeking of equitable relief, the affected Parties hereto will use their reasonable efforts to settle the dispute, claim, question, or disagreement. To this effect, they will consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to all affected Parties. The Parties acknowledge that disputes arising from this Agreement may be subject to non-binding arbitration in accordance with applicable state law and court rules. In the event of a breach or threatened breach of this Agreement, and after reasonable consult and negotiation, the affected Party may obtain equitable relief prohibiting the breach, in addition to any other appropriate legal or equitable relief. The Parties agree to waive any punitive, indirect, and consequential damages.

X. Security:

Physical Security – Each Party is responsible for maintaining the physical security of all devices that are authorized to Access the other Party's RMS, as well as any printed output (if authorized) or RMS Documentation which might permit unauthorized Access to, or Use of the RMS.

On-Line Security – Each RMS contains procedures and tools to ensure that only authorized Users and devices can Access the information available in or through the Party’s RMS. The Parties’ Users will be required to enter their own assigned User IDs and passwords before gaining Access to the RMS, RMS functions, and RMS data.

Each Party is responsible for issuing unique individual RMS User IDs and passwords to its own Users. Each Party acknowledges and agrees that its employees will not share User IDs and passwords.

Personnel Security – Any individuals that are provided Access to the RMS by a Party shall comply with that Party’s hiring and training standards, and shall use the RMS according to that Party’s policies, procedures, and guidelines.

Each Party acknowledges and agrees to comply with applicable CJIS security policy, including, but not limited to, verifying identification, performing a state of residency and national fingerprint-based record check prior to Access in the RMS for all personnel who have direct access to Criminal Justice Information through the Party’s RMS and for that Party’s employees or contractors who have direct responsibility to configure and maintain computer systems and networks with direct Access to Criminal Justice Information through the Party’s RMS. If applicable, a Party shall deny or terminate Access and deny issuing or revoke a RMS User ID and password if, upon investigation, the Party’s employee requesting or currently Using a RMS User ID and password is found to be in violation of current CJIS policy.

Each Party acknowledges and agrees to notify the affected Party immediately to deactivate the RMS User ID and password of any person who is no longer an Authorized User.

Each Party shall provide immediate written notification to the RMS Manager of any security breach that does or may affect the RMS. Parties shall provide written notification to the RMS Manager of any incident relating to RMS integrity such as a computer virus or unauthorized RMS queries.

A Party may suspend the other Party’s Access to its RMS in accordance with Section XIV if the other Party fails to comply with the minimum CJI security policy requirements as provided in this Agreement until such failures are corrected to the Party’s satisfaction.

XI. Proprietary Rights:

All trademarks, service marks, patents, copyrights, trade secrets, and other proprietary rights in or related to each Party are and will remain the exclusive property of that Party.

XII. Payment:

Except as provided in further in this section, there is no payment associated with this Agreement. The data shall be shared between the Parties through a no-cost VMC Interface Accessed through each Party's respective RMS.

Additional services and/or RMS functions provided by the Parties that are not routinely provided to other Parties under this Agreement shall be added via Amendment and may add a cost to this Agreement.

XIII. Audits:

A Party, either directly or through a designated representative, may conduct performance audits directly related to this Agreement in accordance with generally accepted accounting principles. Copies of applicable records shall be made available at no cost to the Party requesting the records.

XIV. Violations of this Agreement:

In the event of violation of the provisions of this Agreement or violation of the CJIS security policy by a Party, each of the non-violating Parties shall have the authority to immediately restrict or prohibit Access to its RMS to any person or Party until a resolution of the problem occurs to the satisfaction of the restricting or prohibiting Party. The Party that violated this Agreement or the CJIS security policy shall be notified, in writing, of such action and given thirty (30) days to cure the violation before Access is restricted or prohibited.

XV. Agreement to Hold Harmless:

Each Party shall indemnify, defend, and hold harmless the other Parties and any of its departments, agencies, officers, or employees from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses (collectively referred to in this paragraph as the "Claims"), which may be brought or made against or incurred by such Party on account of loss of or damage to any property or for injuries to or death of any person, to the extent caused by, arising out of, or contributed to, by reasons of any alleged act, omission, professional error, fault, mistake, or negligence of the indemnifying Party, its employees, officers, directors, agents, representatives, or contractors (or their employees, agents, or representatives) in connection with or incident to the performance of this Agreement. The indemnifying Party's obligations under this paragraph shall not extend to any Claims to the extent caused by the negligence of the other Parties. Each Party's obligations under this paragraph shall survive the termination of this Agreement.

XVI. Notices:

All notices, requests for payment, or other correspondence between the Parties regarding this Agreement shall be in writing and mailed or delivered to the respective Parties as follows:

If to Chandler: Chief of Police
Chandler Police Department
250 E. Chicago Street
Chandler, Arizona 85225

If to Gilbert: Chief of Police
Gilbert Police Department
75 E. Civic Center Drive
Gilbert, Arizona 85296

If to Mesa: Chief of Police
Mesa Police Department
130 N. Robson
Mesa, Arizona 85201

If to Tempe: Chief of Police
Tempe Police Department
120 E. Fifth Street
Tempe, Arizona 85281

If to Queen Creek: Chief of Police
Queen Creek Police Department
20727 Civic Parkway
Queen Creek, Arizona 85142

XVII. Amendments:

Except as a section or subsection may otherwise specifically provide, limit, or prohibit, the Parties may amend this Agreement at any time only by written Amendment executed by the Parties.

Any changes to the provisions of this Agreement shall be in the form of an Amendment. No provision of this Agreement may be amended unless such Amendment is approved as to form by the Parties' legal counsel and executed in writing by authorized representatives of the Parties. If the requirements for Amendment of this Agreement as described in this section are not satisfied in full, then such Amendments automatically will be deemed null, void, invalid, non-binding, and of no legal force or effect.

XVIII. Interpretation:

The terms and conditions of this Agreement shall be liberally construed in accordance with the general purposes of this Agreement and according to Arizona law. This Agreement shall be construed according to the laws of the State of Arizona without reference to its conflict of law provisions.

XIX. Force Majeure:

In the event that a Party is unable to perform any of its obligations under this Agreement (or in the event of loss of Use) due to natural disaster, actions, or decrees of governmental bodies or communications line failure not the fault of the affected Party (hereinafter referred to as a “Force Majeure Event”), the Party who has been so affected shall immediately give notice to the other Party and shall do everything possible to resume performance.

If the period of nonperformance exceeds fifteen (15) calendar days from the receipt of notice of the Force Majeure Event, a Party whose ability to perform has not been so affected may, by giving written notice in accordance with Section III, withdraw from the Agreement.

XX. Other Duties Imposed by Law:

Nothing in this Agreement shall be construed as relieving the Parties of any obligation or responsibility imposed on it by law.

XXI. Waiver of Terms and Conditions:

The failure of either Party to insist in any one or more instances on performance of any of the terms or conditions of this Agreement, or to exercise any right or privilege contained herein, shall not be considered as thereafter waiving such terms, conditions, rights, or privileges, and they shall remain in full force and effect.

XXII. Conflict of Interest:

The provisions of A.R.S. § 38-511 relating to cancellation of contracts due to conflicts of interest shall apply to this Agreement.

XXIII. Compliance with Laws and Policies:

The Parties shall comply with all federal, state, local laws, rules, regulations, standards, and Executive Orders, without limitation to those designated within this Agreement. The laws and regulations of the State of Arizona shall govern the rights of the Parties, the performance of this Agreement, and any disputes hereunder. Furthermore, the Parties agree to abide by each Party’s policies to the extent appropriate and required or permitted by law.

XXIV. Employment Status and Compensation of Law Enforcement Officers:

Except as otherwise provided by law, specifically A.R.S. § 23-1022(D)(if applicable), in the performance of this Agreement, each Party hereto will be acting in its individual governmental capacity and not as an agent, employee, partner, joint venture, or associate of the other and that no employees of a Party will be working under the jurisdiction and control of any other Party pursuant to this Agreement. The employees, agents, or subcontractors of each Party shall not be deemed or construed to be the employees or agents of any other Party.

XXV. Workers' Compensation/Posting:

Pursuant to A.R.S. § 23-1022(D), for the purposes of workers' compensation coverage, the Parties agree to provide any posting and notice to the employees, as required A.R.S. § 23-1022(E) or otherwise provided by law.

XXVI. Compliance with Civil Rights:

The Parties to this Agreement agree to comply with A.R.S. Title 41, Chapter 9 (Civil Rights), Arizona Executive Orders 75-5 and 99-4, and any other federal or state laws relating to equal opportunity and non-discrimination, including the Americans with Disabilities Act. No Party shall engage in any form of illegal discrimination with respect to applications for employment or student status or employees.

XXVII. Compliance with the E-VERIFY Program:

To the extent provisions of A.R.S. § 41-4401 are applicable, each Party warrants to the other Party that they will comply with all federal immigration laws and regulations that relate to their employees and that each now complies with the E-Verify Program under A.R.S. § 23-214(A).

A breach of this warranty will be considered a Material Breach of this Agreement and may subject the breaching party to penalties up to and including termination of this Agreement.

The Parties retain the legal right to inspect the papers of any employee who works pursuant to this Agreement, or any related subcontract, to ensure compliance with the warranty given above.

Either Party may conduct a random verification of the employment records of the other Party to ensure compliance with this warranty.

A Party will not be considered in Material Breach of this Agreement if it establishes that it has complied with the employment verification provisions prescribed by 8 USCA §

1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A).

The provisions of this Section are required by A.R.S. § 41-4401 to be included in any contract either Party enters into with any and all of its contractors or subcontractors who provide services under this Agreement.

XXVIII. No Joint Venture:

It is not intended by this Agreement to, and nothing contained in this Agreement shall, be construed to create any partnership, joint venture, or employment relationship between the Parties or create any employer-employee relationship between the Parties' employees. Neither Party shall be liable for any debts, accounts, obligations, or other liabilities whatsoever of the other Party, including, but without limitation, the other Party's obligation to withhold Social Security and income taxes for itself or any of its employees.

XXIX. No Third-Party Beneficiaries:

Nothing in 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 either Party to the Agreement by imposing any standard of care different from the standard of care imposed by law.

XXX. Non-Assignment:

Neither Party shall assign its interest in this Agreement, either in whole or in part.

XXXI. Severability:

If any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law, the validity of the remaining portions and provisions hereof shall not be affected.

XXXII. Survival:

All obligations relating to confidentiality, indemnification, publicity, representations and warranties, and proprietary rights as stated in this Agreement shall survive the termination or expiration of this Agreement.

XXXIII. Governing Law, Dispute Resolution, and Jurisdiction:

The laws of the State of Arizona shall govern this Agreement. Venue will be in the Maricopa County Superior Court. In the event of any litigation or arbitration arising out of this Agreement, the substantially prevailing Party in such litigation or arbitration shall

be entitled to recover its reasonable attorneys' fees, expert witness fees, and other costs of litigation.

XXXIV. Method of Execution:

This agreement may be executed in one or more identical counterparts each of which shall be deemed an original, but all of which taken together shall constitute one agreement.

XXXV. Entire Agreement:

This Agreement represents the entire agreement between the Parties and supersedes all prior negotiations, representations, or agreements, either expressed or implied, written, or oral. It is mutually understood and agreed that no alteration or variation of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties.

SIGNATURES ON FOLLOWING PAGES

CITY OF CHANDLER

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of this ____ day of _____, 2022:

, Mayor

ATTEST:

, City Clerk

APPROVED AS TO FORM: The undersigned attorney acknowledges that they have reviewed the above agreement on behalf of Chandler, and has determined that this Agreement is in proper form and is within the powers and authority granted to Chandler under the laws of the State of Arizona.

, City Attorney

TOWN OF GILBERT

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of this ____ day of _____, 2022:

Brigette Peterson, Mayor

ATTEST:

Chaveli Herrera, Town Clerk

APPROVED AS TO FORM: The undersigned attorney acknowledges that they have reviewed the above agreement on behalf of Gilbert, and has determined that this Agreement is in proper form and is within the powers and authority granted to Gilbert under the laws of the State of Arizona.

Chris Payne, Town Attorney

CITY OF MESA

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of this ____ day of _____, 2022:

, Mayor

ATTEST:

, City Clerk

APPROVED AS TO FORM: The undersigned attorney acknowledges that they have reviewed the above agreement on behalf of Mesa, and has determined that this Agreement is in proper form and is within the powers and authority granted to Mesa under the laws of the State of Arizona.

, City Attorney

CITY OF TEMPE

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of this ____ day of _____, 2022:

, Mayor

ATTEST:

, City Clerk

APPROVED AS TO FORM: The undersigned attorney acknowledges that they have reviewed the above agreement on behalf of Tempe, and has determined that this Agreement is in proper form and is within the powers and authority granted to Tempe under the laws of the State of Arizona.

, City Attorney

TOWN OF QUEEN CREEK

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of this ____ day of _____, 2022:

, Mayor

ATTEST:

, Town Clerk

APPROVED AS TO FORM: The undersigned attorney acknowledges that they have reviewed the above agreement on behalf of Queen Creek, and has determined that this Agreement is in proper form and is within the powers and authority granted to Queen Creek under the laws of the State of Arizona.

, Town Attorney



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: SCOTT A. HOLCOMB, TOWN ATTORNEY

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A MOTION FOR THE TOWN OF QUEEN CREEK TO INTERVENE IN THE APPLICATION OF UNION PACIFIC RAILROAD COMPANY TO CONSTRUCT FIVE (5) NEW AT-GRADE CROSSINGS AND IMPROVE (1) EXISTING AT-GRADE CROSSING IN MESA, ARIZONA, ARIZONA CORPORATION COMMISSION DOCKET NO. RR-03639A-22-0287, AND DIRECTING AND AUTHORIZING THE TOWN MANAGER AND TOWN ATTORNEY TO TAKE ALL ACTIONS NECESSARY TO REPRESENT THE TOWN'S INTERESTS IN RELATION THERETO.

DATE: DECEMBER 21, 2022

Recommended Action:

Approval of a Motion For The Town Of Queen Creek To Intervene In The Application Of Union Pacific Railroad Company To Construct Five (5) New At-Grade Crossings And Improve (1) Existing At-Grade Crossing In Mesa, Arizona, Arizona Corporation Commission Docket No. Rr-03639a-22-0287, And Directing And Authorizing The Town Manager And Town Attorney To Take All Actions Necessary To represent The Town's Interests In Relation Thereto.

Relevant Council Goal(s):



Effective Government



Superior Infrastructure.



Secure Future

Discussion:

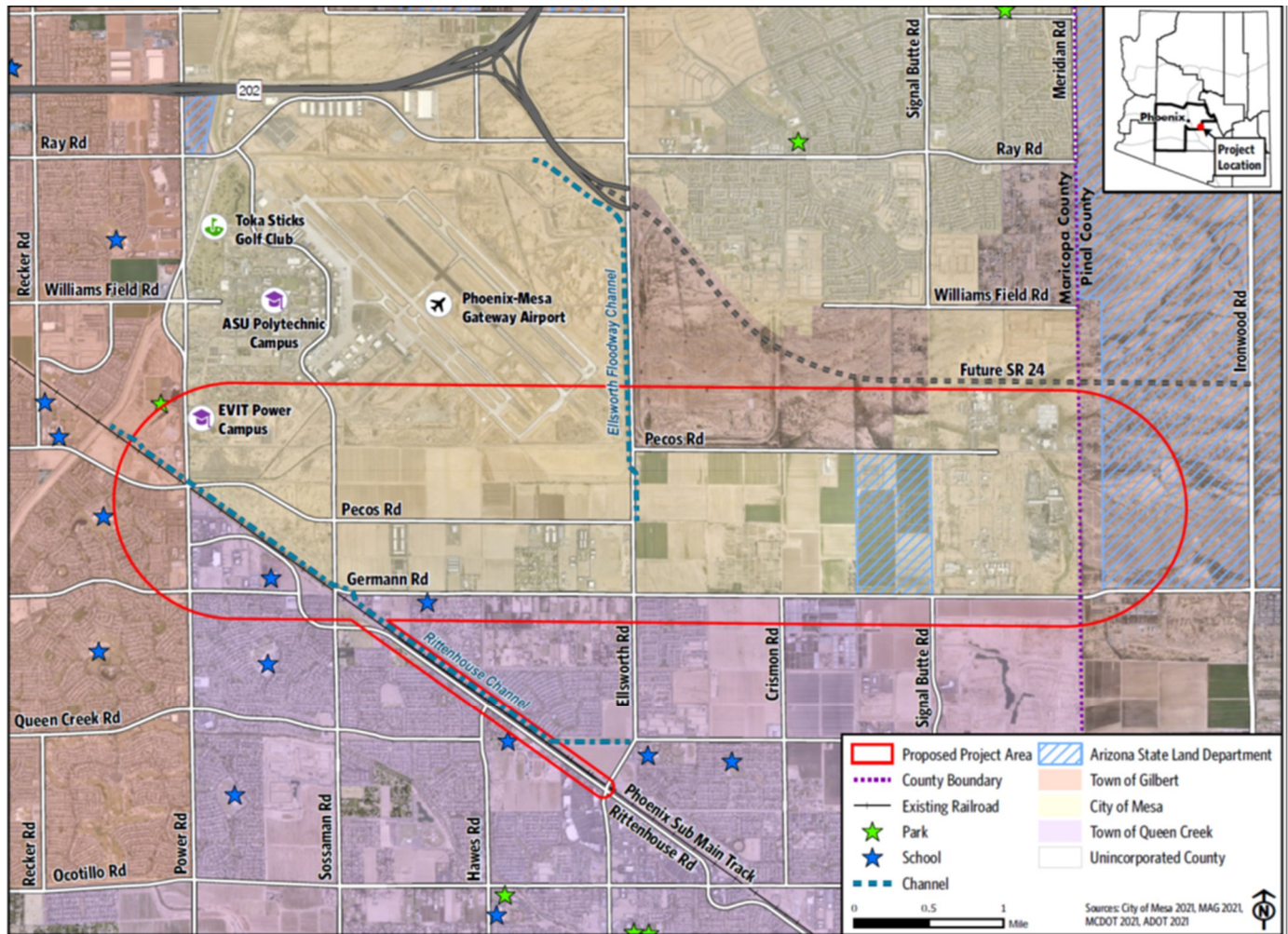
On November 15, 2022 Union Pacific Railroad ("UPRR") filed an "Application of Union Pacific Railroad Company to Construct five (5) new at-grade crossings and improve (1) existing at-grade crossing in Mesa, Arizona", with The Arizona Corporation Commission ("ACC"), ACC docket RR-03639A-22-0287 (the "UPRR Application"). UPRR refers to the project as the Pecos Industrial Rail Access and Train

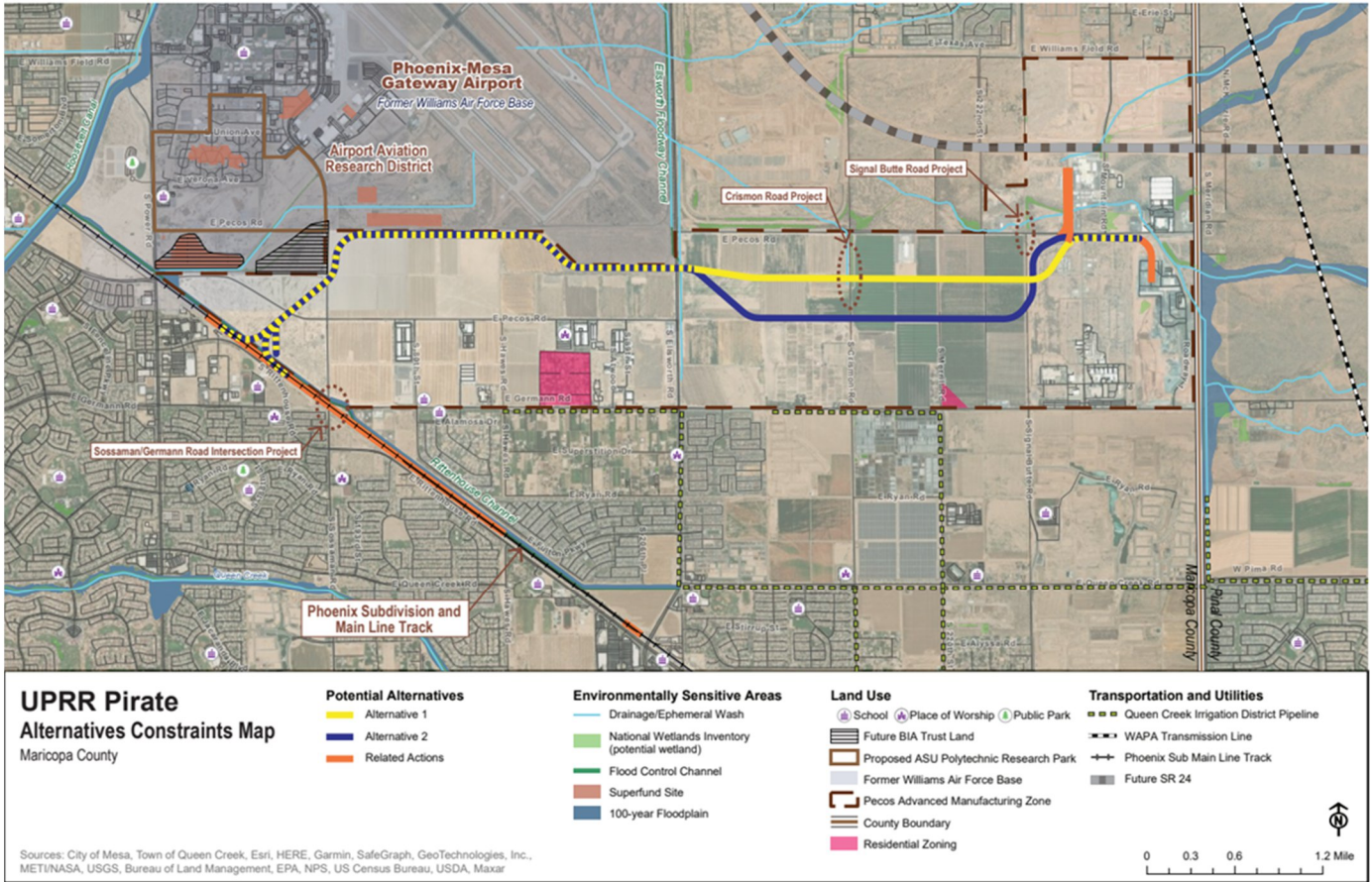
Extension Project (the "PIRATE Line") The UPRR Application and PIRATE Project is supported by the City of Mesa. The Town is not named in the UPRR Application.

The five referenced "at grade" crossings are located at:

- Pecos Road;
- Sossaman Road;
- Ellsworth Road;
- Crismon Road; and
- Signal Butte Road.

The "existing at-grade" crossing is at South Sossaman Road. All of the six crossings at issue are just north of the Town's northern boundary, and portions of the Town are within the designated included in the "Proposed Project Area". See the maps below.





On December 15, 2022, the Director of the ACC Safety Division filed a Staff Memorandum in the ACC Docket. The Memorandum was generated after “a diagnostic meeting and a workshop with the Commission.” The Town was not notified of, nor did it participate in the meeting or workshop with the ACC. The Staff Memorandum includes the following conclusions:

Staff Conclusions

Having reviewed all applicable data, Staff supports Railroad's application for establishment or modification of at-grade railroad crossings at:
 Pecos Road, DOT#980158R
 Sossaman Road, DOT#980159X
 Crismon Road, DOT#980161Y
 Signal Butte Road, DOT#980163M
 south Sossaman Road, DOT#741834B

Staff believes that these crossings are in the public's interest and are reasonable. Staff believes that the measures proposed by Railroad are consistent with other similar at-grade crossings in the State and will provide for the public's safety.

Staff recommends the following;
 Grade separation at Ellsworth Road, DOT#980160S

Staff believes that this crossing is in the public's interest and reasonable. Staff believes that the measures proposed are consistent with other similar crossings and the

communities around the crossings in the State and will provide for the public's safety. Therefore, Staff recommends approval of this application as modified in this Staff Memorandum.

The ACC Staff's recognition of the need for grade separation at the new crossing at Ellsworth road (as exists for the crossing at Ellsworth and Rittenhouse Road) is encouraging. However, additional issues need to be addressed to fully understand potential impacts of the project, including:

- Length of trains;
- Frequency and timing of trains; and
- Most importantly, the impact of future economic development in Mesa and on the State Lands in Queen Creek.

It is important to note that the staff recommendation may be accepted, rejected and/or changed by a majority vote of the Commissioners.

The Town has repeatedly expressed a desire to have more substantive participation in the design and analysis of the project, and at least learn more about the PIRATE project and the future operations through ongoing stakeholder meetings and in individual requests. Unfortunately, no substantive information has been received from UPRR with respect to its future operations plan. Without this information, the Town is unable to fully assess the potential impacts on Queen Creek, its citizens, future economic development and transportation needs. The Town continues to not oppose the project, but seeks to continue discussions with all the partners to alleviate significant concerns with the project's impacts on the efficient and effective flow of traffic, now and in the future, in the area accessing State Route 24, and to not undo the progress made due to the Town's and the City of Mesa's significant investments in developing north-south arterials.

Intervention by the Town is not an expression of opposition. Instead, intervention in the ACC Application docket is the proper process for the Town to become an active participant in the ACC proceedings and have its legitimate concerns and issues heard and addressed. The Town is clearly an important stakeholder in the success and effective implementation of the PIRATE project; intervention establishes the Town's stakeholder status and involvement. The Town has intervened in several ACC proceedings to advance and protect the interest of the Town and its citizens, including the SRP Able-Pfister-Ball 230Kv line siting, and various Johnson Utilities related utilities cases. The Town also participated in the proceedings related to the existing grade separation at Ellsworth and Rittenhouse.

Alternatives:

The Council could:

1. Not intervene, but submit public comments to the ACC; or
2. Take no action in relation to the UPRR Application and let the ACC approval process continue without Town input.

Attachment(s)/Link(s):

1. ACC Docket: <https://edocket.azcc.gov/search/docket-search/item-detail/26561>
2. Application: <https://docket.images.azcc.gov/E000022499.pdf?i=1671419594070>
3. ACC Staff Memorandum: <https://docket.images.azcc.gov/E000022946.pdf?i=1671419594070>



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: DAVE LIPINSKI, CIP DEPARTMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF AN AMENDMENT #1 TO DELEGATION RESOLUTION #1371-20 AUTHORIZING AND DIRECTING THE TOWN MANAGER AND/OR CAPITAL IMPROVEMENT PROJECTS DEPARTMENT DIRECTOR TO TAKE ANY AND ALL ACTION NECESSARY; AND TO SIGN ANY AND ALL DOCUMENTS, CONTRACTS, AND/OR AGREEMENTS RELATED TO CONSTRUCTION AND COMPLETION OF OCOTILLO ROAD IMPROVEMENT PROJECT FROM SOSSAMAN ROAD TO HAWES ROAD (CIP PROJECTS #A0116 AND #WA176) INCREASING THE ORIGINAL RESOLUTION AMOUNT BY \$6,715,480 FOR A TOTAL AMENDED RESOLUTION NOT TO EXCEED AMOUNT OF \$20,807,063; AND RELATED BUDGET ADJUSTMENTS.

DATE: December 21, 2022

Suggested Action:

To approve an Amendment #1 to Delegation Resolution #1371-20 authorizing and directing the Town Manager and/or Capital Improvement Projects Department Director to take any and all action necessary; and to sign any and all documents, contracts, and/or agreements related to construction and completion of Ocotillo Road Improvement Project from Sossaman Road to Hawes Road (CIP projects #A0116 and #WA176) increasing the original Resolution amount by \$6,715,480 for a total amended Resolution not to exceed amount of \$20,807,063; and related budget adjustments.

Relevant Council Goal(s):

Superior Infrastructure – Capital Improvement Program

Discussion:

In December 2018, Council approved an engineering design contract with Stanley Consultants for 1.2 miles of roadway and water line improvements for the Ocotillo Road Improvement Project from Sossaman Road to Hawes Road.

The Project improvements include: widening Ocotillo Road from two lanes to four lanes with a center turn lane, asphalt pavement replacement, addition of bike lanes, sidewalks, new driveway aprons, storm drain components, landscape, street lighting, two traffic signal upgrades, and Hawes Road bridge improvements to meet current safety standards.

At the October 7, 2020 Town Council Meeting, the Town Council approved Delegation Resolution

1371-20 authorizing up to \$14,091,583 for the delivery of the Project.

The Project bid advertisement has been significantly delayed by impacts from utilities. Queen Creek Irrigation District (QCID) has sections of 30-inch and 36-inch pipe to replace along the project. QCID started construction in November 2022. Salt River Project Agricultural Improvement and Power District (SRP) has yet to complete their design for power distribution relocations along Sossaman Road and Hawes Road. The project construction sequencing specified by the Town will allow the utilities to complete their work in coordination with the road construction.

The Project bids were opened on October 3, 2022. The Engineer’s Estimate was \$8.05 million; however, the lowest bid received was \$14.38 million or \$6.33 million higher than the estimate. Staff reviewed the bids and compared them to other projects recently quoted/bid. Staff determined the low bid is responsive and reasonable with the current construction and inflationary climate.

Staff is requesting an amendment to increase Delegation Resolution 1371-20 by \$6,715,480 resulting in a revised total of \$20,807,063. This amount includes increased costs in construction of roadway improvements, waterline improvements, and SRP 12kV underground conversion and other necessary project components that may be needed prior to the start of construction. A summary of items is included in the attached Delegation Resolution #1371-20 Amendment 1, Exhibit 1.

If Delegation Resolution #1371-20 Amendment #1 is approved, construction is anticipated to start February 2023, and the project is expected to be completed in February 2024.

Fiscal Impact:

Delegation Resolution 1371-20 was originally approved on October 7, 2020 in the amount of \$14,091,583. This proposed Amendment #1 will require an increase of \$6,715,480 to the amount authorized under the Delegation Resolution. It will also require a budget adjustment of \$6,593,218 from the FY 2022/23 CIP Contingency. The following table summarizes the updated project cost and the required budget adjustment:

	Approved Design Contract	Approved DR 1371-20	REQUESTED Amendment #1 to DR 1371-20	Total Project Cost	Available Budget	REQUESTED Budget Adjustment
Road	795,664	12,890,233	4,897,330	18,583,227	13,808,159	4,775,068
Utilities		1,201,350	1,818,150	3,019,500	1,201,350	1,818,150
Total	795,664	14,091,583	6,715,480	21,602,727	15,009,509	6,593,218

The funding source for the roads portion of the project is a combination of growth (29%) covered by transportation impact fees and construction sales tax, and non-growth (71%) covered by the Town’s operating budget. The water portion of the project is funded by a combination of growth (20%) covered by capacity fees and non-growth (80%) covered by water rates.

Alternatives:

- The Town Council may decide not to approve Amendment #1 to Delegation Resolution #1371-20 in order to re-prioritize capital projects. If the resolution is not approved, the project

construction schedules will be delayed.

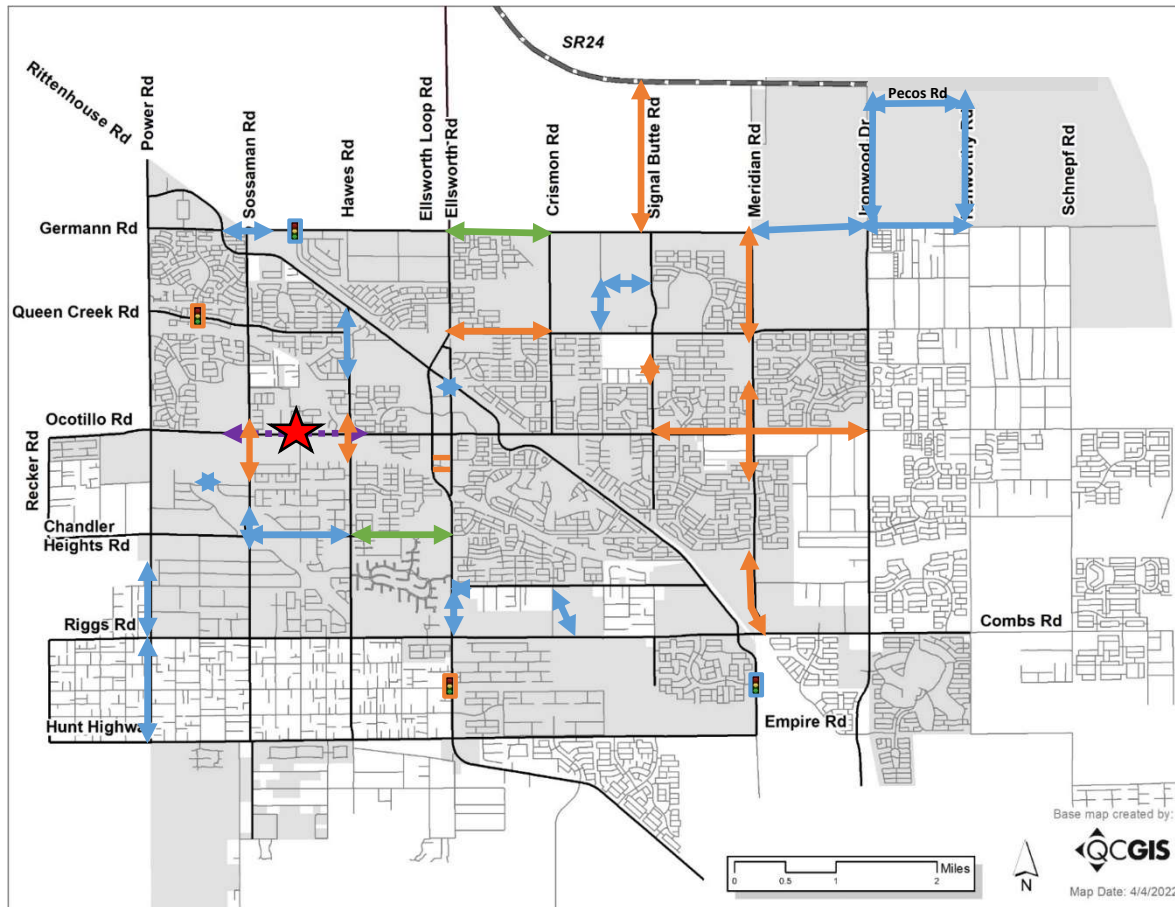
- The Town Council may direct staff to reduce the scope of the project to stay within current authorized funding.
- The Town Council may direct staff to cancel the current request for bids and re-bid the project at a future date.

Attachment(s):

1. [A0116 Project Location Exhibit](#)
2. [A0116 Project Site Exhibit](#)
3. [DR 1371-20 Amendment #1](#)

CIP Projects – Transportation

Ocotillo Road Improvement Project: Sossaman Road to Hawes Road, A0116 and WA176



Key

Subject Project

In Design

Bidding Soon

Under Construction

Future

Traffic Signal in Design

Traffic Signal Under Construction

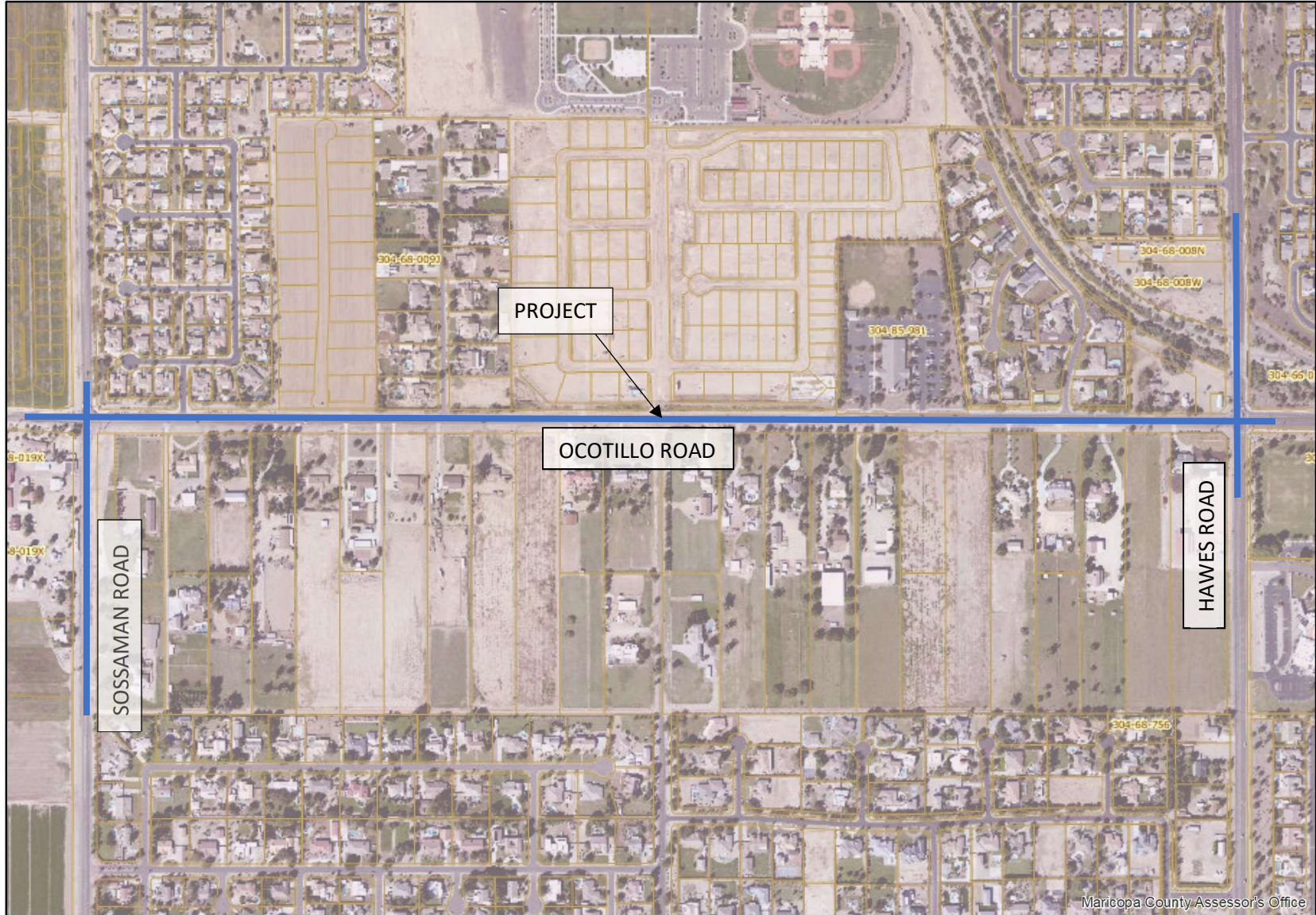
Note: Roadway projects include all utilities within the same footprint.

Rev. 9-13-22

Ocotillo Road Improvement Project: Sossaman Road to Hawes Road, A0116 and WA176



Project Site Exhibit



Maricopa County Assessor's Office

11/14/2022 1:35:09 PM

RESOLUTION 1371-20 (AMENDMENT #1)

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN COUNCIL OF QUEEN CREEK, ARIZONA, AMENDING RESOLUTION 1371-20 AND AUTHORIZING AND DIRECTING THE TOWN MANAGER, AND/OR CAPITAL IMPROVEMENT PROJECTS DEPARTMENT DIRECTOR TO TAKE ANY AND ALL ACTION NECESSARY; AND TO SIGN ANY AND ALL DOCUMENTS, CONTRACTS AND AGREEMENTS RELATED TO THE OCOTILLO ROAD IMPROVEMENT PROJECT FROM SOSSAMAN ROAD TO HAWES ROAD, # A0116, AND # WA176.

WHEREAS, the Town Council finds that it is in the interest of the Town to enter into Contracts and/or Agreements to complete the Ocotillo Road Improvement Projects from Sossaman Road to Hawes Road, #A0116, and #WA176 (the "Project"), as more specifically described in the Staff Report presented to the Council in support of this Resolution, and the summary of items included in the Project set forth in Exhibit 1 attached hereto, both of which are incorporated herein by this reference; and

WHEREAS, Article 5 of the Town's Procurement Policy authorizes the Town Council to delegate signature authority to the Town Manager and/or Department Director for certain contracts related to the Project; and

WHEREAS, funding for the Project is included in the Town's Capital Improvement Plan (CIP) Budget; and

WHEREAS, spending authority for the Project was approved by the Town Council in Resolution 1371-20 establishing the project budget on October 7, 2020; approving completion of the Ocotillo Road Improvement Projects from Sossaman Road to Hawes Road, #A0116, and #WA176; and approving Resolution 1459-22 adopting the FY 2022/23 budget.

NOW, THEREFORE, the Common Council resolve as follows:

Section 1. That the total Resolution amount is amended and hereby affirmed to be \$20,807,063 and the total authorized budget amount for the Project is amended and hereby affirmed to be \$21,602,727

Section 2. That the Town Manager has the authority to sign and enter into, on the Town's behalf, individual contracts, up to an aggregate limit of the total authorized budget amount, for the completion of the Project.

Section 3. That the Capital Improvement Projects Director has the authority to sign and enter into, on the Town's behalf, individual contracts and/or agreements valued at less than \$100,000, up to an aggregate limit of the total authorized budget amount, for the completion of the Project.

Section 4. That the Town Manager, Capital Improvement Projects Director and Town Attorney are authorized to sign such documents in such form as is finally approved and take such actions as are reasonably necessary to effectuate the terms of the contracts, services, and/or agreements.

Section 5. This delegation of signature authority shall remain in force until the Project is delivered, completed, and placed into service, or until revoked by a subsequent, validly passed resolution of the Town Council.

PASSED AND ADOPTED by the Common Council of the Town of Queen Creek, Arizona this 21st day of December, 2022.

FOR THE TOWN OF QUEEN CREEK:

ATTESTED TO:

Jeff Brown, Vice Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM

John Kross, Town Manager

Dickinson Wright PLLC
Town Attorneys

CIP Project # A0116
Ocotillo Road
Sossaman Rd to Hawes Rd

Council Approved Design Improvements		Contract Cost	Contingency	Extend Cost
DESIGN	Roadway Design - Stanley	\$724,135	\$0	\$724,135
	Amendment 1 - Stanley	\$71,529	\$0	\$71,529
	Approved & Allocated Total:	\$795,664	\$0	\$795,664

Delegation Resolution		Proposed Cost	Contingency	Extended Cost
DESIGN	Amendment 2 - Stanley	\$68,068	\$0	\$68,068
	Amendment 3 - Stanley	\$42,027	\$0	\$42,027
	Amendment 4 - Stanley	\$57,696	\$0	\$57,696
	Approved & Allocated Total:	\$167,791	\$0	\$167,791
UTILITIES	12KV Power Line Undergrounding - SRP	\$808,000	\$80,800	\$888,800
	12KV Power Line Removal - SRP	\$79,000	\$7,900	\$86,900
	69KV Transmission Relocation - SRP	\$161,200	\$0	\$161,200
	Street Lighting Design/Const. - SRP	\$300,000	\$30,000	\$330,000
	Pipe Replacement Design/Const. - QCID	\$1,740,000	\$174,000	\$1,914,000
	Proposed Utilities Subtotal:	\$3,088,200	\$292,700	\$3,380,900
REAL ESTATE	Title Reports	\$4,680	\$0	\$4,680
	Appraisal	\$8,000	\$0	\$8,000
	Right-of-Way	\$241,302	\$0	\$241,302
	Drainage Easement	\$500,000	\$50,000	\$550,000
	Proposed Real Estate Subtotal:	\$753,982	\$50,000	\$803,982
CONSTRUCTION	Roadway Construction - D&T	\$11,365,000	\$1,136,500	\$12,501,500
	SRP Scope - D&T	\$600,000	\$60,000	\$660,000
	Quality Assurance Testing - D&T	\$100,000	\$10,000	\$110,000
	Post Design Services - D&T	\$15,000	\$1,500	\$16,500
	Traffic Signal Equipment - D&T	\$57,190	\$5,719	\$62,909
	Water Construction - WATER	\$2,745,000	\$274,500	\$3,019,500
	Proposed Construction Subtotal:	\$14,882,190	\$1,488,219	\$16,370,409
MISC. Expenses	Water Meter Fees	\$60,000	\$6,000	\$66,000
	Constructability Analysis	\$6,980	\$0	\$6,980
	Public Outreach	\$10,000	\$1,000	\$11,000
	Miscellaneous Expenses Subtotal:	\$76,980	\$7,000	\$83,980

	Proposed	Contingency	Extended Cost
Total Project Budget Requested	\$19,764,807	\$1,837,919	\$21,602,727
Prior Council Approved Contracts			\$795,664
Total Delegation Resolution Requested			\$20,807,063
Delegation Resolution 1371-20 Approved 10/7/20			\$14,091,583
Additional Delegation Resolution Requested			\$6,715,480

Line items with \$0 of contingency are completed or near completion.



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH:

FROM: JOHN KROSS ICMA-CM, TOWN MANAGER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION #1512-22 AMENDING THE STANDARD FORM BYLAWS FOR TOWN COMMITTEES, BOARDS AND/OR COMMISSIONS SECTION II - MEMBERSHIP, ROSTER, COUNCIL LIAISON, RESIDENCY REQUIREMENT AND TERMS OF OFFICE ITEM (G).

DATE: December 21, 2022

Suggested Action:

To approve Resolution #1512-22 amending the Standard Form By-laws for Designated Town Committees and Task Forces Section II - Membership, Roster, Council Liaison, Residency Requirement and Terms of Office Item (G).

Relevant Council Goal(s):

Effective Government

Discussion:

This item is on the agenda at the request for Council consideration by Vice Mayor Brown and Council Member Benning. The Town's Boards and Committees Bylaws were adopted by the Town Council in 2009 and has served the Town well with periodic amendments from time to time. Queen Creek has a long-standing history of using advisory committees to serve and in some cases, vet important public policy issues and provide recommendations to the Town Council for final consideration. The Council has also established residency requirements for all Town Committees but in the Town's early development history, there was an interest to have non-residents serve in some capacity and be formally appointed to Town Advisory Boards and Committees. As the Town has more than doubled in resident population since 2009 (72,000 versus 26,000) there is heightened interest to ensure maximum resident participation in Town policy matters under consideration, particularly for those policy matters involving use of Town resources to fund various initiatives and programs. This amendment would eliminate non-residents as formal non-voting members of Town Boards and Committees in an effort to maximize resident participation with an emphasis on fiduciary roles affecting them. Of course, all Boards and Committees are public meetings and are open to all interested members of the public, whether a Town resident or non-resident. All Boards and Committees continue to take public comment and feedback on agenda items. The Bylaws document,

with the proposed changes identified, is attached to Resolution #1512-22 as Exhibit “A”.

The proposed amendment is being recommended.

Section II: Membership, Roster, Council Liaison, Residency Requirement and Terms of Office; Item (g)

- Currently item (g) reads:

A maximum of two (2) non-residents may be appointed to a committee. An odd number of voting members must be maintained on committees.

Proposed amendment

The proposed amendment would remove the option to appoint two (2) non-residents to a committee.

Alternatives:

The Town Council may decide not to approve the amendment and continue with current bylaws or request an alternative amendment be presented at a future Town Council Meeting.

Attachment(s):

1. [Resolution 1512-22.pdf](#)
2. [Exhibit A Committee Standard Form Bylaws \(5\).pdf](#)

RESOLUTION 1512-22

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, AMENDING THE STANDARD FORM BYLAWS FOR TOWN COMMITTEES, BOARDS AND/OR COMMISSIONS AS APPLICABLE.

WHEREAS, the Town of Queen Creek desires to maximize public involvement of its residents to the greatest extent possible; and,

WHEREAS, the amendment to the bylaws for the Town Committees, Boards and/or Commissions are necessary for the implementation of broad-based public policy goals of the community as a whole; and,

WHEREAS, the Town of Queen Creek intends to remain a progressive, citizen driven community of quality and that promoting this value requires establishing the appropriate procedural guidance for citizen and community involvement at all levels of government; and,

NOW THEREFORE, BE IT RESOLVED by the Mayor and Town Council of the Town of Queen Creek, Arizona as follows:

- Section 1: That the Queen Creek Town Council hereby adopts these amendments to the Standard Form Bylaws attached hereto as Exhibit "A" and incorporated herein by reference;
- Section 2: That the Town Manager is hereby authorized to distribute and begin the implementation of the amendments to the bylaws to all Town Committees from this point forward

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Queen Creek, Arizona, this 21st day of December 2022.

FOR THE TOWN OF QUEEN CREEK:

Jeff Brown, Vice Mayor

ATTESTED TO:

Maria Gonzalez, Town Clerk

REVIEWED BY:

John Kross, Town Manager

APPROVED AS TO FORM:

Dickinson Wright, PLLC
Attorneys for the Town

Exhibit "A"
Amendment to Standard Form Bylaws for Designated Town Committees and Task Forces
REVISED ~~OCTOBER 17, 2018~~ DECEMBER 21, 2022

Section I: Purpose and Applicability

The purpose of establishing bylaws for citizen advisory committees is to maximize public involvement in the public policy-making process at all levels possible. The Queen Creek Town Council desires to include as many people as possible on Town Committees and has adopted annual goals establishing citizen involvement and general public outreach as a priority for Queen Creek.

a) Definitions

Committee: A committee is a standing work group appointed or selected to perform a specific service or function on behalf of a larger group (Town Council).

Task Force: A Task Force is a temporary work group assigned for a certain purpose for a specific amount of time to accomplish a defined objective with the expectation that the group will disband when the objective has been completed.

These bylaws for governance of Town Committees are applicable to all Town Committees and all future committees and Task Forces so designated by the Town Council. For the Planning and Zoning Commission, Economic Development Commission, Town Center Committee and Board of Adjustments, which have their own bylaws, these bylaws will govern in all areas where their bylaws are silent, or where there is a conflict between these bylaws and their bylaws. Where their bylaws are silent, or where there is a conflict, these bylaws will apply. (For example, their bylaws do not limit the number of committees on which a person may serve. In that case, Section II (h) of these bylaws will apply.) These bylaws do not preclude the applicability of any provision by state statute.

Section II: Membership, Roster, Council Liaison, Residency Requirement and Terms of Office

- a) Member terms are staggered so that the entire committee will not need to be appointed or reappointed at the same time. At the time a committee is first established, six members of an eleven-member committee shall be appointed for one-year terms and the remainder of the committee shall be appointed to two-year terms. Successive appointments shall be for two-year terms. (in the event that a committee, at the time it is first appointed, has fewer than eleven members, members shall be divided evenly between one-year and two-year terms to the greatest extent possible). When a seat becomes vacant in the middle of a term, the Council shall appoint a member to serve the remaining term.
- b) Committee members may serve for three consecutive terms. At the end of three consecutive terms, committee members must step down from the committee. Committee members who have reached their term limit must wait for a period of one

year, and then may re-apply to the same committee for membership if there is a vacancy. Term limits shall start with the first new term following the adoption date of the revised bylaws.

- c) The Town Council may appoint up to two members from the Town Council to serve as non-voting liaison members of a committee.
- d) The committee shall select a chair and vice chair from the voting members of the committee. The committee's selection for chair and vice chair shall be ratified by the Town Council.
- e) All Committee members serve at the pleasure of the Town Council and may be removed without cause at any time by a majority vote of the Council. Any committee created or appointed by the Town Council may, by appropriate rules and regulations, provide additional grounds for the removal of members, but in any event, the Town Council shall have the complete authority to remove members from the committee.
- f) Every Town Committee shall have a minimum of seven (7) members and up to a maximum of eleven (11) members. Town Committees must maintain a minimum of seven (7) voting members and the quantity of members shall equal an odd number. Council Members serving as non-voting liaison members and any other non-voting members shall not be counted towards the minimum or maximum committee membership.
- g) ~~A maximum of two (2) non-residents may be appointed to a committee.~~
- h) Committee vacancies should be filled as quickly as possible. Committees shall maintain enough active members to achieve a quorum. If a committee cannot fill a vacancy and achieve a quorum of members at meetings, the Mayor may decide to recommend re-appointment (for another 2-year term) of a member who has reached their term limit.
- i) Committee members may not serve as voting members on more than one internal or external committee at a time. For example: A citizen may not serve as a Town Council appointed member of a Town created internal committee and a Town Council appointed member/representative on a non-Town created external committee at the same time. The term External Committees "refers" to such groups as the East Valley Partnership Coalition and the Greater Phoenix Economic Council. Committee members serving on multiple committees at the time this amendment to the Bylaws is adopted may continue to serve on those committees until their earliest term expiration date. At that time, the member must choose one internal or external committee on which to serve and resign as a voting member from all other committees.
- j) Members of internal or external committees may from time to time be appointed by the Town Council to serve on a Task Force based on their knowledge of the Task Force's specific objective.
- k) Employment with the Town disqualifies a citizen from sitting on a committee.

Section III. Staff Assistance.

The Town Manager shall have the responsibility to appoint the necessary staff to serve in a support role to the advisory committee. The staff role is advisory and shall not have voting privileges.

Staff assigned to a committee shall be referred to as support staff. The staff person taking the lead role in supporting the committee shall be the committee manager.

Section IV. Meeting Quorum, Voting Procedures and Privileges

- a) The committee shall not conduct any business without the presence of a quorum consisting of a simple majority of the total number of voting members appointed by the Town Council. For example, if there is an eleven member committee, at least six must be present in order to conduct a meeting.
- b) Only Town resident members shall have voting privileges for each action item on each agenda; may make a motion on any posted agenda item; and may second the motion for discussion and full committee voting.

Section V: Powers and Duties.

Town Committees shall have the following powers and duties:

- a) At the start of each new fiscal year, receive Town Council approval of its 12-month work program. A copy of the 5-year capital improvement plan (CIP) budget associated with items in the work program shall be attached to the work program.
- b) Committees, boards and commissions involved with any capital project, shall receive direction concerning developing scopes of work for projects from the Council prior to engaging in any planning, prioritization and community outreach efforts.
- c) Keep and submit meeting summaries or minutes to the Council for information following an official meeting of the committee. Include meeting summaries in the weekly packet.
- d) Advise the Council on matters pertaining to the designated committees and work program approved by the Town Council.
- e) Advise the Council on the status of its annual work program and achievement of various initiatives set forth by the Council for implementation.
- f) Advise the Council on matters of public policy affecting the community at-large as it relates to the function and mission of the designated committee and its work program.
- g) Advise the Town Manager on issues pertaining to operations and administration of the

Town organization.

- h) Representation of recommendations of the committee/expression of personal opinions; communicating personal opinion in conjunction with majority position of a committee, commission or board: When speaking or writing regarding a matter within the jurisdiction of a committee, members of the committee shall represent the official policies or positions of the board, commission or committee on which they serve to the best of their ability. When presenting their individual opinions and positions, members shall explicitly state that the opinions they are expressing are their own, do not represent the views or opinions of the Town of Queen Creek or a committee, board or commission of the Town, and will not infer or suggest that the opinion they are expressing is the opinion of the Town.

Section VI. Committees – General Qualifications of Members.

Attendance Required. Any member of a committee created and appointed by the Town Council may be replaced by the Council if s/he:

- a) Is absent for twenty-five (25) percent or more of the regular meetings within any consecutive 12-month period. The Town Council shall consider removal of the individual from the committee at the next available Council meeting. Replacement of an individual who has been removed from a committee shall be considered as soon as reasonably possible.

Section VII. MEMBER APPOINTMENT PROCESS

Any citizen interested in joining a Town Committee must complete a Notice of Interest Form and submit it to the Town Clerk's office.

- a) Citizens completing the Interest Form must rank order (prioritize) their preference for a specific committee (only active committees shall be listed, with an option to check 'other' as well).
- b) Upon receipt of a Notice of Interest Form, the Town Clerk's office shall generate a letter notice of acknowledgement.
- c) The Town Clerk's office shall keep, maintain, and update all master lists. Master lists include: 1. Committee members; and 2. Interested residents. Notice of Interest Forms shall be kept on file at the clerk's office for a period of twelve (12) months. At the end of twelve (12) months Notice of Interest Forms will expire. Once a Notice of Interest Form has expired, it will be removed from the master list and shredded. In order to be eligible for consideration for committee appointments, applicants must fill out an updated Notice of Interest Form and submit it to the Town Clerk's office every twelve (12) months.

When there is a vacancy on a Town Committee, the following appointment process will be followed to fill that vacancy:

- d) The committee manager shall notify their department director of any committee vacancies immediately. The department director shall in turn notify the Town Manager and Town Clerk of the vacancies, and request Notice of Interest Forms from the Town Clerk.
- e) Upon notice of the vacancy, the Town Clerk shall forward Notice of Interest Forms to the committee manager. If no Notice of Interest Forms are on file, advertisements for committee vacancies shall be posted on sites that include, but are not limited to, the Town web site, *About Town Newsletter*, and the town's social media sites. News releases shall also be issued. Depending on the time needed to fill a committee vacancy, alternatives to the master lists may be considered by the department director. Advertising will be done until the vacancy is filled. Please note: other forms of advertisement may be used to adequately reach the intended audience.
- f) The committee manager shall review Notice of Interest Forms to determine whether the residency requirement has been met for that committee. The committee manager shall forward eligible Notice of Interest Forms to the Mayor or designee, and committee chair, for review.
- g) The Mayor or designee shall make contact with applicants to discuss the committee meeting schedule and commitments in order to determine the interest and availability of the applicants.
- h) Interviews shall be conducted by the Mayor or if delegated by the Mayor, the committee chair (please note: the department director shall be used as the backup, if necessary). The purpose of the interview will be to determine the applicant's background, the individual's availability to serve, and their knowledge and areas of interest in relation to the committee's work program.
- i) The department director and committee chair shall decide which applicant(s) to recommend to the Mayor for membership. The department director shall meet with the Mayor to discuss the recommendation. If the Mayor approves, the committee chair shall contact the applicant(s) to confirm their acceptance of the recommendation. Upon confirmation, the committee chair shall notify the committee manager of the recommendation.
- j) The committee manager shall submit the recommendation as an item for an upcoming Council agenda through their department director. The agenda language should be formatted as follows: "consideration and possible approval of the appointment of _____ to the _____ committee."
- k) The committee manager shall develop and submit a staff report through their department director requesting the official committee appointment. Included with the staff report will be a copy of all the Notice of Interest Forms received.
- l) If the Mayor and Council approve the recommended appointment, the department director shall prepare a congratulatory letter of appointment with the Mayor's signature to the new committee member within one week of the official appointment. The

department director shall also send notices to those applicants who were interviewed but not appointed.

- m) If the recommended applicant is not appointed by Mayor and Council, the Mayor, or if delegated by the Mayor the committee chair, must make a new recommendation based on the remaining Notice of Interest Forms. If there are no remaining Notice of Interest Forms, the committee vacancy shall be advertised as specified in (e) above.
- n) Upon the appointment of a new committee member, the committee manager shall conduct an orientation. The orientation may vary depending on the committee's work plan, but must include at a minimum the following:
 - a. An overview of the role and authority of committees in the Council-Manager form of government.
 - b. An introduction to the purpose and mission of the committee, including a summary of the committee's bylaws, work plan and actions over the last six (6) months.
 - c. Hard copies of the Committee Bylaws, Work Plan, and any additional support materials including budgets and approved plans and maps.
 - d. A written schedule of meetings and other commitments.
 - e. Contact information for the committee manager and support staff.
- o) When the orientation has been completed, the committee manager shall notify their department director and provide the date of the first meeting the new member will be attending.

Section VIII. INACTIVE COMMITTEES

Town Committees which have not met for more than twelve (12) consecutive months are automatically disbanded. In order to re-establish a committee that has been disbanded, members must be appointed to the committee through the appointment process detailed in Section VII.



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: SCOTT MCCARTY, FINANCE DIRECTOR, DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION #1513-22 APPROVING A PREPAYMENT AGREEMENT WITH VESTAR VINEYARD TOWNE CENTER LLC RELATED TO THE VINEYARD TOWNE CENTER DEVELOPMENT AGREEMENT AND ESTABLISHING AN INTERNAL RESERVE OF \$7.8 MILLION WITHIN THE CONSTRUCTION SALES TAX FUND TO ACCOMMODATE THE REQUIRED PAYMENT.

DATE: December 21, 2022

Suggested Action:

Motion to approve Resolution #1513-22 approving a Prepayment Agreement with Vestar Vineyard Towne Center LLC related to the Vineyard Towne Center Development Agreement and establishing an internal reserve of \$7.8 million within the Construction Sales Tax Fund to accommodate the required payment.

Relevant Council Goal(s):

- Effective Government: KRA Financial Stability

Discussion:

In July 2007, the Town and Vestar entered into a development agreement for a commercial development of Vestar's property on the northwest corner of Gantzel Road and Combs Road. At the time, the Town and developer both expected development of the property to happen within a few years. However, the economic slowdown of 2008-2009 significantly impacted Vestar's plans and no activity happened on the site for several years. The development agreement has therefore been dormant for some time. Vestar has recently begun to develop the property and has submitted plans for additional retail establishments, which has triggered re-activation of the development agreement.

Among the terms of the development agreement is a requirement for the Town to reimburse the developer for the costs of installing certain public infrastructure improvements surrounding the property including road and drainage improvements, street lights, and traffic signals.

The reimbursement to the developer is to occur over a timeline of up to 15 years, up to a maximum amount of \$7,810,030. The development agreement also contains a clause that annual payments to

Vestar were to be limited to 50% of the actual sales tax revenue generated from the site. Finally, the Town is required to pay seven percent (7%) interest per year on the unpaid reimbursement amount until Vestar receives full reimbursement for the public infrastructure or the 15-year term expires, whichever comes first.

Conditions Precedent to commencement of the 15-year reimbursement timeline are as follows:

1. Final annexation of the property into the Town (this occurred in 2008)
2. Installation and acceptance by the Town of all required public infrastructure improvements
3. Issuance of a certificate of occupancy for 120,000 square feet of retail space including a Major Tenant of at least 100,000 square feet

Based on current estimates of construction costs and projections of future sales tax revenues from the site, staff estimates that reimbursement to Vestar under the original terms of the development agreement will take about 10 years and cost \$4.2 million in interest costs. These estimates assume the developer will incur the full \$7.8 million in public infrastructure costs.

Instead of paying off the development agreement over time, staff recommends paying Vestar a single lump sum for all public infrastructure costs once all Conditions Precedent are met. Doing so will avoid paying the interest costs that were anticipated by the original development agreement. It will also avoid the administrative burden of tracking sales tax revenue on a specific site with multiple businesses and issuing checks over many years.

Staff also recommends the Town Council establish an internal reserve account within the Town's 2% Construction Sales Tax Fund for the full \$7.8 million obligation. Establishing a reserve now will ensure the Town has the funds readily available once the payment comes due. It will also ensure that 100% of the new sales tax revenues from the site will go to the Operating Budget instead of being diverted to pay off a development agreement.

The proposed Prepayment Agreement includes a provision that all Conditions Precedent must be met before the Town will reimburse the developer. Timing of the payment to Vestar will depend on the pace of development on the site, which will be determined by Vestar. Also, according to Arizona law, the developer must follow public procurement rules as outlined in A.R.S. Title 34 for public works projects. This includes adherence to open bidding and contractor selection requirements prior to the commencement of construction.

Fiscal Impact:

Approving this Prepayment Agreement will require the Town to make a one-time payment to Vestar of up to \$7.8 million. Doing so will save up to \$4.2 million in interest costs compared to paying the developer over time as originally outlined in the development agreement.

Funding for the payment will come from the Town's 2% Construction Sales Tax Fund that is dedicated for public infrastructure. Doing so allows 100% of the sales tax generated from the site to go to the Operating Budget, rather than being diverted to meet our obligation under the development agreement.

The timing of the payment to the developer depends on the developer fulfilling all Conditions Precedent in the Prepayment Agreement. Staff currently anticipates this to happen in calendar year

2025. A future budget will include sufficient expenditure authority to accommodate this payment when it comes due.

Alternatives:

The Town Council could choose to not approve the Prepayment Agreement. The Town will reimburse the developer according to the original terms and timeline of the development agreement which will include up to \$4.2 million of interest costs on top of the required public infrastructure costs.

Attachment(s):

1. [Resolution 1513-22 Vestar Vineyard Prepayment Final.pdf](#)
2. [Vestar Vineyard DA Prepayment Agreement.pdf](#)

RESOLUTION 1513-22

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, APPROVING A PREPAYMENT AGREEMENT BETWEEN THE TOWN AND VESTAR VINEYARD TOWNE CENTER LLC FOR REIMBURSEMENT OF THE COST OF INFRASTRUCTURE UNDER THE VINEYARD TOWNE CENTER DEVELOPMENT AGREEMENT; ESTABLISHING AN INTERNAL RESERVE ACCOUNT WITHIN THE TOWN'S CONSTRUCTION SALES TAX FUND; AND AUTHORIZING AND DIRECTING THE MAYOR, VICE MAYOR, TOWN MANAGER, TOWN CLERK AND TOWN ATTORNEY TO NEGOTIATE, FINALIZE AND EXECUTE THE DEVELOPMENT AGREEMENT AND ALL OTHER DOCUMENTS AND INSTRUMENTS AND TO TAKE SUCH ACTIONS AS NECESSARY OR APPROPRIATE TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, A.R.S. 9-500.05 authorizes the Town to enter into development agreements relating to property in the Town of Queen Creek, and;

WHEREAS, Town and Vestar Arizona XLVI, LLC entered into a Development Agreement dated July 16, 2007, as amended by the First Amendment to Development Agreement dated January 21, 2009, relating to the development of property located at the northwest corner of Gantzel and Combs Roads in Pinal County, Arizona (the "Development Agreement"): and

WHEREAS, the Development Agreement was assigned to Vestar Vineyard Towne Center LLC ("Developer") pursuant to that certain Assignment and Assumption of Development Agreement dated July 21, 2022 and recorded in the Official Records of the Pinal County Recorder; and

WHEREAS, the Development Agreement provided that, subject to the Constitution and the laws of the State of Arizona, Developer would be reimbursed a principal Reimbursement Amount of actual costs for certain specified Public Infrastructure Improvements as defined in the Development Agreement over a Reimbursement Period of up to fifteen (15) years, plus interest at a rate of seven percent (7%) on the unpaid Reimbursement Amount; and

WHEREAS, the Developer and the Town have agreed it is in their mutual best interests to allow the Town to accelerate payment of the Reimbursement Amount and avoid the cost of the accrued interest over the Reimbursement Period; and

WHEREAS, the Town Council has determined that it is in the interest of the Town to enter into the Prepayment Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, AS FOLLOWS:

Section 1: That the Prepayment Agreement between the Town of Queen Creek and Vestar Vineyard Town Center LLC that is attached hereto as Exhibit "A" and incorporated herein by reference, is hereby adopted and approved.

Section 2: That staff is hereby directed to establish an internal reserve account within the Construction Sales Tax Fund in an amount sufficient to fully fund the required payment under the terms of the Prepayment Agreement.

Section 3: That the Mayor, Vice-Mayor, Town Manager, Town Clerk and Town Attorney, as appropriate, are hereby further authorized and directed to negotiate, finalize and execute the Prepayment Agreement and all other documents and instruments, and to take such actions as necessary or appropriate to consummate the transaction contemplated by this Resolution.

Section 4: This Resolution shall be effective thirty (30) days after adoption by the Common Council of the Town of Queen Creek.

PASSED AND ADOPTED by the Common Council of the Town of Queen Creek, Arizona, this 21st day of December 2022.

FOR THE TOWN OF QUEEN CREEK:

ATTEST TO:

Jeff Brown, Vice-Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

John Kross, ICMA-CM
Town Manager

Scott A. Holcomb
Dickinson Wright PLLC
Town Attorneys

WHEN RECORDED RETURN TO:

Town of Queen Creek
Town Clerk
22350 South Ellsworth Road
Queen Creek, AZ 85242

**PREPAYMENT AGREEMENT
(Vineyard Towne Center)**

This Prepayment Agreement (this “**Prepayment Agreement**”) is entered into December 21, 2022, by and between the Town of Queen Creek, an Arizona municipal corporation (the “**Town**”), and VESTAR VINEYARD TOWNE CENTER, LLC, an Arizona limited liability company (“**Developer**”), to allow the Town to prepay its infrastructure reimbursement obligation under the Development Agreement described herein. The Town and the Developer are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

A. Town and Vestar Arizona XLVI, LLC (“**Original Developer**”) entered into a Development Agreement dated July 16, 2007, and recorded as Fee No. 2007-085304 in the Official Records of the Pinal County Recorder, as amended by the First Amendment to Development Agreement dated January 21, 2009, and recorded as Fee No. 2009-0105564 in the Official Records of the Pinal County Recorder, relating to the development of property located at the northwest corner of Gantzel and Combs Roads in Pinal County, Arizona (the “**Development Agreement**”). Original Developer assigned the Development Agreement to Developer pursuant to that certain Assignment and Assumption of Development Agreement dated July 21, 2022 and recorded as Fee No. 2022-081891 in the Official Records of the Pinal County Recorder. Except as otherwise provided in this Prepayment Agreement, all capitalize terms used herein shall have the same meaning as set forth in the Development Agreement.

B. The Development Agreement provided that, subject to the Constitution and the laws of the State of Arizona, Developer would be reimbursed a principal amount of a Reimbursement Amount of actual costs for certain specified Public Infrastructure Improvements as defined in the Development Agreement over a Reimbursement Period of up to fifteen (15) years, plus interest at a rate of seven percent (7%) on the unpaid Reimbursement Amount.

C. The Developer and the Town have agreed it is in their mutual best interests to allow the Town to accelerate payment of the Reimbursement Amount and avoid the cost of the accrued interest over the Reimbursement Period.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Developer hereby agree as follows:

1. Accelerated Payment of Reimbursement Amount.

Upon satisfaction of the Conditions Precedent to Reimbursement set forth in the Development Agreement Sections 5 and 6 and Exhibit D to the Development Agreement, the Town may, in its sole discretion, prepay all or an accelerated portion of the Reimbursement Amount due under the Development Agreement, up to the Reimbursement Limit.

2. Miscellaneous.

2.1 Applicable Law; Venue. This Prepayment Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Prepayment Agreement may be brought only in courts in the Maricopa County, Arizona.

2.2 Amendments. This Prepayment Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Developer.

2.3 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Prepayment Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, this Prepayment Agreement will promptly be physically amended to make such insertion or correction.

2.4 Entire Agreement; Interpretation; Parol Evidence. This Prepayment Agreement represents the entire agreement of the Parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Prepayment Agreement are hereby revoked and superseded by this Prepayment Agreement. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Prepayment Agreement. This Prepayment Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Prepayment Agreement. The Parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

2.5 Assignment; Delegation. No right or interest in this Prepayment Agreement shall be assigned or delegated by either Party. Any attempted assignment or delegation shall be a breach of this Prepayment Agreement.

2.6 Rights and Remedies. No provision in this Prepayment Agreement shall be construed, expressly or by implication, as waiver by either Party of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Prepayment Agreement. The failure of either Party to insist upon the strict performance of any term or condition of this Prepayment Agreement or to exercise or delay the exercise of any right or remedy provided in this Prepayment Agreement, or by law, shall not release the Parties from any responsibilities or obligations imposed by this Prepayment Agreement or by law, and shall not be deemed a waiver of any right of either Party to insist upon the strict performance of this Prepayment Agreement.

2.7 Attorneys' Fees. In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Prepayment Agreement or on account of any breach or default hereof, the prevailing Party shall be entitled to receive from the other Party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

2.8 Notices and Requests. Any notice or other communication required or permitted to be given under this Prepayment Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Queen Creek
22350 South Ellsworth Road
Queen Creek, Arizona 85242
Attn: Bruce Gardner, Town
Manager

With copy to: Dickinson Wright PLLC
1850 N. Central Ave. #1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb

If to Developer: c/o Vestar Development Co.
2415 E. Camelback Road, Suite 100
Phoenix, AZ 85016
Attn: President

With a copy to: c/o Vestar Development Co.
2415 E. Camelback Road, Suite 100
Phoenix, AZ 85016
Attn: General Counsel

or at such other address, and to the attention of such other person or officer, as any Party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the Party, (B) three business days after being placed in the U.S.

Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a Party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a Party shall mean and refer to the date on which the Party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

2.9 Conflict of Interest. This Prepayment Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Prepayment Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Prepayment Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Prepayment Agreement or any extension of this Prepayment Agreement is in effect, an employee of any other party to this Prepayment Agreement in any capacity or a consultant to Developer of this Prepayment Agreement with respect to the subject matter of this Prepayment Agreement.

2.10 Captions/Headers. The captions and headers contained in this Prepayment Agreement are merely for reference and are not to be used to construe the limit of the text.

2.11 Warranty Against Payment of Consideration for Agreement. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Prepayment Agreement, other than the normal costs of conducting business and costs of professional services.

2.12 Non-liability of Officials, Partners and Employees. No member, official, or employee of the Town will be personally liable to Developer, or any successor-in-interest, in the event of any default or breach by the Town of any obligation under this Prepayment Agreement.

2.13 Recordation. This Prepayment Agreement shall be recorded no later than ten (10) days after it is executed by the Town and the Developer.

2.14 Defined Terms. Capitalized terms not separately defined in this Prepayment Agreement shall have the meanings ascribed to them in the Development Agreement.

[SIGNATURES ON FOLLOWING PAGES]

TOWN OF QUEEN CREEK,
an Arizona municipal corporation

Jeff Brown, Vice Mayor

ATTEST:

Maria Gonzalez, Town Clerk

APPROVED AS TO FORM:

Scott A. Holcomb

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

VESTAR VINEYARD TOWNE CENTER, LLC,
an Arizona limited liability company

By: Vestar VTCM, LLC,
a Delaware limited liability company
Its: Managing Member

By:

_____, Manager

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On _____, 2022, before me personally appeared _____, the
Manager of Vestar VTCM, LLC, the Managing Member of VESTAR VINEYARD TOWNE
CENTER, LLC, whose identity was proven to me on the basis of satisfactory evidence to be the
person who he claims to be, and acknowledged that he signed the above document, on behalf of
VESTAR VINEYARD TOWNE CENTER, LLC.

Notary Public

(Affix notary seal here)

CONSENT OF LIENHOLDER

The undersigned is the lienholder pursuant to that certain Construction Deed of Trust and Fixture Filing (With Assignment of Rents and Security Agreement) dated as of July 21, 2022 (the "Deed of Trust") and recorded on July 22, 2022 as Fee Number 2022-082104 in the Official Records of the Pinal County Recorder. The undersigned hereby consents to the foregoing Prepayment Agreement and agrees that such Prepayment Agreement may be recorded against the property subject to the Deed of Trust.

ZIONS BANCORPORATION, N.A. dba National Bank
of Arizona

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
County of Maricopa) ss.

The foregoing instrument was acknowledged before me this ___ day of _____, 2022, by _____ of Zions Bancorporation, N.A. dba National Bank of Arizona, on behalf of the association.

Notary Public



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: SCOTT HOLCOMB, TOWN ATTORNEY

RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION #1514-22,
 ADOPTING REVISIONS TO THE TOWN COUNCIL POLICIES AND PROCEDURES
 HANDBOOK REGARDING COUNCIL MEETING PROTOCOLS.

DATE: December 21, 2022

Suggested Action:

To approve Resolution #1514-22, adopting revisions to the Town Council Policies and Procedures Handbook (the "TCPP") regarding regarding Council Meeting protocols.

Relevant Council Goal(s):

Effective Government

Discussion:

The Town originally adopted the TCPP on January 16, 2002, and it has been amended 11 times since, most recently on June 1, 2022. The TCPP serves the general purposes of providing clarity, continuity, civility, structure, and fairness in Council processes and public proceeding.

At the direction of the Council, the proposed Resolution addresses two important issues dealing the norms of conduct by the Council and the public attending Council meeting in fulfilling their respective roles. Currently the TCPP contains the following provision dealing with public attendance at Council meetings:

G. Attendance by the Public

Consistent with Town Code Chapter 2, Article 2-5, Section 2-5-3, and except as specifically provided by A.R.S. §§ 38-431 et seq. for executive sessions, all meetings of the Council shall be open to the public.

In order to give more guidance to the Mayor/Chair, Councilmembers, and the public as to what activities are allowed and not allowed in a meeting, and explain why, the Resolution provides that the Town Council Policies and Procedures be amended by adding the following provision addressing public participation in open meetings:

I. COUNCIL MEETINGS – DATES, TIMES, LOCATIONS, ATTENDANCE BY THE PUBLIC

H. Norms for Public Participation and Attendance at Meetings

Except as otherwise provided under Arizona law, meetings of the Council are meetings held in public, not with the public, and “all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings”. The Council, may, but is not required to, “make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body.”

In order to allow all members of the public to be able to attend and listen to meetings all persons in attendance shall:

1. Show respect for and civility to everyone in attendance.
2. Respect the opinions and political views of others.
3. Ensure any topic presented is within the jurisdiction of the Town.
4. Not attempt to intimidate any person.
5. Not disrupt the meeting in any way, or interfere with the Council’s conduct of the Town’s business, or another person’s ability to speak, hear or participate as appropriate.

Prohibited activities include, but are not limited to, display of signs, loud noises, shouting, foul language, threats, disruptive gestures or motions, celebration, clapping or booing, except as appropriate in support of ceremonial matters on the agenda or as invited or allowed by the Chair. After appropriate warning to a person or group violating any of these norms of conduct, the Chair may have any offending signs, other materials, persons or groups removed from the meeting.

In addition, the Resolution adds an Exhibit A to be incorporated into the TPCC but will also be effective as a freestanding document addressing norms and protocols for the current and future Councilmembers. Queen Creek Councils throughout its growth as a premier Arizona community have taken great pride in being a very effective and civil governing body. As reflected in the proposed amendment to the TCPP and Exhibit A, the adoption of norms for how the Council functions individually and as a group will help to enshrine the positive qualities that define the Queen Creek Council. The proposed amendment is to add the following:

XVIII. COUNCIL NORMS AND PROTOCOLS

A. Norms and Protocols

In order to guide current and future elected officials in interactions with each other, staff and the general public, the Council has adopted the Queen Creek Town Council Norms and Protocols attached as Exhibit A and incorporated herein.

B. Separate Amendment

The Queen Creek Town Council Norms and Protocols are meant to be a freestanding dynamic document that may be considered and amended by the Council separately from these Council Policies and Procedures.

Exhibit A deals with three critical areas in positive plain language:

- Communication;
- Meeting Protocol;
- Practice Efficient Decision-Making;
- Council Acts as a Body; and
- Chain of Command.

The format is intended to be instructive and encouraging, not proscriptive. It is also expected to facilitate growth and refinement as a freestanding public commitment to civil and effective governance.

Alternatives:

The Council could:

1. Make no amendments to the TCPP are necessary at the time;
2. Adopt only a portion of the proposed amendments; or
3. Modify the Resolution and the language and/or scope of amendments proposed therein.

Attachment(s):

1. [Resolution 1514-22](#)
2. [Resolution 1514-22_Exhibit A](#)
3. [Town Council Policies & Procedures](#)

RESOLUTION 1514-22

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, ADOPTING REVISIONS TO THE TOWN COUNCIL POLICIES AND PROCEDURES REGARDING NORMS FOR MEMBERS OF THE PUBLIC ATTENDING MEETINGS AND COUNCIL MEMBERS.

WHEREAS, a Town Council Policies and Procedures was first adopted in 2002, and is intended to provide guidance to the Town Council, staff and members of the public; and

WHEREAS, the Town Council Policies and Procedures were last amended in June 2022, and further revisions are necessary to promote the effective, civil and efficient functioning of the Council by providing clarification and guidance regarding norms for members of the public attending meetings and the Council in fulfilling their respective roles.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the Town of Queen Creek, Arizona, as follows:

Section 1: That “Town Council Policies and Procedures” are hereby amended by adding the following provisions:

I. COUNCIL MEETINGS – DATES, TIMES, LOCATIONS, ATTENDANCE BY THE PUBLIC

H. Norms for Public Participation and Attendance at Meetings

Except as otherwise provided under Arizona Law, meetings of the Council are meetings held in public, not with the public, and “all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings”. The Council, may, but is not required to, “make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body.” In order to allow all members of the public to be able to attend and listen to meetings all persons in attendance shall:

1. Show respect for and civility to everyone in attendance.
2. Respect the opinions and political views of others.
3. Ensure any topic presented is within the jurisdiction of the Town.
4. Not attempt to intimidate any person.
5. Not disrupt the meeting in any way, or interfere with the Council’s conduct of the Town’s business, or another person’s ability to speak, hear or participate as appropriate.

Prohibited activities include, but are not limited to, display of signs, loud noises, shouting, foul language, threats, disruptive gestures or motions,

celebration, clapping or booing, except as appropriate in support of ceremonial matters on the agenda or as invited or allowed by the Chair. After appropriate warning to a person or group violating any of these norms of conduct, the Chair may have any offending signs, other materials, persons or groups removed from the meeting.

XVIII. COUNCIL NORMAS AND PROTOCOLS

A. Norms and Protocols

In order to guide current and future elected officials in interactions with each other, staff and the general public, the Council has adopted the Queen Creek Town Council Norms and Protocols attached as Exhibit A and incorporated herein.

B. Separate Amendment

The Queen Creek Town Council Norms and Protocols are meant to be a freestanding dynamic document that may be considered and amended by the Council separately from these Council Policies and Procedures.

Section 2: That the document entitled the “Exhibit A to the Town Council Policies & Procedures - Queen Creek Town Council Norms and Protocols”, is hereby declared to be a public record and that a copy thereof shall be kept on file with the Town Clerk for public use and inspection.

Section 3: That the Town Council Policies and Procedures, as revised, are hereby adopted and reaffirmed by the Town of Queen Creek.

PASSED AND ADOPTED by the Common Council of the Town of Queen Creek, Arizona, this 21st day of December, 2022.

FOR THE TOWN OF QUEEN CREEK:

ATTESTED TO:

Jeff Brown, Vice Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

John Kross, ICMA-CM
Town Manager

Dickinson Wright, PLLC
Attorneys for the Town

Exhibit A to the Town Council Policies & Procedures

Queen Creek Town Council Norms and Protocols

The Queen Creek Town Council has adopted these norms and protocols to guide current and future elected officials. These norms and protocols are intended to be a guide in our interactions with each other, staff and the general public. The intent is to ensure the Town's traditions of civility in public discourse and decision-making is transferred from Council to Council for future generations. The Council desires to leave a lasting positive legacy and acknowledges that these norms and protocols may be amended from time to time in an effort to adjust to changes and needs of the group and community as a whole.

Communication – Communication with fellow Councilmembers, consistent with the Arizona Open Meetings Law, is an important part of the role of a member. Communication with Town Manager and Department Heads is encouraged. The Town's Executive Team recognizes that 'good, timely, open, and constant' communication regarding community issues is extremely important. It is recognized that we can agree to respectfully disagree; that the work of the professional staff's expertise is valued. Additional guidelines are noted below.

- Agree to respectfully disagree
- Civility in our communication with all; how you do it is just as important as what you do
- Avoid personal attacks; practice public praise, private criticism
- Except as noted in Town Council Policies and Procedures (as amended), Section XVI. Administrative Support, paragraph C. Council Correspondence or E. Personal Correspondence, the Mayor serves as the primary point for communication for issues affecting the Town as a whole involving the region, state or federal.

Meeting Protocol – Behaviors at all Council meetings are important. We desire to have a legacy of a well-functioning, effective legislative body. We agree to avoid words and actions that create negative impression on an individual, the Council or the Town. We will be open minded and willing to 'listen for understanding' to various presenters/speakers. We agree to disagree with courtesy and respect for all viewpoints. The following additional guidelines are also highlighted.

- Respect for each other and presenters at all meetings, including their opinions on issues
- Let all members voice opinions without the need to get the last word
- Be prepared for meetings, this includes sending questions to the Town Manager as needed in advance of the meeting
- All members of the Town Council are responsible for our success
- Listen first, to ensure the best understanding (and open minded-ness), and let people know if you change your position on issues; state the reason for the position change to prevent inaccurate, premature or inappropriate assumptions
- Be flexible and willing to compromise
- Address the issue, not the person
- Remember that individually, we are just 1/7 of the group
- Be mindful of how many different audiences are observing our meetings; having an awareness about how we communicate non-verbally as this can send inaccurate messages to fellow Councilmembers and the public

Practice Efficient Decision-Making - The Council will strive to run meetings where decision-making, action, and votes are informed, effective and efficient. If a Councilmember believes she/he doesn't have enough information or has questions, further discussion/dialogue should occur with the Town Manager before the meeting occurs. Review Council meeting packets and make every effort to use internal communication with the Town Manager or applicable staff for meeting preparation.

Council Acts as a Body - Individual Councilmembers do not have authority to adopt policy or enact ordinances. Only the Council as a whole has this authority. We agree that an individual board member will not take unilateral action. Where applicable the Mayor will communicate the position(s) of the board on controversial issues.

Chain of Command – We support resolving issues at the lowest level possible in the organization and as such, the Town Council is generally the last stop for resolution of issues in our purview, not the first stop. We agree to follow the chain of command and insist that others do so. While the Council is eager to listen to its constituents, Councilmembers will redirect to the Town Manager for possible resolution of the issue first. Under the adopted Council Manager form of government, with the exception of Town Code positions that report to the Council (i.e., Town Manager, Town Attorney, Town Clerk and Town Magistrate), all personnel complaints and criticisms received by a Councilmember will be directed to the Town Manager or other Town Code officer as applicable.

DRAFT



TOWN OF
QUEEN CREEK
ARIZONA

2022

Town Council Policies & Procedures



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I. COUNCIL MEETINGS – DATES, TIMES, LOCATIONS, ATTENDANCE BY THE PUBLIC

A. Regular Meetings

Consistent with Town Code Chapter 2, Article 2-5, Section 2-5-1, the Council will hold one regular meeting each month on the first Wednesday at 5:30 p.m. at the Community Chambers, 20727 E Civic Parkway, Queen Creek. A second meeting may be scheduled for the third Wednesday of the month at the same time and location.

B. Other Locations

The Council may, from time to time, elect to meet at other locations and upon such election, shall give public notice of the date, time and location of such meeting in accordance with all provisions of the Queen Creek Town Code and the Arizona Revised Statutes (“A.R.S.”).

C. Location During Local Emergency

If, by reason of fire, flood or other emergency, it is unsafe to meet in the Town Hall, the meetings may be held for the duration of the emergency at such other place that may be designated by the Mayor, Vice Mayor or Town Manager.

D. Cancelled Meetings

When the day for any regular meeting falls on a legal holiday, the regularly scheduled meeting shall be held at the same hour on a day other than the legal holiday as determined by the Mayor, Vice Mayor or Town Manager. Council meetings may, from time to time, with

adequate notice pursuant to state statutes, be cancelled due to conflicts with other scheduled meetings, events or circumstances. An example of this circumstance is the annual conference of the Arizona League of Cities and Towns. Notice of cancelled meetings will be posted at least 24 hours in advance at the Queen Creek Town Hall, and on the Town's website.

E. Special Meetings and Emergency Meetings

Special meetings and emergency meetings of the Town Council may be called and held from time to time consistent with Town Code Chapter 2, Article 2-5, Section 2-5-2 and the Arizona Revised Statutes.

F. Executive Sessions

Consistent with the Town Code Chapter 2, Article 2-5, Section 2-5-2 and A.R.S. §§ 38-431.02 and 38-431.03, upon a majority vote of the Town Council, the Council may meet in a closed executive session. The subject of the executive session must be noticed on the agenda, but the specific contents of the executive session are not generally subject to open meeting law or public records law as provided under Arizona law.

G. Attendance by the Public

Consistent with Town Code Chapter 2, Article 2-5, Section 2-5-3, and except as specifically provided by A.R.S. §§ 38-431 et seq. for executive sessions, all meetings of the Council shall be open to the public.

II. NOTICES OF MEETINGS

Consistent with the Town Code Chapter 2, Section 2-6-8 and A.R.S. § 38-431.01, at least 24 hours in advance of any Council meeting the Agenda and Notice of Meeting will be posted at the Queen Creek Town Hall and on the Town's website.

III. QUORUM

Consistent with Town Code Chapter 2, Article 2-5, Section 2-5-4, a majority of the Council shall constitute a quorum for transacting business, but a lesser number may adjourn from time to time and compel the attendance of absent Council Members. In a body of seven members, four members constitute a quorum.

IV. DUTIES OF MAYOR

A. Chair

Consistent with Town Code Chapter 2, Article 2-2, Section 2-2-4, and Article 2-5, Section 2-5-7, the Mayor shall be the Chairperson of the Council and preside over its meetings. The Mayor may make and second motions and shall have a voice and vote in all its proceedings. The Mayor shall also have the authority to preserve order at all Council meetings, to remove any person from any meeting for disorderly conduct, to enforce the rules of the Council and to determine the order of business. The Mayor shall have the power to administer oaths and affirmations.

B. Absence of Mayor

The Vice Mayor shall act as Mayor in absence or disability of the Mayor.

C. Absence of Mayor and Vice Mayor

In the absence or disability of both the Mayor and Vice Mayor, the Council may designate another of its Members to serve as acting Mayor who shall have all the powers, duties and responsibilities of the Mayor during such absence or disability.

D. Mayor to Act as Council Ceremonial Representative

The Mayor has been delegated the responsibility to act as the Council's ceremonial representative at public events and functions. In the Mayor's absence, the Vice Mayor will assume this responsibility. In both the Mayor and Vice Mayor's absence, the Mayor will appoint another Council Member to act as Council ceremonial representative.

V. MINUTES

A. Summary Minutes

Pursuant to A.R.S. § 38-431.01(B), minutes of Council meetings will include the date, time, and place of the meeting, the Council Members recorded as either present or absent, a general description of the matters considered, and an accurate description of all legal actions proposed, discussed or taken, including a record of how each Council Member voted, the names of the Council Members who propose each motion and the names of the persons, as given, who make statements or present material to the public body and a reference to the legal action about which they made statements or presented material.

B. Council Minutes Approval

Minutes of meetings are generally submitted to the Council for approval at the next scheduled meeting.

C. Recordings of Meetings

Work Study and Regular Session meetings are video-taped. These videos can be accessed on the Town's website for a minimum of one (1) year after the date of the posting, in accordance with A.R.S. §38-431.01(J).

VI. RULES OF CONDUCT

A. Addressing Members of the Public and Staff

In general, when addressing members of the public or Town staff, Council Members will direct questions or comments through the Mayor, or the Chair, if the Mayor is absent, and will generally refer to persons as Mr., Mrs., or Ms., followed by their surname.

B. Council Deliberation and Order of Speakers

The Mayor has been delegated the responsibility to control the debate and order of speakers. Speakers are generally called upon in the order the Request to Speak cards are received.

1. With the concurrence of the Mayor, a Council Member holding the floor may address a question to another Council Member and that Council Member may respond.
2. Council Members will limit their comments to the subject matter, item or motion being currently considered by the Council.
3. Council Members will govern themselves as to the length of their comments.
4. Any Council Member wishing to speak must first obtain the floor by being recognized by the Mayor (Chair). The Council Member who seeks the floor when appropriately entitled to do so must be recognized.

C. Suspension of the Rules

As provided in Town Code Chapter 2, Article 2-5, Section 2-5-10, any rules may be temporarily waived or suspended by a majority vote of the Council Members present when it is deemed that there is good cause to do so provided such suspension is not contrary to state statutes.

D. Robert's Rules of Order

The Mayor may, but is not required to, use Robert's Rules of Order as a secondary guide in conduction meetings of the Council, and may seek advice from the Town Attorney as to the application thereof to the situation, but Robert's Rules of Order is a guide only and not in any way controlling.

VII. MOTIONS

Motions may be made by any Council Member, including the Mayor. Any member of the Council Member, other than the Council Member offering the motion, may second a motion.

A. Procedures for Motion

The following is the general procedure for making motions:

1. Before a motion can be considered or debated, it must be seconded.
2. Once the motion has been properly made and seconded, the Mayor shall open the motion for discussion by any Council Member.
3. Once the Mayor determines that the motion has been fully discussed and the Mayor calls for a vote, no further discussion will be allowed, except that Council Members may be allowed to explain their vote.

B. Motion Amendments

1. When a Council Member intends to propose an amendment to a motion or other action on a published agenda for a meeting, that Council Member shall strive to provide notice to the Town Manager at least forty-eight (48) hours prior to the meeting of the proposed amendment. Such notice shall include the text of the proposed amendment.
2. Staff, including the Town Attorney, may advise and assist the proposing Council Member in crafting and presenting the proposed amendment, including providing information concerning any procedural, legal, financial, and/or practical issues related to the proposed amendment.
3. Within a reasonable time, and to the extent reasonably possible following receipt of notice of the proposed amendment, Town staff shall provide notice of the possible proposed amendment to all other Council Members.
4. To the extent reasonably possible, a proposed amendment shall be included in the final published agenda and Council packet.

5. In accordance with Open Meeting Law requirements, discussion with or between a quorum of the Council on any proposed amendment is prohibited until the Council meeting at which the amendment is to be proposed.
6. Nothing in this procedure shall prohibit a Council Member from presenting a proposed amendment to an item on the published agenda at a properly noticed meeting of the Council.
7. When a motion is on the floor and an amendment is offered, the amendment shall be acted upon prior to acting on the main motion.

C. Motion of Direction

A Motion of Direction generally provides staff direction as to the Town Council's request for additional information, corrections/amendments to an Ordinance/Resolution or other such matters, to be presented at a future Council meeting.

D. Ordinances

Motions offering approval of ordinances are deemed to include waiver of full reading and title of the ordinance unless the Council, by a majority vote, requires reading in full (as provided in Town Code Chapter 2, Article 2-6, Section 2-6-23).

E. Voting

Any Council Member at a meeting when a motion comes up for a vote shall vote for or against the measure unless they are disqualified from voting and abstains because of that disqualification. If the vote is a voice vote, the Mayor shall declare the result. Any member of the Council Member or the Town Clerk may request a roll call vote either before or after a non-roll call vote is taken. All votes will be recorded in the minutes of the meeting.

F. Abstention

If a Council Member abstains because of a legal conflict, they are not counted as present for quorum purposes and are not deemed to be "voting" for purposes of determining whether there has been a "majority" vote of those Council Members present and voting.

When a Council Member abstains or excuses themselves from a portion of a Council meeting because of a legal conflict of interest, the Council Member must briefly state the nature of the conflict to be included in the public record.

G. Tie Votes

A tie vote results in the motion failing. Under this circumstance, any Council Member may offer a motion for reconsideration, pursuant to Section

(H) below.

H. Motions for Reconsideration

1. Motions for reconsideration of a matter may be made at the next regular or special meeting following the Council action.
2. For tie votes, to allow for reconsideration of the matter at a future Council meeting, two Council Members shall contact the Town Manager (one Council Member who voted on each side of the issue).
3. A proposed motion for reconsideration at the next succeeding Council meeting must comply with all notice requirements in A.R.S. §S 38-431 et seq.
4. Motions for reconsideration may only be made by a Council Member that voted with the majority of the Town Council on the action proposed to be reconsidered by the Council.

VIII. OPEN MEETING LAW VIOLATIONS

Consistent with Town Code Chapter 2, Article 2-5, Section 2-5-3, and except as specifically provided by A.R.S. §§ 38-431 et seq. for executive sessions, all meetings of the Council shall be open to the public.

Meetings that at any one time involve only a portion of a legislative body, but eventually involve a quorum are in violation of Arizona's Open Meeting Law. These meetings deprive the public the opportunity for meaningful contribution to the decision making process.

These meetings may occur when Council Member A contacts Council Member B, B contacts C, C contacts D, and so on, until a quorum of the Council is involved and shares the comments of other Council Members in an attempt to reach consensus or determine the direction on an item that may appear before the Council. An elected official has the right to confer with another elected official about public business, but if and when a "collective concurrence as to action to be taken" is reached, there is an Open Meeting Law violation.

Council Members are encouraged to consider this possibility when discussing a matter that may lead to Council Action with another elected official. If the Council Member needs any clarification on a possible violation, they should contact the Town Attorney.

IX. CONFLICT OF INTEREST

Pursuant to A.R.S. §38-503 (A) and (B), a conflict of interest may occur when:

1. Any public officer or employee of a public agency who has, or whose relative has, a substantial interest in any contract, sale, purchase or service to such public agency shall make known that interest in the official records of such public agency and shall refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale or purchase.
2. Any public officer or employee who has, or whose relative has, a substantial interest in any decision of a public agency shall make known such interest in the official records of

such public agency and shall refrain from participating in any manner as an officer or employee in such decision.

As defined by A.R.S. § 38-502(9), a “relative” includes:

1. The spouse, child, child’s child, parent, grandparent, brother or sister of the whole or half blood and their spouses and the parent, brother, sister or child of a spouse.

Whenever reasonably possible, the Town Attorney must be contacted prior to any meeting where a potential conflict of interest may occur.

X. PUBLIC HEARINGS

A. Public Hearing Procedure

Matters noticed for Public Hearing will be held in the order as posted and will continue until the Council has made a decision. Members of the public have a right to speak on all matters where a Public Hearing is required by state or federal law. These include, but are not limited to, zoning and rezoning of real property, budget approval and annexation hearings. Public Hearing items are marked as such on all Council agendas. The Council procedure for the conduct of a Public Hearing is generally as follows:

1. Staff presents its report.
2. Council Members may ask questions of staff.
3. The Mayor opens the Public Hearing.
4. The applicant has the opportunity to present comments, testimony or arguments to the Council.
5. The Mayor asks for public comment. Anyone wishing to speak must complete and present to staff a Request to Speak card.
6. The applicant is given an opportunity for rebuttal or concluding comments.
7. The Public Hearing is closed. No other public comment may be taken.
8. The Council deliberates on the issue and takes action.
9. The Mayor announces the final decision of the Council.

B. Continuance of Public Hearings

Any hearing being held or noticed to be held at a Council meeting, may be continued to a subsequent meeting upon a motion made by a Council Member and approved by a majority of those present and eligible to vote, or by a notice of continuance.

C. Public Discussion at Public Hearings

When a matter for Public Hearing comes before the Council, the Mayor will open the Public Hearing. Before any motion is considered, the Mayor shall ask the public in attendance if there are any persons who wish to speak on the matter.

1. Any person desiring to speak shall make his/her presence known to the Mayor by completing a Request to Speak card. The Mayor will call each person to speak in the order that the requests were received. No person may speak without first being recognized by the Mayor. All comments must be relevant to the issue being considered.
2. To avoid repetitious remarks from a large group, a designation of a spokesperson is encouraged. Additional time may be permitted for the spokesperson to address the Council.
3. Council Members may ask questions of the speakers or of each other, but only after being recognized by the Mayor. Discussion or comments with the speaker shall be limited to a question or questions, rather than ongoing dialogue.

D. Written Materials for Public Record

All persons interested in a matter noticed for Public Hearing shall be entitled to submit written comments. The Town Clerk will include all written comments submitted to the Town in the record. Written comments or petitions will be noted, read aloud or summarized.

E. Final Action

At the discretion of the Mayor (or Chair), unless published as a public hearing, Members of the public may address the Council prior to the Council taking final action on an item. Such final action may include approval of an ordinance or resolution, or a motion made and seconded, and voted upon by the Council.

XI. DISCUSSION OR DIRECTION

Public comment generally will not be taken on items that are placed on the agenda solely for Council discussion or for the purpose of obtaining direction to the staff, and which are not scheduled for Final Action. These items will be so noted on the agenda. No decisions or actions can be taken on these items until such time as they are posted for Public Hearing and/or Final Action.

XII. PUBLIC COMMENT

A. Request to Speak on Agenda Items Which Allow Public Comment

Individuals or groups wishing to speak on an agenda item where public comment is not otherwise allowed should fill out a Request to Speak card and specify on the card the agenda item they wish to provide public comment on, and provide that card to the Town Clerk.

B. Request to Speak during Public Comment (on items not on the Agenda)

Pursuant to A.R.S. § 38-431.01(H), the Town Council may not discuss, deliberate or vote on any matter raised during the Public Comment. The Council may however, request that an item be put on a future agenda for discussion and consideration. A Town Council Member may respond to a remark of criticism directed to that Town Council Member.

1. Comments in writing are accepted and will be kept as part of the record. A copy of the written comment will be provided to each Council Member if received prior to the meeting.
2. To avoid repetitious remarks for a large group, a designation of a spokesperson is encouraged. Additional time may be permitted for the spokesperson to address the Town Council.

These rules are not exhaustive and do not limit the inherent power and legal authority of the Town Council, or its presiding officer to govern the Town Council meetings.

C. Other Requests to Speak

Individuals or groups wishing to speak on an agenda item where public comment is not otherwise allowed should fill out a Request to Speak card and to specify on the card the matter they wish to discuss. The Mayor may, in their sole discretion, ask the Council if it wishes to suspend the rules and allow the individual or group to speak. If a motion is made, seconded, and approved by a majority of the Council present at the meeting to suspend the rules, the speaker will be allowed to address the Council.

D. Addressing the Town Council

All remarks should be addressed to the Council as a whole. Questions should be directed to the presiding officer who will determine whether or in what manner an answer will be provided.

XIII. COUNCIL MEETING AGENDA

A. Order of Agenda

The business of the Town Council at its meetings will generally be conducted in the following order:

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Invocation/Moment of Silence
5. Ceremonial Matters
6. Committee Reports
7. Public Comments

8. Consent Agenda
9. Public Hearings Consent Agenda
10. Public Hearings
11. Items for Discussion
12. Final Action
13. Adjournment

B. Ceremonial Matters

Special Awards, introductions and presentations are given at this time by the Town Council. Citizens may also make formal ceremonial presentations to the Town Council at this time.

Proclamations for presentation will be limited to the first Council meeting of the month, except when the first meeting is cancelled. Proclamations must be submitted via the Town's website at least 30-days in advance of the target Council meeting.

C. Committee Reports

This is the time that a Council Member or Committee Chair will make reports on conferences, committee meetings, events or other items that the Town Council may submit.

D. Public Comment

Members of the public may address the Town Council on items not on the printed agenda during this time; however, these items must be within the Town Council's jurisdiction. There is a three-minute time limit. Additional provisions and guidelines for public comment are addressed in Section XII above.

E. Consent Agenda and Public Hearing Consent Agenda

Items on the Consent Agenda are considered routine and are enacted by one motion and one vote. If Town Council or staff removes an item from the Consent Agenda, discussion on that item will take place after the vote on the remaining items on the Consent Agenda.

A member of the public may ask that a Public Hearing item listed on the Public Hearing Consent Agenda be removed for comment. A motion and vote will be required on any item pulled from the Public Hearing Consent Agenda.

F. Items for Public Hearing, Final Action or Discussion

In accordance with the Arizona Open Meeting Law, the Town Council may not discuss or take action on any item not posted on the agenda twenty-four (24) hours prior to the meeting.

G. Adjournment

After all items on the agenda are discussed and acted upon, the Mayor, or Chair, if the Mayor is absent, will adjourn the meeting.

XIV. AGENDA SETTING PROCESS

1. When the Council wishes to request specific items/issues be placed on the agenda for discussion/action, the Council may do so upon a request sent to the Town Manager by the Mayor or at least two Council Members.
2. Items may be placed on the agenda for discussion or deliberation, or for final action.
3. On the Tuesday one week prior to the week of the Town Council meeting, an agenda setting meeting is held for the purpose of placing items on the agenda. The Town Manager, Department Heads and Town Clerk attend this meeting. The Mayor may participate via the telephone or in person. The Town Attorney attends this meeting and reviews the agenda prior to the printing.

XV. COMMITTEES

A. Formation

Town Committees are formed on an as-needed basis and shall have a clearly defined purpose. The Town Council may appoint up to two Council Members to serve as non-voting liaison members. A Chair and Vice Chair shall be selected from the voting members on the committee. The selection of Chair and Vice Chair shall be ratified by the Town Council.

B. Powers, Duties, and Responsibilities

Town committees shall have the following powers, duties, and responsibilities:

1. At the start of each new fiscal year, every Town committee shall receive annual approval of its 12-month work program by the Town Council. A copy of the 5-year capital improvement plan (CIP) budget associated with items in the work plan shall be attached to the work program.
2. Committees, boards and commissions involved with any capital project, shall receive direction concerning developing scopes of work for projects from the Council prior to engaging in any planning, prioritization and/or community outreach efforts.
3. Committees shall keep and submit meeting summaries or minutes to the Town Council for information following an official committee meeting. Meeting summaries must be Included in the weekly packet.
4. Advise the Town Council on matters pertaining to the designated committee and work program approved by the Town Council.
5. Advise the Town Council on the status of its annual work program and achievement of various initiatives set forth by the Town Council for implementation.
6. Advise the Town Council on matters of public policy affecting the community at-large as it relates to the function and mission of the designated committee and its work program.

7. Advise the Town Manager on issues pertaining to operations and administration of the Town organization.
8. Committee members may only serve as a voting member on committee at a time, regardless of whether the committee is an internal or external committee. For example, a citizen may not serve as a Town Council- appointed member of a Town-created internal committee and a Town Council-appointed member/representative on a non-Town-created external committee at the same time.
9. The Town Council may, from time to time, appoint members of internal or external committees to serve on a task force based on their knowledge of the task force's specific objective. Serving on a task force does not preclude an individual from serving as a voting member of an internal or external committee.
10. When speaking or writing regarding a matter within the jurisdiction of a committee, members of the committee shall represent the official policies or positions of the board, commission or committee on which they serve to the best of their ability. When presenting their individual opinions and positions, committee members shall explicitly state that the opinions they are expressing are their own, do not represent the views or opinions of the Town of Queen Creek or a committee, board or commission of the Town, and shall not suggest that the opinion they are expressing is the opinion of the Town.

C. Council Member Appointments and Assignments

The Mayor appoints and the Town Council confirms Council Member assignments to outside agencies, committees, task forces and liaison roles.

D. Council Member Participation in Community Activities

From time to time, Council Members may choose to participate in community activities, committees, events and task forces. When a Council Member participates in these types of activities, the Council Member is acting as an interested party rather than acting on behalf of the Town Council. Acting or participating on behalf of the Town Council is limited to those instances when the Town Council has formally designated that Council Member as its representative for the matter.

XVI. ADMINISTRATIVE SUPPORT FOR COUNCIL

A. Mail

All mail addressed to Council Members, whether business related or personal, is delivered to the Management Specialist in the Town Manager's Office and distributed to their mailbox.

All mail should be addressed to:

Honorable Mayor and/or Council Member(s)
c/o Town of Queen Creek
22358 S Ellsworth Road
Queen Creek, AZ 85142

B. Mail Addressed to the Mayor

All mail addressed to the Mayor, whether business related or personal, is delivered to the Management Specialist in the Town Manager's Office. All mail addressed to the Mayor will be distributed to the Mayor's mailbox.

C. Council Correspondence

All correspondence to other government agencies or political subdivisions from Council Members written with Town resources (letterhead, staff support, postage, etc.) should reflect the position of the majority of the Town Council and not the individual Council Member's position. All correspondence using Town resources shall be copied to the full Town Council and the Town Clerk for public records purposes. Personal recommendations or thank you notes do not need to be copied.

D. Clerical Support

The Town Manager's Office will coordinate any support requested by a Council Member, including typing of correspondence or mailings. All correspondence prepared on behalf of Council Members will be on Town letterhead and shall reflect the majority opinion and/or position of the Town Council, and shall be copied to the full Town Council.

E. Personal Correspondence

Correspondence reflecting personal positions shall be prepared on personal stationary and sent at the Council Member's personal expense. When signing external correspondence, it is the personal responsibility of Council Members to ensure there is not a violation of Open Meeting Law with the signature of a majority of the Town Council.

F. Council Notification of Significant Incidents

The Town Manager will coordinate the notification to the Town Council of major crime, fire, or other incidents in the Town. This may be accomplished by telephone, pager, fax or any other electronic means.

XVII. COUNCIL/STAFF RELATIONS

A. General

1. There shall be mutual respect from both staff and Council Members of their respective roles and responsibilities.
2. The Town Council acknowledges and supports the Town Council/Manager form of government. Town staff shall acknowledge the Town Council's role as policy makers and

the Town Council shall acknowledge the Town Manager's role of administering the Town Council's policies.

3. If a Council Member requests staff research on any issue requiring over eight hours of staff work, without first seeking approval of the entire Town Council at a public meeting, then the Town Council Member shall be notified of the need for more than eight hours of staff work by the Town Manager.
4. No Council Member shall request a written legal opinion from the Town Attorney without first seeking direction from the Town Council at a public meeting, which may include an executive session, except that requests for legal opinions regarding potential or actual conflicts of interest may be sent to the Town Manager, who will then send such requests to the Town Attorney without prior direction from the Town Council.
5. Information requested by a Council Member will be shared with the entire Town Council.

B. Litigation

When a claim is made or a lawsuit is filed against the Town and/or a Town officer, official or employee, it is critically important that communications are conducted in a manner that protects the Town's interests and privileges and guards against inadvertent violations of applicable conflict of interest and/or open meeting law.

To that end, when a claim is made or a lawsuit is filed against the Town, individual Council Members shall not communicate directly with any Town staff member regarding the litigation.

1. A Council Member who wishes to obtain information concerning the status of the litigation is authorized to discuss the inquiry with the Town Attorney. The Town Attorney may request that the question or concern be submitted in writing. In regard to case status, the Town Attorney will obtain current information, either from defense counsel or from Town records and/or staff. The information will be provided, to all Council Members.
2. A Council Member who has questions about the handling of a claim or lawsuit, or the involvement of one or more staff members in the litigation, is similarly authorized to discuss the inquiry with the Town Attorney, who may request that the question or concern be submitted in writing. The Town Attorney will review the question or concern, and will recommend one of the following options to the Town Council:
 - a) That the Town Attorney undertakes an investigation of the matter. Such investigation may include, but shall not be limited to:
 - (1) Review of documents relating to the matter;
 - (2) Conference(s) with the attorney(s) representing the Town in the matter;

- (3) Interview(s) of employees who were involved in the matter that gave rise to the lawsuit, or who may be called upon to participate in the lawsuit, whether by deposition, direct testimony, or otherwise; and
 - (4) Such other steps as the Town Attorney deems reasonably necessary to carry out the investigation.
- b) That the Town Attorney refer the matter to an independent third party for investigation; or
 - c) The Town Attorney may respond directly to the inquiry.
1. After determining which option is most appropriate under the specific circumstances, the Town Attorney will recommend that option to the Town Council in writing. Upon receiving direction from the Town Council, the Town Attorney will take the steps necessary to investigate or otherwise respond to the matter, and provide the Town Council with an approximate date by which the Town Council will be informed of the outcome of the investigation, if any.
 2. If any Council Member is not satisfied with the action taken by the Town Attorney, the Council Member may request that the Mayor schedule the matter for discussion by the Town Council. This discussion may occur in executive session, if necessary and appropriate.
 3. When the investigation, if any, has been concluded, a summary will be provided to the Town Council.

C. Personnel Investigations by the Town Attorney

From time to time, questions may arise concerning whether certain procedural matters have been handled appropriately by Town staff. Because of the potential seriousness of such questions, the following process shall be followed when such questions or concerns arise:

1. In the event of a concern (or suspicion) that a Town employee has committed an act of misfeasance, malfeasance or nonfeasance (as further defined in this policy), or committed an illegal act, the concern or suspicion should be reported to the Town Attorney, who may request that the report be made in writing. All other personnel matters are subject to investigation and disciplinary action, where warranted, as provided in the Town's Employee Handbook.
2. After reviewing the allegation, suspicion or concern, the Town Attorney will recommend one of the following options to the Town Council:
 - a) That the Town Attorney undertake an investigation of the allegation, suspicion or concern. Such an investigation might include, but not be limited to:

- (1) Interview(s) of the staff member suspected of mishandling a matter, as well as other staff members who are aware of the matter;
 - (2) Review of any documents relating to the allegation; and
 - (3) Such other steps as the Town Attorney deems reasonably necessary to carry out such an investigation.
- b) That the matter be referred to the Town Manager’s Office for investigation by that office (for example, when the allegation concerns a non-managerial employee, it may be appropriate for the employee’s director to undertake the investigation, at least in the first instance);
 - c) That the matter be referred to an independent third party for investigation; or
 - d) That the Town Attorney responds directly to the allegation (where investigation is required).
1. After determining which option is most appropriate under the specific circumstances, the Town Attorney will recommend that option to the Town Council in writing. Upon receiving direction from the Town Council, the Town Attorney will take the steps necessary to investigate or otherwise respond to the matter, and provide Town Council with an approximate date by which the Town Council will be informed of the outcome of the investigation, if any.
 2. If any Council Member is not satisfied with the action taken by the Town Attorney, the Council Member may request that the Mayor schedule the matter for discussion by the Town Council. This discussion may occur in executive session, if necessary and appropriate.
 3. When the investigation, if any, concludes, a summary will be provided to the Town Council.

As used in this policy:

“Malfeasance” means wrongful conduct that the person has no legal right to do, and which affects, interrupts or interferes with performance of official duty.

“Misfeasance” means the improper performance of some act which the person may do, or obligated to do, lawfully.

“Nonfeasance” means the knowing failure to perform an act which ought to be performed, omission to perform a required duty at all, or total neglect of duty which is required by law.

XVIII. COUNCIL RELATIONS WITH OTHER GOVERNMENTS, COMMITTEES, AND GROUPS

1. Individual Council Members shall have the right to attend commission or board meetings but shall not speak or become involved in the meeting discussion unless the Council Member is the appointed liaison to that commission or board (meaning the Council Member may not participate in the ongoing dialogue of the commission or board). Council Members are allowed to address the commission or board as a citizen during public comment. If a Council Member appears before a commission or board as a citizen, comments must be relative to the issue being discussed and may not refer to their position as a Council Member in making comments.
2. If a Council Member appears before another government agency or organization to give a statement on an issue affecting the Town, and the Town Council has taken formal action related to an issue, the Council Member must first provide the majority position and opinion of the Town Council. Personal opinions and comments may be expressed only if the Council Member clarifies that the statements do not represent the position of the Town Council. and, where applicable, if there is a disclosure that the Town Council has not taken formal action on the matter. More specifically:
 - a) If a Council Member desiring to provide a personal statement or opinion on a matter, whether or not the statement is made to an organization in Arizona or at the Federal level, then the Council Member shall identify that the statement is their personal opinion. The Council Member can use their title as "Council Member" in this communication. The statement shall be provided on personal stationary only, not Town-issued letterhead.
 - b) A Council Member may provide a statement that represents the position of the Council as a whole, if that statement has been acted upon in a public meeting. Providing this communication can be done on Town letterhead, with the Council Member's title, and with the assistance of Town staff.
 - c) A Council Member may provide their name and title on a petition or statement of support or opposition that is provided to a Council Member which is unrelated to Town business or matters which may come before the Town Council or other Town Committees.
 - d) Council Members must also avoid having a majority of Council Members sign or have their names on any petitions or statements in support or opposition.
3. Nothing in this subsection shall be construed as limiting the Mayor's ability to act as the Town spokesperson in such situations where the Mayor serves as the official representative of the Town for regional issues, or for statewide issues as

approved by the Town Council with passage of the Legislative Guiding Principles and/or the Corporate Strategic Plan.

Revision History

Resolution 270-02	01/16/2002	Adoption
Resolution 734-08	05/07/2008	Public Comment, Committee Appointments
Resolution 816-09	12/16/2009	Various Amendments
Resolution 860-10	11/03/2010	Tie Votes
Resolution 938-13	04/17/2013	Committee Appointments
Resolution 971-13	12/04/2013	Committee Appointments
Resolution 1052-15	05/20/2015	Meeting Start Time Agenda Format
Resolution 1067-15	08/05/2015	Litigation
Resolution 1066-15	09/02/2015	Personnel Investigations
Resolution 1233-18	10/17/2018	Committees
Resolution 1441-22	02/02/2022	Various Amendments
Resolution 1467-22	06/01/2022	Various Amendments



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: BRETT BURNINGHAM, DEVELOPMENT SERVICES DIRECTOR, ERIK SWANSON, PLANNING ADMINISTRATOR, SARAH CLARK, SENIOR PLANNER/PROJECT MANAGER

RE: CONSIDERATION AND POSSIBLE ACTION ON ORDINANCE 805-22, AMENDING THE QUEEN CREEK TOWN CODE CHAPTER 8, ARTICLE 8-1, BUSINESS LICENSE, SECTION 8-1-2; AND ADDING ARTICLE 8-6, SHORT TERM RENTALS AND VACATION RENTALS; AND AMENDING CHAPTER 9 BY ADDING A NEW SECTION 9-2-13 SHORT TERM RENTAL OFFENSES, AND MOVING SECTION 9-2-13 TO 9-2-14.

DATE: December 21, 2022

Suggested Action:

Approve Ordinance 805-22 amending the Queen Creek Town Code Chapter 8, Section 8-1, Business License, Section 8-1-2 and adding Article 8-6, Short Term Rentals and Vacation Rentals, and adding a new Section 9-2-13 Short Term Rental Offenses, and moving Section 9-2-13 to 9-2-14.

Discussion:

A.R.S. § 9-500.39 limits a municipalities ability to regulate vacation and short term rentals (STRs). Based upon significant problems cased in some municipalities in Arizona, in 2022, the legislature passed and the Governor signed SB1168 into law, amending the vacation and short term rental statutes to allow municipalities limited expanded ability to regulate STRs.

In summary, the new short term rental legislation allows municipalities to require STRs to be licensed with the municipality. As a result of the new legislation, Staff is proposing amendments to the Town Code to require short term rental operators to receive a license through the Town. The proposed text amendment includes:

- License requirements including contact information for the owner of the rental, designee (if applicable) and emergency point of contact, proof of valid transaction privilege tax license, acknowledgement by the owner of agreement to abide by all applicable laws and is not a registered sex offender, been convicted of any felony act that resulted in death or serious physical injury, or been convicted of any felony use of a deadly weapon within the last 5 years, evidence of the rental being registered with the County, and proof of lawful presence in the United States.

- Emergency contact requirements, where emergency contacts shall be required to respond to complaints and emergencies in person, by phone, or by email within 60 minutes when requested by a police officer and within 24 hours for all other non-emergency requests.
- License denial parameters and terms
- Prohibited uses
- License suspensions
- Penalties
- Appeals process
- Definitions
- Other minor amendments and Section 8-1 of the Town Code (dealing with statutorily required application and issuance procedures for short-term rentals)
- Addition of a new Section 9-2-13 to cross-reference the statutorily limited penalties for violations incorporated in Article 8-6

The proposed revisions to the Town code incorporate some, but not all, of the regulation that is now allowed under A.R.S. § 9-500.39, closely track the statute, are based upon standard provision developed by the Arizona League of Cities and Towns, and are consistent with a recent Attorney General's opinion detailing what a municipality can and cannot do in regulating STRs. Staff is not recommending implementing all of the regulation allowed under the amended statute and attorney general's opinion; instead the focus is on reasonable business licensing and protection of health, safety and welfare of the Town and its residents, consistent with the concerns addressed by the amendments to A.R.S. § 9-500.39.

If the Ordinance is approved, Staff will work with IT Staff to have the short term rental license available online for operators to apply and pay for their license. Once the license is available online, Staff will reach out to the short term rental operators within Queen Creek to notify them of the license requirement and application process. At this time, the specific date for the license to be online is uncertain but Staff will work with our consultants and other Departments to get the application online as soon as possible and will follow-up with Council with more specific details once known.

Fiscal Impact:

If a short term rental license is implemented, a fee for the license may be issued at an amount not to exceed the actual cost of issuing the permit or license or \$250, whichever is less. Staff is proposing that no new or increased fee be adopted, but that only the existing business license fee for rental of real property be applied, thus the initial license fee would be \$60 and the annual license renewal fee would be \$40 or \$60 as applicable under the Town's current business fee structure. There may also be a fiscal impact related to the cost to implement the license program such as the online registration and technical support.

Attachment(s):

1. [Ordinance 805-22](#)
2. [Presentation - STR 12.21.22.pptx](#)
3. [SB1168 - Vacation Rentals and Short Term Rentals.pdf](#)

ORDINANCE 805-22

AN ORDINANCE OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, AMENDING THE QUEEN CREEK TOWN CODE CHAPTER 8, ARTICLE 8-1, BUSINESS LICENSE, SECTION 8-1-2; AND ADDING ARTICLE 8-6, SHORT TERM RENTALS AND VACATION RENTALS; AND AMENDING CHAPTER 9 BY ADDING A NEW SECTION 9-2-13 SHORT TERM RENTAL OFFENSES, AND MOVING SECTION 9-2-13 TO 9-2-14

WHEREAS, Arizona Revised Statutes § 9-802 provides a procedure whereby a municipality may enact the provisions of a code or public record by reference, without setting forth such provisions, providing that the adopting ordinance is published in full; and

WHEREAS, A.R.S. § 9-500.39, as amended, allows the Town to regulate the business of short term and vacation rentals within the Town subject to limitations set forth in the statute; and

WHEREAS, the Town Council has determined that enacting reasonable regulations for the business of short-term rentals and vacation rentals in the Town will protect the health, safety, and welfare of the Queen Creek community; and

WHEREAS, the Town Council has determined that it is in the best interest of the residents of Queen Creek to make certain changes to Town Code Chapter 8, Article 8-1, Business License And Adding Article 8-6, Short Term Rentals And Vacation Rentals, And Amending Chapter 9 By Adding A New Section 9-2-13 Short Term Rental Offenses, And Moving Section 9-2-13 to 9-2-14, as further set forth in Exhibit "A", which is attached hereto and incorporated herein by reference.

WHEREAS, A.R.S. § 9-802 provides a procedure whereby a municipality may enact the provisions of a code or public record by reference, without setting forth such provisions, providing that the adopting ordinance is published in full; and

NOW THEREFORE BE IT ORDAINED BY THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, AS FOLLOWS:

Section 1. The Queen Creek Town Code – Section 8-1-2, Application and Issuance, Section 8-6, Short Term Rentals and Vacation Rentals, Section 9-2-13, Short Term Rentals, and Section 9-2-14 Violation, referenced as "Exhibit A", is declared to be a public record and adopted incorporated herein by this reference;

Section 3. Added Section 8-6-3, License Required; Penalties, subsection H provides:

H. Operating Without a License; Penalties. A vacation rental owner that fails to apply for a license or license within thirty (30) days of the license application being made available by the Town shall immediately cease

operations. In addition to any other penalty pursuant to the Town Code, the Town may impose a civil penalty of up to \$1,000 per month against the owner if the owner or owner's designee fails to apply for license within 30 days of receiving the written notice of violation from the Town. Representations or advertisements including online listings that reference the property, house or dwelling unit location within the Town is prima facie evidence that a vacation rental is operating in the Town.

Section 4. Added Section 8-6-4, Emergency Point of Contact Requirements; Penalties, subsection D, provides:

- D. Penalties. In addition to any other penalty pursuant to the Town Code, an owner shall be subject to civil penalties of up to \$1,000 for every thirty (30) days the owner fails to provide notice to the Town as required under this Section. Before imposing the initial civil penalty, the Town shall provide thirty (30) days' notice to the owner by mailing a notice of violation to the owner's mailing address that was provided to the Town. The notice of the violation shall inform the applicant of the right to appeal the denial as provided for in Section 8-6-8. Notwithstanding the date of the notice of violation, the date for calculating the penalties shall be the first day the vacation rental is occupied following the owner's failure to provide the notice to the Town regarding the change.

Section 5. Added Section 8-6-7, Penalties, provides:

- A. The remedies in this Article are cumulative and the Town may proceed under one or more such remedies.
- B. In addition to any other penalty pursuant to the Town Code, and notwithstanding any other law, the Town may impose a civil penalty of the following amounts against an owner if the owner causes, allows, facilitates, aides, or abets a verified violation of any provision of this Article or fails to perform any act or duty required by this Article, related to the same vacation rental property within the same twelve-month period:
 - 1. Up to \$500 or up to an amount equal to one night's rent for the vacation rental as advertised, whichever is greater, for the first violation.
 - 2. Up to \$1,000 or up to an amount equal to two nights' rent for the vacation rental as advertised, whichever is greater, for the second violation.
 - 3. Up to \$3,500 or up to an amount equal to three nights' rent for the vacation rental as advertised, whichever is greater, for a third and any subsequent violation.

If multiple violations arise out of the same response to an incident at a vacation rental, those violations are considered one violation for the purpose of assessing civil penalties.

- C. In addition to any other penalty pursuant to the Town Code, any person who violates or causes, allows, facilitates, aides, or abets any violation of this Article shall be guilty of a civil offense.
- D. The failure of any designee to comply with this Article shall not relieve the owner of liability under this Article.

Section 6. If any section, subsection, clause, phrase or portion of this Ordinance or any part of these amendments to the Town Code is for any reason held invalid or unconstitutional by the decision of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 7. At least one paper copy and one electronic copy of this ordinance and exhibits are to be filed in the office of the Town Clerk.

PASSED AND ADOPTED BY the Common Council of the Town of Queen Creek, Arizona, this 21st day of December 2022.

FOR THE TOWN OF QUEEN CREEK:

ATTESTED TO:

Jeff Brown, Vice Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

John Kross, ICMA-CM
Town Manager

Dickinson Wright PLLC
Attorneys for the Town

Exhibit 'A'

Section 8-1-2 Application And Issuance

C. It shall be the duty of the Town Clerk, or designee, upon receipt of a properly completed application for a short term rental license and verification of the data contained thereon, to prepare and issue a license under this article for every person, corporation or partnership required to pay a license fee hereunder and to state in each license the amount charged for the same, the period of time covered thereby, the name of the person, corporation or partnership for whom issued and the location of the short term rental.

~~C.~~ **D.** In no case, shall any mistake made by the clerk in issuing any license or collecting the amount of fee for any license or the amount actually due from any person required to pay for a license as provided herein, prevent, prejudice or stop the town from collecting the correct amount of fee or charge for any license or the amount actually due from any person required to pay for a license as provided herein, or revoking any license erroneously issued and refunding the fee collected.

~~D.~~ **E.** No greater or lesser amount of money shall be charged or received by the clerk for any license than is provided for in this article, and no license shall be issued for any period of time other than as provided herein.

~~E.~~ **F.** All charges for a license required by this article shall be paid in advance and in lawful money of the United States of America at the office of the clerk.

ARTICLE 8-6. SHORT-TERM RENTALS AND VACATION RENTALS

- 8-6-1 Purpose.**
- 8-6-2 Definitions.**
- 8-6-3 License Required; Penalties.**
- 8-6-4 Emergency Point of Contact Requirements; Penalties.**
- 8-6-5 Compliance with the Law; Prohibited Uses.**
- 8-6-6 License Suspensions.**
- 8-6-7 Penalties.**
- 8-6-8 Appeals.**
- 8-6-9 Judicial Relief.**
- 8-6-10 Severability.**

8-6-1 Purpose.

This Article is adopted to protect the health, safety, and welfare of the Queen Creek community by enacting reasonable regulations for short-term rentals and vacation rentals. These regulations are in addition to other codes of the Town.

8-6-2 Definitions.

In this Article, unless the context or definitions in A.R.S. § 9-500.39 indicate otherwise, the following terms or phrases are defined as follows:

“Advertisement” means any method of soliciting the use of property for vacation rental purposes.

“Applicant” means the owner or owner’s designee who applies with the Town for a license or renewal of a license.

“Days” shall mean calendar days unless stated otherwise.

“Designee” and “Agent” are interchangeable for purposes of this Article and mean any person or persons with the charge, care, or control of any property, dwelling unit, or portion thereof. “Designee” includes the “emergency point of contact.”

“Emergency point of contact” means the owner or individual designated by the owner to: (i) serve as the local twenty-four (24) hour emergency point of contact for the vacation rental; and (ii) respond to complaints and emergencies relating to the vacation rental in a timely manner as required by this Article.

“License” means authorization by the Town to operate a vacation rental in accordance with this Article.

“Nonresidential use” means any use that is not permitted in a residential zoning district pursuant to a Town zoning ordinance. Nonresidential use includes banquets, wedding venues, event venues, day cares, restaurants, health clubs, arts and craft boutiques, swap meets and other similar nonresidential uses.

“Online Lodging Marketplace” has the same meaning prescribed in A.R.S. § 42-5076.

“Owner” means any person who, alone or with others, has title or interest in a property, dwelling unit, or portion thereof, with or without accompanying actual possession thereof, and includes any person who as agent, executor, administrator, trustee, or guardian has charge, care, or control of any property, dwelling unit, or portion thereof.

“Person” means an individual, public entity, firm, corporation, partnership, limited liability company, trust, association, or any other business entity or juridical person, whether operating on a for-profit or nonprofit basis.

“Short-term rental” and "vacation rental" are interchangeable for purposes of this Article and mean any individually or collectively owned single-family or one-to-four-family house or dwelling unit, or any unit or group of units in a condominium or cooperative, that is also a transient public lodging establishment or owner-occupied residential home offered for transient use. “Vacation rental” does not include:

(i) accommodations or property that is classified for property taxation under A.R.S. § 42-12001; or

(ii) any unit that is used for any nonresidential use, including a special event that would otherwise require a license, retail, restaurant, banquet space, or other similar use.

“Transaction privilege tax license” is the license issued by the State of Arizona pursuant to A.R.S., Title 42.

"Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty consecutive days.

“Timely manner” means responding to complaints and emergencies in person, by phone, or by email within 60 minutes when requested by a police officer and within 24 hours for all other non-emergency requests.

8-6-3 License Required; Penalties.

A. *License required.* Prior to use of a property as a vacation rental, the owner of shall obtain an annual vacation rental license from the Town. Renting, or offering for rent, a vacation rental without complying with the license requirement in this Section 8-6-3 is prohibited.

. *License applications.* The owner of a proposed vacation rental shall submit to the Town a license application on a form furnished by the Town. The license application shall be signed by the applicant and shall contain the following minimum information, which shall be made publicly available:

- 1. The physical address of the residential property proposed to be used as a short term rental.**
- 2. The name, address, email address and telephone number of the owner for which the short term rental registration license is to be issued. If the property owner is an entity, the legal name of the entity and its statutory agent.**
- 3. The name, address, and telephone number of each designee of the owner, if any.**

4. **The full name, address, and twenty-four (24) hour telephone number of the individual who will serve as the emergency point of contact.**
 5. **Proof of a valid transaction privilege tax license.**
 6. **Acknowledgment by the owner of an agreement to comply with all applicable laws, regulations, and ordinances, including the requirement that the owner and each designee shall not be a registered sex offender, been convicted of any felony act that resulted in death or serious physical injury, or been convicted of any felony use of a deadly weapon within the past five years.**
 7. **Evidence the vacation rental is registered with the Maricopa or Pinal County Assessor's Office in accordance with A.R.S. § 33-1902.**
 8. **If the applicant is an individual, proof of lawful presence in the United States in accordance with A.R.S. §§ 1-502 and 41-1080.**
- C. *License fee.* Every application, including any renewal application, for a vacation rental license under this Article shall be accompanied by the fee set forth in Section 8-1-10 for rental of real or personal property or real estate.**
- D. *Issuance; reasons for denial.* The Town shall issue or deny the license within seven (7) business days after receipt of a complete application, except that the Town] may deny issuance of a license for any of the following reasons:**
1. **The applicant failed to provide the information required under subsection B;**
 2. **The applicant failed to pay the license fee required under subsection C;**
 3. **The applicant provided false information;**
 4. **The owner or designee of the owner: (i) is a registered sex offender; (ii) has been convicted of any felony act that resulted in death or serious physical injury; or (iii) has been convicted of any felony use of a deadly weapon within five (5) years of submitting the application; or**
 5. **At the time of application, the owner has a suspended license for the same vacation rental or any of the following applies: (a) one violation at the vacation rental that resulted in or constituted any of the offenses described in Sec. 8-6-7; or (b) three violations of this Article at the vacation rental within a twelve (12) month period, not including an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health and safety.**
- E. *Notice of denial; appeal.* The Town Clerk or designee shall give notice of the denial of an application to the applicant by emailing the notice to applicant at the**

address listed on the application. The notice of the denial shall inform the applicant of the right to appeal the denial as provided for in Sec. 8-6-8.

- F. ***Maintaining Accurate Information.*** All applicants and persons holding license issued pursuant to this Article shall give prior written notice to the Town Clerk or designee of any material change in information submitted in connection with an application for a license or renewal of a license. The notice shall be provided to the Town Clerk or designee not less than ten (10) days prior to the effective date of the change. Any information required for an application under this Section 8-6-3 is deemed to be material for purposes of this Section 8-6-3.

- G. ***Term of License; Renewal application.*** All licenses issued under this Article shall be valid for the remainder calendar year from the date of their issuance and renewed annually every January. Except where the Town has received a new application along with the requisite fees, it shall be unlawful for any person to operate a vacation rental after the expiration date recorded upon the face of the vacation rental license.

- H. ***Operating Without a License; Penalties.*** A vacation rental owner that fails to apply for a license or license within thirty (30) days of the license application being made available by the Town shall immediately cease operations. In addition to any other penalty pursuant to the Town Code, the Town may impose a civil penalty of up to \$1,000 per month against the owner if the owner or owner's designee fails to apply for license within 30 days of receiving the written notice of violation from the Town. Representations or advertisements including online listings that reference the property, house or dwelling unit location within the Town is prima facie evidence that a vacation rental is operating in the Town.

- I. ***Non-transferable.*** No license shall be transferable either as to location or as to person.

- J. ***Implementation.*** The Town Clerk or designee shall develop the necessary forms and/or database(s) necessary to implement this Section 8-6-3.

8-6-4 Emergency Point of Contact Requirements; Penalties.

- A. ***Emergency Responses.*** When requested by a police officer, the owner or emergency point of contact whose name appears on the license application must be on the vacation rental premises, or be available over the phone or text, within sixty (60) minutes of the request.

- B. ***Non-emergency Responses.*** The owner or emergency point of contact shall respond to all other complaints relating to the vacation rental in person, over the phone, by e-mail, or by text within twenty-four (24) hours of the request.

- C. ***Maintaining Accurate Emergency Information.*** All applicants and persons holding licenses issued pursuant to this Article shall give prior written notice to the Town Clerk or designee of any change to the contact information provided to the Town for the emergency point of contact. The notice shall be provided to the Town Clerk or designee not less than ten (10) days prior to the effective date of the change.

- D. ***Penalties.*** In addition to any other penalty pursuant to the Town Code, an owner shall be subject to civil penalties of up to \$1,000 for every thirty (30) days the owner fails to provide notice to the Town as required under this subsection. Before imposing the initial civil penalty, the Town shall provide thirty (30) days' notice to the owner by mailing a notice of violation to the owner's mailing address that was provided to the Town. The notice of the violation shall inform the applicant of the right to appeal the denial as provided for in Section 8-6-8. Notwithstanding the date of the notice of violation, the date for calculating the penalties shall be the first day the vacation rental is occupied following the owner's failure to provide the notice to the Town regarding the change.

8-6-5 Compliance with the Law; Prohibited Uses.

- A. A vacation rental shall comply with the federal, state, and local laws including laws relating to public health and safety, sanitation, solid waste, hazardous waste, tax privilege licensing, property tax registration, traffic control, pollution control, noise, property maintenance, and nuisance abatement.

- B. No person or entity shall operate a vacation rental in violation of this Article or other law. In addition, the use of a vacation rental property for any of the following uses or purposes is strictly prohibited:
 - 1. Any nonresidential use;
 - 2. Holding a special event that requires a license or license pursuant to a city or town ordinance or state law or rule;
 - 3. Operating a retail business, restaurant, event center, banquet hall or similar use;
 - 4. Operating or maintaining a sober living home;
 - 5. Selling liquor, illegal drugs, or pornography;
 - 6. Operating a nude or topless dancing;
 - 7. Obscenity;
 - 8. Adult-oriented business; or
 - 9. Any other use prohibited by A.R.S. § 9-500.39 or the Town code.

- C. A vacation rental lacking a valid transaction privilege tax license issued by the State of Arizona shall not be rented or offered for rent.
- D. No person or entity may receive payment or accept a fee, directly or indirectly, for facilitating the rental of a vacation rental operating in violation of this Code or other law.

8-6-6 License Suspensions.

- A. *License suspensions.* The Town may initiate an administrative process to suspend a vacation rental license for a period of up to twelve (12) months for any of the following:
 - 1. Three verified violations of this Article within a twelve (12) month period, not including any such violation based on an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health and safety.
 - 2. One verified violation that results in or constitutes any of the following:
 - a. A felony offense committed at or in the vicinity of a vacation rental by the owner of the vacation rental or by the owner's designee;
 - b. A serious physical injury or wrongful death at or related to a vacation rental resulting from the knowing, intentional or reckless conduct of the owner of the vacation rental or the owner's designee;
 - c. The owner of the vacation rental or the owner's designee knowingly or intentionally allowing offenses related to adult-oriented businesses, sexual offenses, or prostitution, or operating or maintaining a sober living home; or
 - d. The owner of the vacation rental or the owner's designee knowingly or intentionally allowing the use of a vacation rental for a special event that would otherwise require a license or license pursuant to Town code or a state law or rule or for a retail, restaurant, banquet space or other similar use.
- B. *Appeals.* A decision to suspend a license may be appealed by the owner as set forth in Section 8-6-8.

8-6-7 Penalties.

- A. The remedies in this Article are cumulative and the Town may proceed under one or more such remedies.

B. In addition to any other penalty pursuant to the Town Code, and notwithstanding any other law, the Town may impose a civil penalty of the following amounts against an owner if the owner causes, allows, facilitates, aides, or abets a verified violation of any provision of this Article or fails to perform any act or duty required by this Article, related to the same vacation rental property within the same twelve-month period:

- 1. Up to \$500 or up to an amount equal to one night's rent for the vacation rental as advertised, whichever is greater, for the first violation.**
- 2. Up to \$1,000 or up to an amount equal to two nights' rent for the vacation rental as advertised, whichever is greater, for the second violation.**
- 3. Up to \$3,500 or up to an amount equal to three nights' rent for the vacation rental as advertised, whichever is greater, for a third and any subsequent violation.**

If multiple violations arise out of the same response to an incident at a vacation rental, those violations are considered one violation for the purpose of assessing civil penalties.

C. In addition to any other penalty pursuant to the Town Code, any person who violates or causes, allows, facilitates, aides, or abets any violation of this Article shall be guilty of a civil offense.

D. The failure of any designee to comply with this Article shall not relieve the owner of liability under this Article.

8-6-8 Appeals.

A. Any person aggrieved by any decision with respect to the denial of or a refusal to issue a vacation rental license, the suspension of a vacation rental license, or a penalty imposed pursuant to this Article may appeal the decision by filing a written notice of appeal with the Town Clerk or designee no later than thirty (30) days from the date of the decision letter. The notice of appeal shall be on a form approved by the Town.

B. An appeal under this Section 8-6-8 does not operate as a stay of the license suspension.

C. This Section 8-6-8 is not applicable to judicial actions brought pursuant to Section 8-6-9 or to penalties including fines imposed by a court.

8-6-9 Judicial relief.

A. Notwithstanding Section 8-6-6, any attempted or completed felony act, arising from the occupancy or use of a vacation rental that results in a death,

or actual or attempted serious physical injury, shall be grounds for judicial relief in the form of a suspension of the property's use as a vacation rental for a period that shall not exceed twelve (12) months.

- B. The Town attorney may initiate proceedings in the Town court or other court of competent jurisdiction to enforce this 8-6-9.**

8-6-10 Severability.

In the event any Section or provision of this Article shall be declared by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of this Article as a whole or any part thereof other than the part so declared to be invalid or unconstitutional.

Article 9-2-13 Short Term Rentals

It is unlawful for any person to operate a short term rental within the Town without first obtaining the appropriate license issued by the Town under Article 8-6 of the Town Code or to violate any Section under Article 8-6 of the Town Code. Violation of this Section is a Civil Offense.

Article 9-2-~~13~~ 14 Violation

Except as otherwise specified, violation of any provision of this Article is a Civil Offense. With respect to a violation that is continuing in nature, each day that the violation occurs is a separate offense. In addition to other penalties, a sexually oriented business which operates of this Article shall constitute a public nuisance, which, in addition to any other enforcement mechanisms in this Code, may be abated by a suit for injunctive relief.

Short Term Rental

Amendment to the Town Code

Town Council Regular Session

Dec. 21, 2022

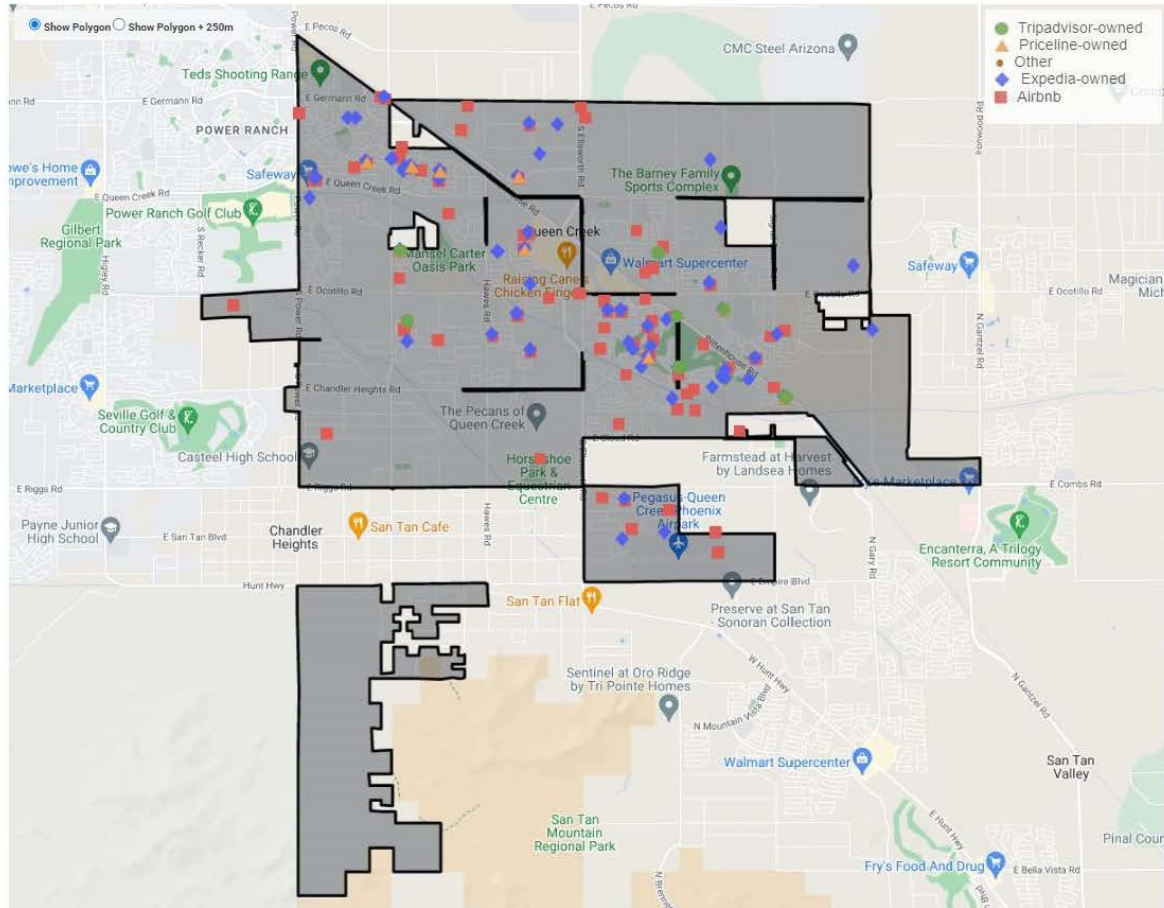


Request

Approve Ordinance 805-22 amending the Queen Creek Town Code Chapter 8, Section 8-1, Business License, Section 8-1-2 and adding Article 8-6, Short Term Rentals and Vacation Rentals, and adding a new Section 9-2-13 Short Term Rental Offenses, and moving Section 9-2-13 to 9-2-14

STRs in Queen Creek

Since July 2022, there are 120 unique rental units with a median nightly rate of \$200



Staff's Recommendation

Proposed Town Code Amendment (consistent with State statute):

- Required STR license
 - Contact information for the owner of the rental, designee and emergency point of contact, proof of valid TPT, acknowledgement by the owner of agreement to abide by all applicable laws and is not a registered sex offender, been convicted of any felony act that resulted in death or serious physical injury, or been convicted of any felony use of a deadly weapon within the last 5 years, evidence of the rental being registered with the County, and proof of lawful presence in the United States.
- Emergency contact requirements, where emergency contacts shall be required to respond to complaints and emergencies in person, by phone, or by email within 60 minutes when requested by a police officer and within 24 hours for all other non-emergency requests.
- License denial parameters, terms, suspensions, penalties, appeals process
- Prohibited uses
- Definitions
- Other minor amendments and Section 8-1 of the Town Code (dealing with statutorily required application and issuance procedures for short-term rentals)
- Addition of a new Section 8-2-12 to cross-reference the statutorily limited

License Administration

- Date of license availability and license requirement TBD
- Staff is proposing the existing business license fee for rental of real property be applied, thus the initial license fee would be \$60 and the annual license renewal fee would be \$40 or \$60 as applicable under the Town's current business fee structure
- Implementation of online license application and payment process – in process
- Once the license is available, staff will conduct an outreach campaign which will include direct letters to known STR operators of new license requirements and process
- STR working group (Police, Code and Licensing)

vacation rentals; short-term rentals; enforcement

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

CHAPTER 343

SENATE BILL 1168

AN ACT

AMENDING SECTIONS 9-500.39 AND 11-269.17, ARIZONA REVISED STATUTES;
REPEALING SECTION 42-1125.02, ARIZONA REVISED STATUTES; AMENDING SECTION
42-5042, ARIZONA REVISED STATUTES; RELATING TO VACATION RENTALS AND
SHORT-TERM RENTALS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-500.39, Arizona Revised Statutes, is amended
3 to read:

4 9-500.39. Limits on regulation of vacation rentals and
5 short-term rentals; state preemption; civil
6 penalties; transaction privilege tax license
7 suspension; definitions

8 A. A city or town may not prohibit vacation rentals or short-term
9 rentals.

10 B. A city or town may not restrict the use of or regulate vacation
11 rentals or short-term rentals based on their classification, use or
12 occupancy except as provided in this section. A city or town may regulate
13 vacation rentals or short-term rentals ~~for the following purposes~~ AS
14 FOLLOWS:

15 1. ~~Protecting~~ TO PROTECT the public's health and safety, including
16 rules and regulations related to fire and building codes, health and
17 sanitation, transportation or traffic control, ~~AND~~ solid or hazardous
18 waste and pollution control, ~~and designation of an emergency point of~~
19 ~~contact~~, if the city or town demonstrates that the rule or regulation is
20 for the primary purpose of protecting the public's health and safety.

21 2. ~~Adopting~~ TO ADOPT and ~~enforcing residential~~ ENFORCE use and
22 zoning ordinances, including ordinances related to noise, protection of
23 welfare, property maintenance and other nuisance issues, if the ordinance
24 is applied in the same manner as other property classified under sections
25 42-12003 and 42-12004.

26 3. ~~Limiting~~ TO LIMIT or ~~prohibiting~~ PROHIBIT the use of a vacation
27 rental or short-term rental for the purposes of housing sex offenders,
28 operating or maintaining a sober living home, selling illegal drugs,
29 liquor control or pornography, obscenity, nude or topless dancing and
30 other adult-oriented businesses.

31 4. ~~Requiring~~ TO REQUIRE the owner of a vacation rental or
32 short-term rental to provide the city or town ~~with~~ AN EMERGENCY POINT OF
33 contact information for the owner or the owner's designee who is
34 responsible for responding to complaints OR EMERGENCIES in a timely manner
35 in person IF REQUIRED BY PUBLIC SAFETY PERSONNEL, over the phone or by
36 email at any time of day before offering for rent or renting the vacation
37 rental or short-term rental. IN ADDITION TO ANY OTHER PENALTY PURSUANT TO
38 THIS SECTION, THE CITY OR TOWN MAY IMPOSE A CIVIL PENALTY OF UP TO \$1,000
39 AGAINST THE OWNER FOR EVERY THIRTY DAYS THE OWNER FAILS TO PROVIDE CONTACT
40 INFORMATION AS PRESCRIBED BY THIS PARAGRAPH. THE CITY OR TOWN SHALL
41 PROVIDE THIRTY DAYS' NOTICE TO THE OWNER BEFORE IMPOSING THE INITIAL CIVIL
42 PENALTY.

43 5. TO REQUIRE AN OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL TO
44 OBTAIN AND MAINTAIN A LOCAL REGULATORY PERMIT OR LICENSE PURSUANT TO TITLE
45 9, CHAPTER 7, ARTICLE 4. AS A CONDITION OF ISSUANCE OF A PERMIT OR

1 LICENSE, THE APPLICATION FOR THE PERMIT OR LICENSE MAY ONLY REQUIRE AN
2 APPLICANT TO PROVIDE THE FOLLOWING:

3 (a) NAME, ADDRESS, PHONE NUMBER AND EMAIL ADDRESS FOR THE OWNER OR
4 OWNER'S AGENT.

5 (b) ADDRESS OF THE VACATION RENTAL OR SHORT-TERM RENTAL.

6 (c) PROOF OF COMPLIANCE WITH SECTION 42-5005.

7 (d) CONTACT INFORMATION REQUIRED PURSUANT TO PARAGRAPH 4 OF THIS
8 SUBSECTION.

9 (e) ACKNOWLEDGMENT OF AN AGREEMENT TO COMPLY WITH ALL APPLICABLE
10 LAWS, REGULATIONS AND ORDINANCES.

11 (f) A FEE NOT TO EXCEED THE ACTUAL COST OF ISSUING THE PERMIT OR
12 LICENSE OR \$250, WHICHEVER IS LESS.

13 6. TO REQUIRE, BEFORE OFFERING A VACATION RENTAL OR SHORT-TERM
14 RENTAL FOR RENT FOR THE FIRST TIME, THE OWNER OR THE OWNER'S DESIGNEE OF A
15 VACATION RENTAL OR SHORT-TERM RENTAL TO NOTIFY ALL SINGLE-FAMILY
16 RESIDENTIAL PROPERTIES ADJACENT TO, DIRECTLY AND DIAGONALLY ACROSS THE
17 STREET FROM THE VACATION RENTAL OR SHORT-TERM RENTAL. NOTICE SHALL BE
18 DEEMED SUFFICIENT IN A MULTI-FAMILY RESIDENTIAL BUILDING IF GIVEN TO
19 RESIDENTS ON THE SAME BUILDING FLOOR. A CITY OR TOWN MAY REQUIRE
20 ADDITIONAL NOTIFICATION PURSUANT TO THIS PARAGRAPH IF THE CONTACT
21 INFORMATION PREVIOUSLY PROVIDED CHANGES. NOTIFICATION PROVIDED IN
22 COMPLIANCE WITH THIS PARAGRAPH SHALL INCLUDE THE PERMIT OR LICENSE NUMBER
23 IF REQUIRED BY THE CITY OR TOWN, THE ADDRESS, AND THE INFORMATION REQUIRED
24 PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION. THE OWNER OR THE OWNER'S
25 DESIGNEE SHALL DEMONSTRATE COMPLIANCE WITH THIS PARAGRAPH BY PROVIDING THE
26 CITY OR TOWN WITH AN ATTESTATION OF NOTIFICATION COMPLIANCE THAT CONSISTS
27 OF THE FOLLOWING INFORMATION:

28 (a) THE PERMIT OR LICENSE NUMBER OF THE VACATION RENTAL OR
29 SHORT-TERM RENTAL, IF REQUIRED BY THE CITY OR TOWN.

30 (b) THE ADDRESS OF EACH PROPERTY NOTIFIED.

31 (c) A DESCRIPTION OF THE MANNER IN WHICH THE OWNER OR OWNER'S
32 DESIGNEE CHOSE TO PROVIDE NOTIFICATION TO EACH PROPERTY SUBJECT TO
33 NOTIFICATION.

34 (d) THE NAME AND CONTACT INFORMATION OF THE PERSON ATTESTING TO
35 COMPLIANCE WITH THIS PARAGRAPH.

36 7. TO REQUIRE THE OWNER OR OWNER'S DESIGNEE OF A VACATION RENTAL OR
37 SHORT-TERM RENTAL TO DISPLAY THE LOCAL REGULATORY PERMIT NUMBER OR LICENSE
38 NUMBER, IF ANY, ON EACH ADVERTISEMENT FOR A VACATION RENTAL OR SHORT-TERM
39 RENTAL THAT THE OWNER OR OWNER'S DESIGNEE MAINTAINS. A CITY OR TOWN THAT
40 DOES NOT REQUIRE A LOCAL REGULATORY PERMIT OR LICENSE MAY REQUIRE THE
41 OWNER OR OWNER'S DESIGNEE OF A VACATION RENTAL OR SHORT-TERM RENTAL TO
42 DISPLAY THE TRANSACTION PRIVILEGE TAX LICENSE REQUIRED BY SECTION 42-5042
43 ON EACH ADVERTISEMENT FOR A VACATION RENTAL OR SHORT-TERM RENTAL THAT THE
44 OWNER OR OWNER'S DESIGNEE MAINTAINS.

1 8. TO REQUIRE THE VACATION RENTAL OR SHORT-TERM RENTAL TO MAINTAIN
2 LIABILITY INSURANCE APPROPRIATE TO COVER THE VACATION RENTAL OR SHORT-TERM
3 RENTAL IN THE AGGREGATE OF AT LEAST \$500,000 OR TO ADVERTISE AND OFFER
4 EACH VACATION RENTAL OR SHORT-TERM RENTAL THROUGH AN ONLINE LODGING
5 MARKETPLACE THAT PROVIDES EQUAL OR GREATER COVERAGE.

6 ~~C. Within thirty days after a verified violation, a city or town
7 shall notify the department of revenue and the owner of the vacation
8 rental or short-term rental of the verified violation of the city's or
9 town's applicable laws, regulations or ordinances and, if the owner of the
10 vacation rental or short-term rental received the verified violation,
11 whether the city or town imposed a civil penalty on the owner of the
12 vacation rental or short-term rental and the amount of the civil penalty,
13 if assessed. If multiple verified violations arise out of the same
14 response to an incident at a vacation rental or short-term rental, those
15 verified violations are considered one verified violation for the purpose
16 of assessing civil penalties pursuant to section 42-1125.02, subsection B.~~

17 C. A CITY OR TOWN THAT REQUIRES A LOCAL REGULATORY PERMIT OR
18 LICENSE PURSUANT TO THIS SECTION SHALL ISSUE OR DENY THE PERMIT OR LICENSE
19 WITHIN SEVEN BUSINESS DAYS OF RECEIPT OF THE INFORMATION REQUIRED BY
20 SUBSECTION B, PARAGRAPH 5 OF THIS SECTION AND OTHERWISE IN ACCORDANCE WITH
21 SECTION 9-835, EXCEPT THAT A CITY OR TOWN MAY DENY ISSUANCE OF A PERMIT OR
22 LICENSE ONLY FOR ANY OF THE FOLLOWING:

- 23 1. FAILURE TO PROVIDE THE INFORMATION REQUIRED BY SUBSECTION B,
24 PARAGRAPH 5, SUBDIVISIONS (a) THROUGH (e) OF THIS SECTION.
- 25 2. FAILURE TO PAY THE REQUIRED PERMIT OR LICENSE FEE.
- 26 3. AT THE TIME OF APPLICATION THE OWNER HAS A SUSPENDED PERMIT OR
27 LICENSE FOR THE SAME VACATION RENTAL OR SHORT-TERM RENTAL.
- 28 4. THE APPLICANT PROVIDES FALSE INFORMATION.
- 29 5. THE OWNER OR OWNER'S DESIGNEE OF A VACATION RENTAL OR SHORT-TERM
30 RENTAL IS A REGISTERED SEX OFFENDER OR HAS BEEN CONVICTED OF ANY FELONY
31 ACT THAT RESULTED IN DEATH OR SERIOUS PHYSICAL INJURY OR ANY FELONY USE OF
32 A DEADLY WEAPON WITHIN THE PAST FIVE YEARS.

33 D. A CITY OR TOWN THAT REQUIRES A LOCAL REGULATORY PERMIT OR
34 LICENSE PURSUANT TO THIS SECTION SHALL ADOPT AN ORDINANCE TO ALLOW THE
35 CITY OR TOWN TO INITIATE AN ADMINISTRATIVE PROCESS TO SUSPEND A LOCAL
36 REGULATORY PERMIT OR LICENSE FOR A PERIOD OF UP TO TWELVE MONTHS FOR THE
37 FOLLOWING VERIFIED VIOLATIONS ASSOCIATED WITH A PROPERTY:

- 38 1. THREE VERIFIED VIOLATIONS WITHIN A TWELVE MONTH PERIOD, NOT
39 INCLUDING ANY VERIFIED VIOLATION BASED ON AN AESTHETIC, SOLID WASTE
40 DISPOSAL OR VEHICLE PARKING VIOLATION THAT IS NOT ALSO A SERIOUS THREAT TO
41 PUBLIC HEALTH AND SAFETY.
- 42 2. ONE VERIFIED VIOLATION THAT RESULTS IN OR CONSTITUTES ANY OF THE
43 FOLLOWING:

1 (a) A FELONY OFFENSE COMMITTED AT OR IN THE VICINITY OF A VACATION
2 RENTAL OR SHORT-TERM RENTAL BY THE VACATION RENTAL OR SHORT-TERM RENTAL
3 OWNER OR OWNER'S DESIGNEE.

4 (b) A SERIOUS PHYSICAL INJURY OR WRONGFUL DEATH AT OR RELATED TO A
5 VACATION RENTAL OR SHORT-TERM RENTAL RESULTING FROM THE KNOWING,
6 INTENTIONAL OR RECKLESS CONDUCT OF THE VACATION RENTAL OR SHORT-TERM
7 RENTAL OWNER OR OWNER'S DESIGNEE.

8 (c) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY HOUSING
9 A SEX OFFENDER, ALLOWING OFFENSES RELATED TO ADULT-ORIENTED BUSINESSES,
10 SEXUAL OFFENSES OR PROSTITUTION, OR OPERATING OR MAINTAINING A SOBER
11 LIVING HOME, IN VIOLATION OF A REGULATION OR ORDINANCE ADOPTED PURSUANT TO
12 SUBSECTION B, PARAGRAPH 3 OF THIS SECTION.

13 (d) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY
14 ALLOWING THE USE OF A VACATION RENTAL OR SHORT-TERM RENTAL FOR A SPECIAL
15 EVENT THAT WOULD OTHERWISE REQUIRE A PERMIT OR LICENSE PURSUANT TO A CITY
16 OR TOWN ORDINANCE OR A STATE LAW OR RULE OR FOR A RETAIL, RESTAURANT,
17 BANQUET SPACE OR OTHER SIMILAR USE.

18 3. NOTWITHSTANDING PARAGRAPHS 1 AND 2 OF THIS SUBSECTION, ANY
19 ATTEMPTED OR COMPLETED FELONY ACT, ARISING FROM THE OCCUPANCY OR USE OF A
20 VACATION RENTAL OR SHORT-TERM RENTAL, THAT RESULTS IN A DEATH, OR ACTUAL
21 OR ATTEMPTED SERIOUS PHYSICAL INJURY, SHALL BE GROUNDS FOR JUDICIAL RELIEF
22 IN THE FORM OF A SUSPENSION OF THE PROPERTY'S USE AS A VACATION RENTAL OR
23 SHORT-TERM RENTAL FOR A PERIOD OF TIME THAT SHALL NOT EXCEED TWELVE
24 MONTHS.

25 E. A CITY OR TOWN THAT REQUIRES SEX OFFENDER BACKGROUND CHECKS ON A
26 VACATION RENTAL OR SHORT-TERM RENTAL GUEST SHALL WAIVE THE REQUIREMENT IF
27 AN ONLINE LODGING MARKETPLACE PERFORMS A SEX OFFENDER BACKGROUND CHECK OF
28 THE BOOKING GUEST.

29 F. NOTWITHSTANDING ANY OTHER LAW, A CITY OR TOWN MAY IMPOSE A CIVIL
30 PENALTY OF THE FOLLOWING AMOUNTS AGAINST AN OWNER OF A VACATION RENTAL OR
31 SHORT-TERM RENTAL IF THE OWNER RECEIVES ONE OR MORE VERIFIED VIOLATIONS
32 RELATED TO THE SAME VACATION RENTAL OR SHORT-TERM RENTAL PROPERTY WITHIN
33 THE SAME TWELVE-MONTH PERIOD:

34 1. UP TO \$500 OR UP TO AN AMOUNT EQUAL TO ONE NIGHT'S RENT FOR THE
35 VACATION RENTAL OR SHORT-TERM RENTAL AS ADVERTISED, WHICHEVER IS GREATER,
36 FOR THE FIRST VERIFIED VIOLATION.

37 2. UP TO \$1,000 OR UP TO AN AMOUNT EQUAL TO TWO NIGHTS' RENT FOR
38 THE VACATION RENTAL OR SHORT-TERM RENTAL AS ADVERTISED, WHICHEVER IS
39 GREATER, FOR THE SECOND VERIFIED VIOLATION.

40 3. UP TO \$3,500 OR UP TO AN AMOUNT EQUAL TO THREE NIGHTS' RENT FOR
41 THE VACATION RENTAL OR SHORT-TERM RENTAL AS ADVERTISED, WHICHEVER IS
42 GREATER, FOR A THIRD AND ANY SUBSEQUENT VERIFIED VIOLATION.

43 G. A VACATION RENTAL OR SHORT-TERM RENTAL THAT FAILS TO APPLY FOR A
44 LOCAL REGULATORY PERMIT OR LICENSE IN ACCORDANCE WITH SUBSECTION B,
45 PARAGRAPH 5 OF THIS SECTION, WITHIN 30 DAYS OF THE LOCAL REGULATORY PERMIT

1 OR LICENSE APPLICATION PROCESS BEING MADE AVAILABLE BY THE CITY OR TOWN
2 ISSUING SUCH PERMITS OR LICENSES, MUST CEASE OPERATIONS. IN ADDITION TO
3 ANY FINES IMPOSED PURSUANT TO SUBSECTION F OF THIS SECTION, A CITY OR TOWN
4 MAY IMPOSE A CIVIL PENALTY OF UP TO \$1,000 PER MONTH AGAINST THE OWNER IF
5 THE OWNER OR OWNER'S DESIGNEE FAILS TO APPLY FOR A REGULATORY PERMIT OR
6 LICENSE WITHIN 30 DAYS AFTER RECEIVING WRITTEN NOTICE OF THE FAILURE TO
7 COMPLY WITH SUBSECTION B, PARAGRAPH 5 OF THIS SECTION.

8 H. IF MULTIPLE VERIFIED VIOLATIONS ARISE OUT OF THE SAME RESPONSE
9 TO AN INCIDENT AT A VACATION RENTAL OR SHORT-TERM RENTAL, THOSE VERIFIED
10 VIOLATIONS ARE CONSIDERED ONE VERIFIED VIOLATION FOR THE PURPOSE OF
11 ASSESSING CIVIL PENALTIES OR SUSPENDING THE REGULATORY PERMIT OR LICENSE
12 OF THE OWNER OR OWNER'S DESIGNEE PURSUANT TO THIS SECTION.

13 ~~F.~~ I. If the owner of a vacation rental or short-term rental has
14 provided contact information to a city or town pursuant to subsection B,
15 paragraph 4 of this section and if the city or town issues a citation for
16 a violation of the city's or town's applicable laws, regulations or
17 ordinances or a state law that occurred on the owner's vacation rental or
18 short-term rental property, the city or town shall make a reasonable
19 attempt to notify the owner or the owner's designee of the citation within
20 seven business days after the citation is issued using the contact
21 information provided pursuant to subsection B, paragraph 4 of this
22 section. If the owner of a vacation rental or short-term rental has not
23 provided contact information pursuant to subsection B, paragraph 4 of this
24 section, the city or town is not required to provide such notice.

25 ~~F.~~ J. This section does not exempt an owner of a residential
26 rental property, as defined in section 33-1901, from maintaining with the
27 assessor of the county in which the property is located information
28 required under title 33, chapter 17, article 1.

29 ~~F.~~ K. A vacation rental or short-term rental may not be used for
30 nonresidential uses, including for a special event that would otherwise
31 require a permit or license pursuant to a city or town ordinance or a
32 state law or rule or for a retail, restaurant, banquet space or other
33 similar use.

34 ~~F.~~ L. For the purposes of this section:

35 1. "ONLINE LODGING MARKETPLACE" HAS THE SAME MEANING PRESCRIBED IN
36 SECTION 42-5076.

37 ~~F.~~ 2. "Transient" has the same meaning prescribed in section
38 42-5070.

39 ~~F.~~ 3. "Vacation rental" or "short-term rental":

40 (a) Means any individually or collectively owned single-family or
41 one-to-four-family house or dwelling unit or any unit or group of units in
42 a condominium, ~~OR cooperative or timeshare,~~ that is also a transient
43 public lodging establishment or owner-occupied residential home offered
44 for transient use if the accommodations are not classified for property
45 taxation under section 42-12001. ~~Vacation rental and short-term rental do~~

1 (b) DOES not include a unit that is used for any nonresidential
2 use, including retail, restaurant, banquet space, event center or another
3 similar use.

4 ~~3.~~ 4. "Verified violation" means a finding of guilt or civil
5 responsibility for violating any state law or local ordinance relating to
6 a purpose prescribed in subsection B or ~~F~~ K of this section that has been
7 finally adjudicated.

8 Sec. 2. Section 11-269.17, Arizona Revised Statutes, is amended to
9 read:

10 11-269.17. Limits on regulation of vacation rentals and
11 short-term rentals; state preemption; civil
12 penalties; transaction privilege tax license
13 suspension; definitions

14 A. A county may not prohibit vacation rentals or short-term
15 rentals.

16 B. A county may not restrict the use of or regulate vacation
17 rentals or short-term rentals based on their classification, use or
18 occupancy except as provided in this section. A county may regulate
19 vacation rentals or short-term rentals ~~for the following purposes~~ WITHIN
20 THE UNINCORPORATED AREAS OF THE COUNTY AS FOLLOWS:

21 1. ~~Protecting~~ TO PROTECT the public's health and safety, including
22 rules and regulations related to fire and building codes, health and
23 sanitation, transportation or traffic control, ~~AND~~ solid or hazardous
24 waste and pollution control, ~~and designation of an emergency point of~~
25 ~~contact~~, if the county demonstrates that the rule or regulation is for the
26 primary purpose of protecting the public's health and safety.

27 2. ~~Adopting~~ TO ADOPT and ~~enforcing residential~~ ENFORCE use and
28 zoning ordinances, including ordinances related to noise, protection of
29 welfare, property maintenance and other nuisance issues, if the ordinance
30 is applied in the same manner as other property classified under sections
31 42-12003 and 42-12004.

32 3. ~~Limiting~~ TO LIMIT or ~~prohibiting~~ PROHIBIT the use of a vacation
33 rental or short-term rental for the purposes of housing sex offenders,
34 operating or maintaining a sober living home, selling illegal drugs,
35 liquor control or pornography, obscenity, nude or topless dancing and
36 other adult-oriented businesses.

37 4. ~~Requiring~~ TO REQUIRE the owner of a vacation rental or
38 short-term rental to provide the county with contact information for the
39 owner or the owner's designee who is responsible for responding to
40 complaints OR EMERGENCIES in a timely manner in person IF REQUIRED BY
41 PUBLIC SAFETY PERSONNEL, over the phone or by email at any time of day
42 before offering for rent or renting the vacation rental or short-term
43 rental. IN ADDITION TO ANY OTHER PENALTY PURSUANT TO THIS SECTION, THE
44 COUNTY MAY IMPOSE A CIVIL PENALTY OF UP TO \$1,000 AGAINST THE OWNER FOR
45 EVERY THIRTY DAYS THE OWNER FAILS TO PROVIDE CONTACT INFORMATION AS

1 PRESCRIBED BY THIS PARAGRAPH. THE COUNTY SHALL PROVIDE THIRTY DAYS'
2 NOTICE TO THE OWNER BEFORE IMPOSING THE INITIAL CIVIL PENALTY.

3 5. TO REQUIRE AN OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL TO
4 OBTAIN AND MAINTAIN A LOCAL REGULATORY PERMIT OR LICENSE. AS A CONDITION
5 OF ISSUANCE OF A PERMIT OR LICENSE, THE APPLICATION FOR THE PERMIT OR
6 LICENSE MAY ONLY REQUIRE AN APPLICANT TO PROVIDE THE FOLLOWING:

7 (a) NAME, ADDRESS, PHONE NUMBER AND EMAIL ADDRESS FOR THE OWNER OR
8 OWNER'S AGENT.

9 (b) ADDRESS OF THE VACATION RENTAL OR SHORT-TERM RENTAL.

10 (c) PROOF OF COMPLIANCE WITH SECTION 42-5005.

11 (d) CONTACT INFORMATION REQUIRED PURSUANT TO PARAGRAPH 4 OF THIS
12 SUBSECTION.

13 (e) ACKNOWLEDGMENT OF AN AGREEMENT TO COMPLY WITH ALL APPLICABLE
14 LAWS, REGULATIONS AND ORDINANCES.

15 (f) A FEE NOT TO EXCEED THE ACTUAL COST OF ISSUING THE PERMIT OR
16 LICENSE OR \$250, WHICHEVER IS LESS.

17 6. TO REQUIRE, BEFORE OFFERING A VACATION RENTAL OR SHORT-TERM
18 RENTAL FOR RENT FOR THE FIRST TIME, THE OWNER OR THE OWNER'S DESIGNEE OF A
19 VACATION RENTAL OR SHORT-TERM RENTAL TO NOTIFY ALL SINGLE-FAMILY
20 RESIDENTIAL PROPERTIES ADJACENT TO, DIRECTLY AND DIAGONALLY ACROSS THE
21 STREET FROM THE VACATION RENTAL OR SHORT-TERM RENTAL. NOTICE SHALL BE
22 DEEMED SUFFICIENT IN A MULTI-FAMILY RESIDENTIAL BUILDING IF GIVEN TO
23 RESIDENTS ON THE SAME BUILDING FLOOR. A COUNTY MAY REQUIRE ADDITIONAL
24 NOTIFICATION PURSUANT TO THIS PARAGRAPH IF THE CONTACT INFORMATION
25 PREVIOUSLY PROVIDED CHANGES. NOTIFICATION PROVIDED IN COMPLIANCE WITH
26 THIS PARAGRAPH SHALL INCLUDE THE PERMIT OR LICENSE NUMBER IF REQUIRED BY
27 THE COUNTY, THE ADDRESS, AND THE INFORMATION REQUIRED PURSUANT TO
28 PARAGRAPH 4 OF THIS SUBSECTION. THE OWNER OR THE OWNER'S DESIGNEE SHALL
29 DEMONSTRATE COMPLIANCE WITH THIS PARAGRAPH BY PROVIDING THE COUNTY WITH AN
30 ATTESTATION OF NOTIFICATION COMPLIANCE THAT CONSISTS OF THE FOLLOWING
31 INFORMATION:

32 (a) THE PERMIT OR LICENSE NUMBER OF THE VACATION RENTAL OR
33 SHORT-TERM RENTAL, IF REQUIRED BY THE COUNTY.

34 (b) THE ADDRESS OF EACH PROPERTY NOTIFIED.

35 (c) A DESCRIPTION OF THE MANNER IN WHICH THE OWNER OR OWNER'S
36 DESIGNEE CHOSE TO PROVIDE NOTIFICATION TO EACH PROPERTY SUBJECT TO
37 NOTIFICATION.

38 (d) THE NAME AND CONTACT INFORMATION OF THE PERSON ATTESTING TO
39 COMPLIANCE WITH THIS PARAGRAPH.

40 7. TO REQUIRE THE OWNER OR OWNER'S DESIGNEE OF A VACATION RENTAL OR
41 SHORT-TERM RENTAL TO DISPLAY THE LOCAL REGULATORY PERMIT NUMBER OR LICENSE
42 NUMBER, IF ANY, ON EACH ADVERTISEMENT FOR A VACATION RENTAL OR SHORT-TERM
43 RENTAL THAT THE OWNER OR OWNER'S DESIGNEE MAINTAINS. A COUNTY THAT DOES
44 NOT REQUIRE A LOCAL REGULATORY PERMIT OR LICENSE MAY REQUIRE THE OWNER OR
45 OWNER'S DESIGNEE OF A VACATION RENTAL OR SHORT-TERM RENTAL TO DISPLAY THE

1 TRANSACTION PRIVILEGE TAX LICENSE REQUIRED BY SECTION 42-5042 ON EACH
2 ADVERTISEMENT FOR A VACATION RENTAL OR SHORT-TERM RENTAL THAT THE OWNER OR
3 OWNER'S DESIGNEE MAINTAINS.

4 8. TO REQUIRE THE VACATION RENTAL OR SHORT-TERM RENTAL TO MAINTAIN
5 LIABILITY INSURANCE APPROPRIATE TO COVER THE VACATION RENTAL OR SHORT-TERM
6 RENTAL IN THE AGGREGATE OF AT LEAST \$500,000 OR TO ADVERTISE AND OFFER
7 EACH VACATION RENTAL OR SHORT-TERM RENTAL THROUGH AN ONLINE LODGING
8 MARKETPLACE THAT PROVIDES EQUAL OR GREATER COVERAGE.

9 ~~C. Within thirty days after a verified violation, a county shall~~
10 ~~notify the department of revenue and the owner of the vacation rental or~~
11 ~~short-term rental of the verified violation of the county's applicable~~
12 ~~laws, regulations or ordinances and, if the property owner received the~~
13 ~~verified violation, whether the county imposed a civil penalty on the~~
14 ~~owner of the vacation rental or short-term rental and the amount of the~~
15 ~~civil penalty, if assessed. If multiple verified violations arise out of~~
16 ~~the same response to an incident at a vacation rental or short-term~~
17 ~~rental, those verified violations are considered one verified violation~~
18 ~~for the purpose of assessing civil penalties pursuant to section~~
19 ~~42-1125.02, subsection B.~~

20 C. A COUNTY THAT REQUIRES A LOCAL REGULATORY PERMIT OR LICENSE
21 PURSUANT TO THIS SECTION SHALL ISSUE OR DENY THE PERMIT OR LICENSE WITHIN
22 SEVEN BUSINESS DAYS OF RECEIPT OF THE INFORMATION REQUIRED BY SUBSECTION
23 B, PARAGRAPH 5 OF THIS SECTION AND OTHERWISE IN ACCORDANCE WITH SECTION
24 11-1602, EXCEPT THAT A COUNTY MAY DENY ISSUANCE OF A PERMIT OR LICENSE
25 ONLY FOR ANY OF THE FOLLOWING:

- 26 1. FAILURE TO PROVIDE THE INFORMATION REQUIRED BY SUBSECTION B,
27 PARAGRAPH 5, SUBDIVISIONS (a) THROUGH (e) OF THIS SECTION.
- 28 2. FAILURE TO PAY THE REQUIRED PERMIT OR LICENSE FEE.
- 29 3. AT THE TIME OF APPLICATION THE OWNER HAS A SUSPENDED PERMIT OR
30 LICENSE FOR THE SAME VACATION RENTAL OR SHORT-TERM RENTAL.
- 31 4. THE APPLICANT PROVIDES FALSE INFORMATION.
- 32 5. THE OWNER OR OWNER'S DESIGNEE OF A VACATION RENTAL OR SHORT-TERM
33 RENTAL IS A REGISTERED SEX OFFENDER OR HAS BEEN CONVICTED OF ANY FELONY
34 ACT THAT RESULTS IN DEATH OR SERIOUS PHYSICAL INJURY OR ANY FELONY USE OF
35 A DEADLY WEAPON WITHIN THE PAST FIVE YEARS.

36 D. A COUNTY THAT REQUIRES A LOCAL REGULATORY PERMIT OR LICENSE
37 PURSUANT TO THIS SECTION SHALL ADOPT AN ORDINANCE TO ALLOW THE COUNTY TO
38 INITIATE AN ADMINISTRATIVE PROCESS TO SUSPEND A LOCAL REGULATORY PERMIT OR
39 LICENSE FOR A PERIOD OF UP TO TWELVE MONTHS FOR THE FOLLOWING VERIFIED
40 VIOLATIONS ASSOCIATED WITH A PROPERTY:

- 41 1. THREE VERIFIED VIOLATIONS WITHIN A TWELVE MONTH PERIOD, NOT
42 INCLUDING ANY VERIFIED VIOLATION BASED ON AN AESTHETIC, SOLID WASTE
43 DISPOSAL OR VEHICLE PARKING VIOLATION THAT IS NOT ALSO A SERIOUS THREAT TO
44 PUBLIC HEALTH OR SAFETY.

1 2. ONE VERIFIED VIOLATION THAT RESULTS IN OR CONSTITUTES ANY OF THE
2 FOLLOWING:

3 (a) A FELONY OFFENSE COMMITTED AT OR IN THE VICINITY OF A VACATION
4 RENTAL OR SHORT-TERM RENTAL BY THE VACATION RENTAL OR SHORT-TERM RENTAL
5 OWNER OR OWNER'S DESIGNEE.

6 (b) A SERIOUS PHYSICAL INJURY OR WRONGFUL DEATH AT OR RELATED TO A
7 VACATION RENTAL OR SHORT-TERM RENTAL RESULTING FROM THE KNOWING,
8 INTENTIONAL OR RECKLESS CONDUCT OF THE VACATION RENTAL OR SHORT-TERM
9 RENTAL OWNER OR OWNER'S DESIGNEE.

10 (c) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY HOUSING
11 A SEX OFFENDER, ALLOWING OFFENSES RELATED TO ADULT-ORIENTED BUSINESSES,
12 SEXUAL OFFENSES OR PROSTITUTION, OR OPERATING OR MAINTAINING A SOBER
13 LIVING HOME, IN VIOLATION OF REGULATION OR ORDINANCE ADOPTED PURSUANT TO
14 SUBSECTION B, PARAGRAPH 3 OF THIS SECTION.

15 (d) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY
16 ALLOWING THE USE OF A VACATION RENTAL OR SHORT-TERM RENTAL FOR A SPECIAL
17 EVENT THAT WOULD OTHERWISE REQUIRE A PERMIT OR LICENSE PURSUANT TO A
18 COUNTY OR A STATE LAW OR RULE OR FOR A RETAIL, RESTAURANT, BANQUET SPACE
19 OR OTHER SIMILAR USE.

20 3. NOTWITHSTANDING PARAGRAPHS 1 AND 2 OF THIS SUBSECTION, ANY
21 ATTEMPTED OR COMPLETED FELONY ACT, ARISING FROM THE OCCUPANCY OR USE OF A
22 VACATION RENTAL OR SHORT-TERM RENTAL, THAT RESULTS IN A DEATH, OR ACTUAL
23 OR ATTEMPTED SERIOUS PHYSICAL INJURY, SHALL BE GROUNDS FOR JUDICIAL RELIEF
24 IN THE FORM OF A SUSPENSION OF THE PROPERTY'S USE AS A VACATION RENTAL OR
25 SHORT-TERM RENTAL FOR A PERIOD OF TIME THAT SHALL NOT EXCEED TWELVE
26 MONTHS.

27 E. A COUNTY THAT REQUIRES SEX OFFENDER BACKGROUND CHECKS ON A
28 VACATION RENTAL OR SHORT-TERM RENTAL GUEST SHALL WAIVE THE REQUIREMENT IF
29 AN ONLINE LODGING MARKETPLACE PERFORMS A SEX OFFENDER BACKGROUND CHECK OF
30 THE BOOKING GUEST.

31 F. NOTWITHSTANDING ANY OTHER LAW, A COUNTY MAY IMPOSE A CIVIL
32 PENALTY OF THE FOLLOWING AMOUNTS AGAINST AN OWNER OF A VACATION RENTAL OR
33 SHORT-TERM RENTAL IF THE OWNER RECEIVES ONE OR MORE VERIFIED VIOLATIONS
34 RELATED TO THE SAME VACATION RENTAL OR SHORT-TERM RENTAL PROPERTY WITHIN
35 THE SAME TWELVE-MONTH PERIOD:

36 1. UP TO \$500 OR UP TO AN AMOUNT EQUAL TO ONE NIGHT'S RENT FOR THE
37 VACATION RENTAL OR SHORT-TERM RENTAL AS ADVERTISED, WHICHEVER IS GREATER,
38 FOR THE FIRST VERIFIED VIOLATION.

39 2. UP TO \$1,000 OR UP TO AN AMOUNT EQUAL TO TWO NIGHTS' RENT FOR
40 THE VACATION RENTAL OR SHORT-TERM RENTAL AS ADVERTISED, WHICHEVER IS
41 GREATER, FOR THE SECOND VERIFIED VIOLATION.

42 3. UP TO \$3,500 OR UP TO AN AMOUNT EQUAL TO THREE NIGHTS' RENT FOR
43 THE VACATION RENTAL OR SHORT-TERM RENTAL AS ADVERTISED, WHICHEVER IS
44 GREATER, FOR A THIRD AND ANY SUBSEQUENT VERIFIED VIOLATION.

1 G. A VACATION RENTAL OR SHORT-TERM RENTAL THAT FAILS TO APPLY FOR A
2 LOCAL REGULATORY PERMIT OR LICENSE IN ACCORDANCE WITH SUBSECTION B,
3 PARAGRAPH 5 OF THIS SECTION, WITHIN 30 DAYS OF THE LOCAL REGULATORY PERMIT
4 OR LICENSE APPLICATION PROCESS BEING MADE AVAILABLE BY THE COUNTY ISSUING
5 SUCH PERMITS OR LICENSES, MUST CEASE OPERATIONS. IN ADDITION TO ANY FINES
6 IMPOSED PURSUANT TO SUBSECTION F OF THIS SECTION, A COUNTY MAY IMPOSE A
7 CIVIL PENALTY OF UP TO \$1,000 PER MONTH AGAINST THE OWNER IF THE OWNER OR
8 OWNER'S DESIGNEE FAILS TO APPLY FOR A REGULATORY PERMIT OR LICENSE WITHIN
9 30 DAYS AFTER RECEIVING WRITTEN NOTICE OF THE FAILURE TO COMPLY WITH
10 SUBSECTION B, PARAGRAPH 5 OF THIS SECTION.

11 H. IF MULTIPLE VERIFIED VIOLATIONS ARISE OUT OF THE SAME RESPONSE
12 TO AN INCIDENT AT A VACATION RENTAL OR SHORT-TERM RENTAL, THOSE VERIFIED
13 VIOLATIONS ARE CONSIDERED ONE VERIFIED VIOLATION FOR THE PURPOSE OF
14 ASSESSING CIVIL PENALTIES OR SUSPENDING THE REGULATORY PERMIT OR LICENSE
15 OF THE OWNER OR OWNER'S DESIGNEE PURSUANT TO THIS SECTION.

16 ~~D.~~ I. If the owner of a vacation rental or short-term rental has
17 provided contact information to a county pursuant to subsection B,
18 paragraph 4 of this section and if the county issues a citation for a
19 violation of the county's applicable laws, regulations or ordinances or a
20 state law that occurred on the owner's vacation rental or short-term
21 rental property, the county shall make a reasonable attempt to notify the
22 owner or the owner's designee of the citation within seven business days
23 after the citation is issued using the contact information provided
24 pursuant to subsection B, paragraph 4 of this section. If the owner of a
25 vacation rental or short-term rental has not provided contact information
26 pursuant to subsection B, paragraph 4 of this section, the county is not
27 required to provide such notice.

28 ~~E.~~ J. This section does not exempt an owner of a residential
29 rental property, as defined in section 33-1901, from maintaining with the
30 assessor of the county in which the property is located information
31 required under title 33, chapter 17, article 1.

32 ~~F.~~ K. A vacation rental or short-term rental may not be used for
33 nonresidential uses, including for a special event that would otherwise
34 require a permit or license pursuant to a county ordinance or a state law
35 or rule or for a retail, restaurant, banquet space or other similar use.

36 ~~G.~~ L. For the purposes of this section:

37 1. "ONLINE LODGING MARKETPLACE" HAS THE SAME MEANING PRESCRIBED IN
38 SECTION 42-5076.

39 ~~H.~~ 2. "Transient" has the same meaning prescribed in section
40 42-5070.

41 ~~I.~~ 3. "Vacation rental" or "short-term rental":

42 (a) Means any individually or collectively owned single-family or
43 one-to-four-family house or dwelling unit or any unit or group of units in
44 a condominium, ~~OR cooperative or timeshare,~~ that is also a transient
45 public lodging establishment or owner-occupied residential home offered

1 for transient use if the accommodations are not classified for property
2 taxation under section 42-12001. ~~Vacation rental and short-term rental do~~

3 (b) DOES not include a unit that is used for any nonresidential
4 use, including retail, restaurant, banquet space, event center or another
5 similar use.

6 ~~3.~~ 4. "Verified violation" means a finding of guilt or civil
7 responsibility for violating any state law or local ordinance relating to
8 a purpose prescribed in subsection B or ~~F~~ K of this section that has been
9 finally adjudicated.

10 Sec. 3. Repeal

11 Section 42-1125.02, Arizona Revised Statutes, is repealed.

12 Sec. 4. Section 42-5042, Arizona Revised Statutes, is amended to
13 read:

14 42-5042. Online lodging operators; requirements; civil
15 penalty; definitions

16 A. An online lodging operator may not offer for rent or rent a
17 lodging accommodation without a current transaction privilege tax license.
18 The online lodging operator shall list the transaction privilege tax
19 license number on each advertisement for each lodging accommodation the
20 online lodging operator maintains, including online lodging marketplace
21 postings. AN ONLINE LODGING OPERATOR THAT FAILS TO COMPLY WITH THIS
22 SUBSECTION SHALL PAY A CIVIL PENALTY OF \$250 FOR A FIRST OFFENSE AND
23 \$1,000 FOR A SECOND OR ANY SUBSEQUENT OFFENSE.

24 B. For the purposes of this section:

25 1. "Lodging accommodation" has the same meaning prescribed in
26 section 42-5076.

27 2. "Online lodging marketplace" has the same meaning prescribed in
28 section 42-5076.

29 3. "Online lodging operator" has the same meaning prescribed in
30 section 42-5076 and includes an owner of a vacation rental or short-term
31 rental, ~~as defined in section 9-500.39 or 11-269.17,~~ that is not offered
32 through an online lodging marketplace.

33 4. "VACATION RENTAL" AND "SHORT-TERM RENTAL" HAVE THE SAME MEANINGS
34 PRESCRIBED IN SECTION 9-500.39 OR 11-269.17.

35 5. "VERIFIED VIOLATION" HAS THE SAME MEANING PRESCRIBED IN SECTION
36 9-500.39 OR 11-269.17.

APPROVED BY THE GOVERNOR JULY 6, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 6, 2022.



TOWN OF
QUEEN CREEK
ARIZONA

12.A

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER

FROM: SCOTT MCCARTY, FINANCE DIRECTOR

**RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 1510-22
ACCEPTING THE TOWN'S FISCAL YEAR 2021-22 FINANCIAL STATEMENTS AND
AUDIT REPORTS.**

DATE: December 21, 2022

Suggested Action:

To approve Resolution No. 1510-22 as presented.

Relevant Council Goal(s):

- Effective Government: KRA Financial Management

Discussion:

The FY 2021-22 financial audit is complete. The audit is required by state law and was performed by an independent certified public accounting firm, CliftonLarsonAllen LLP. The auditors work directly for and report to the Town Council. ARS 9-481 includes the requirement that the certified public accountant who performed the audit present the audit results and any findings to the governing body in a regular meeting without the use of a consent agenda. The following documents are included as attachments:

1. Auditor's Presentation;
2. FY 2021-22 Financial Results Presentation;
3. Staff memo re. Responses to Audit Findings and Comments;
4. Resolution No. 1510-22;
5. Governance Letter (6 page report on overall audit results);
6. Highway User Revenue Letter (1 page report on compliance);
7. Annual Expenditure Limitation Report (7 page report on compliance with expenditure limitation);
8. Single Audit Report (12 page report summarizing the results of additional test work regarding the proper use of Federal Funds); and
9. The Town's Annual Comprehensive Financial Report (ACFR)

The Town received an “unmodified” opinion – this is the best opinion, commonly referred to as a “clean” opinion. Town staff is very proud of this accomplishment as it helps to maintain our standing in the financial community with the bond rating agencies and bondholders.

This is the third year that the Town staff has prepared the financial statements internally and each year we are improving. Preparing the financial statements takes a tremendous amount of effort by the entire department.

The Town’s financial condition remains sound and we were able to meet our financial objectives. Revenues exceeded the budgeted amounts. Expenses were lower than budgeted, and the Town was able to increase our reserves in the Operating Budget.

For the third year in a row, the Town had a Single Audit, which is required when the Town receives a Federal grant. A single audit report was completed this year because of spending more than \$750,000 of Federal Funds. The Town spent \$1.3 million of Federal pass through grants through Arizona Department of Transportation for improvements to the Town’s traffic light infrastructure and software as well as a new street sweeper.

At this Town Council meeting, the Town’s auditors will present the results of the annual audit. In addition to examining financial records, the audit includes a review of the Town’s operations and internal controls to see if there are any potential deficiencies in which improvements can be made. This is an extremely important evaluation as it identifies “best practices” which allow us to improve our financial acumen. There were no findings for the FY 2021-22 audit but there were two passed adjusting entries for which Town staff has prepared a separate memo (attached) discussing these adjustments in more detail.

Attachment(s):

1. Auditor's Presentation
2. FY 2021-22 Financial Results Presentation
3. Staff memo re. Responses to Audit Findings and Comments
4. Resolution No. 1510-22
5. Governance Letter
6. Highway User Revenue Letter
7. Annual Expenditure Limitation Report
8. Single Audit Report
9. Town of Queen Creek FY 22 ACFR



Town of Queen Creek Audit for the Fiscal Year Ended June 30, 2022

Sandra L. Cronstrom, CPA

Principal

Richard Gillespie, CPA, CFE, CGFM

Director

December 22, 2022

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth
Advisors, LLC, an SEC-registered investment advisor

What is an Audit?

Examine and verify
management's
assertions...provide
an opinion

Includes findings &
recommendations

Auditors evaluate risk

Auditors work for and
should communicate
results to the
governing board
(Town Council)

The Reporting Package

1. Communication to Governance

2. Annual Comprehensive Financial Report (ACFR) – Includes audit opinion

3. Single Audit Report (including the Government Auditing Standards Report and the Report on Major Federal Programs and the Schedule of Federal Expenditures)

4. HURF Report

5. Expenditure Limitation Report



Governance Communication

Overview of audit

- Accounting policies
- Accounting estimates
- Uncorrected misstatements
 - To record ASRS/PSPRS OPEB related activity for the fiscal year
 - Change in amortization method for bond premiums from straight-line to effective interest method



Annual Comprehensive Financial Report (ACFR)

Components of the ACFR

- Basic financial statement (audit opinion)
- Combining and individual fund financial statements and schedules (“in-relation-to” opinion)
- Required supplementary information, statistics section, and introductory section (Disclaimer)

We rendered an Unmodified (“Clean”) Opinion on the Financial Statements



Single Audit Results at a Glance

Government Auditing Standards

- No material weaknesses or significant deficiencies in internal control

Uniform Guidance

- Unmodified (“clean” opinion)
- No matters of noncompliance
- No material weaknesses or significant deficiencies in internal controls over compliance

Major Programs Tested

- Highway Planning and Construction Cluster – Assistance Listing No. 20.205
 - Total Federal Expenditures: \$1,308,518

Total Coverage

- 94% of total federal awards tested



Highway User Revenue Fund Compliance

- Examination report to determine compliance as to whether expenditures from Highway User Revenue Fund monies were spent pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2.
- Audit approach
 - Selected a sample of accounts payable and payroll disbursements to determine compliance with A.R.S.
- Findings
 - None



Annual Expenditure Limitation Report

- Voter Approved Alternative Expenditure Limitation: \$487,183,614
- Amount Subject to Limitation: \$237,232,464
- Town was well within expenditure limitation





Thank You!

Sandra L. Cronstrom, CPA, Principal

Sandy.Cronstrom@claconnect.com

Richard Gillespie, CPA, CFE, CGFM
Director

Richard.Gillespie@claconnect.com

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FY 2021-22 Financial Results

Town Council Meeting
December 21, 2022



Purpose of Presentation

1. Address Passed Audit Adjustments
2. Present FY 21-22 Financial Results
 - Highlights
 - Operating Budget Results
 - Infrastructure
 - Debt

Passed Audit Adjustments

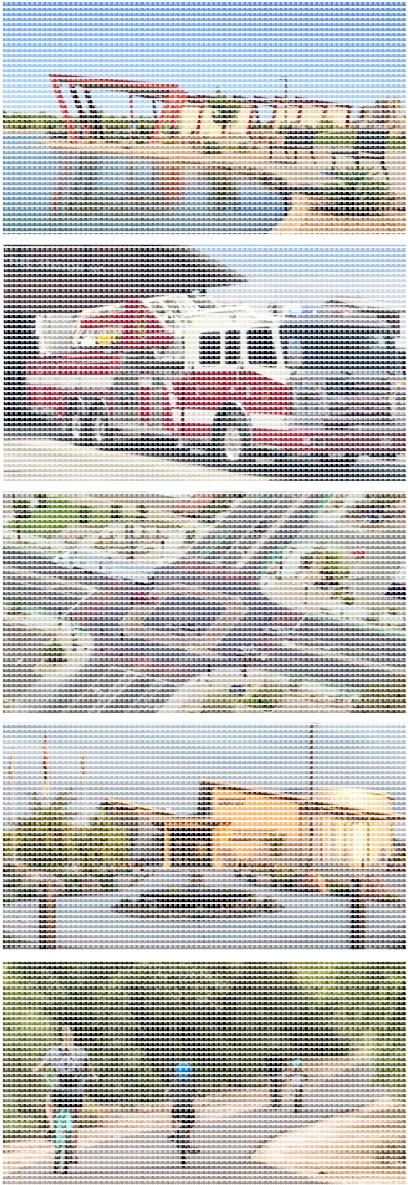
1. Other Post Employment Benefits: \$1.1M
 - The result of an increase in the number of employees receiving post employment benefits (i.e. healthcare)
2. Bond Amortization Premium: \$3.1M
 - The result of a change in the method used to amortize bond premiums

Highlights

1. Revenues

- Better Than Budget
- Reflects Town's Economic Maturity

2. Expenses Less than Budget





Highlights (continued)

3. Pension Reserves

- Fully Funded ASRS Pension Liability: \$22.2M with Town
 - Operating Budget: \$15.9M (Fully Funded)
 - Enterprise Funds: \$6.3M (Fully Funded)
- Fully Funded PSPRS Fire Pension Asset: \$3.3M with PSPRS
- Fully Funded Police Pension Liability: \$26.3M with Town

Highlights (continued)

4. \$59.1M of Completed Infrastructure Added

Type of Infrastructure	Total as of 6/30/2022	\$ Increase	% Increase	Added by Town	Received From Private Entities
Streets, Buildings, and Equipment	\$595.5M	\$48.3M	9%	\$30.5M	\$17.8M
Water and Wastewater	<u>\$318.1M</u>	<u>\$10.8M</u>	<u>4%</u>	<u>\$3.3M</u>	<u>\$7.5M</u>
Total Completed	\$913.6M	\$59.1M	7%	\$33.8M	\$25.3M

Highlights (continued)

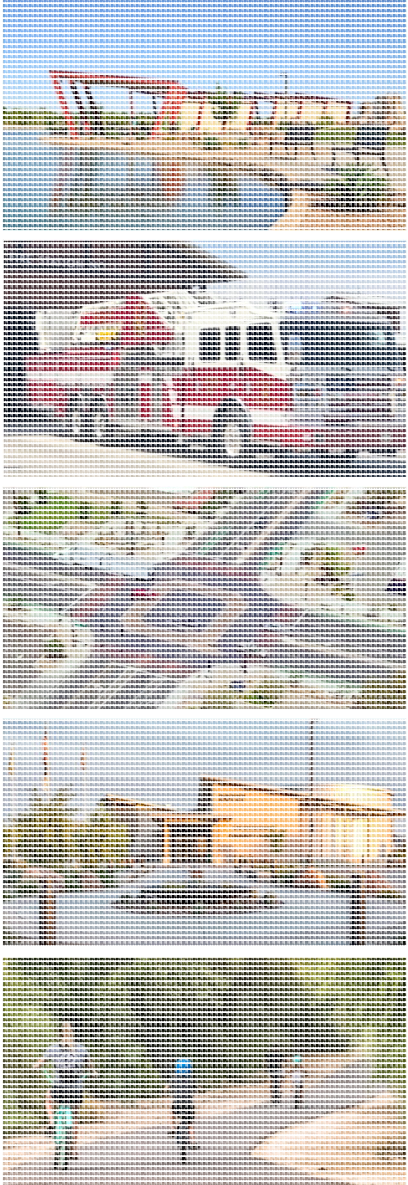
5. \$136.8M of Infrastructure Under Construction

	Streets, Buildings, and Equipment	Water and Wastewater	Total
Projects Under Construction	\$100.4M	\$36.4M	\$136.8M

Highlights (continued)

6. Refunding / New Debt Issuances: \$301.5M

Amount	Type	Purpose
\$107.0M	Excise Tax and State Shared Revenues	New Parks and Recreation Projects
<u>\$24.2M</u>	Excise Tax and State Shared Revenues	New Parks and Recreation Projects
\$131.2M		Total "General Government"
\$50.0M	Subordinate Lien Excise Tax and State Shared Revenues	Water and Wastewater Construction Projects
\$45.5M	WIFA Drinking Water	Water System Infrastructure Projects
\$10.1M	WIFA Clean Water	Water System Infrastructure Projects
\$21.5M	Senior Lien Utility System Refunding Obligations	Refund 2008 WIFA Loan for Queen Creek Water Company & Improvements
<u>\$8.2M</u>	WIFA Drinking Water	NIA priority CAP water from the Central Arizona Water Conservation District
\$135.3M		Total "Water"
<u>\$35.0M</u>	Subordinate Lien Excise Tax and State Shared Revenues	Water and Wastewater Construction Projects
\$35.0M		Total "Wastewater"

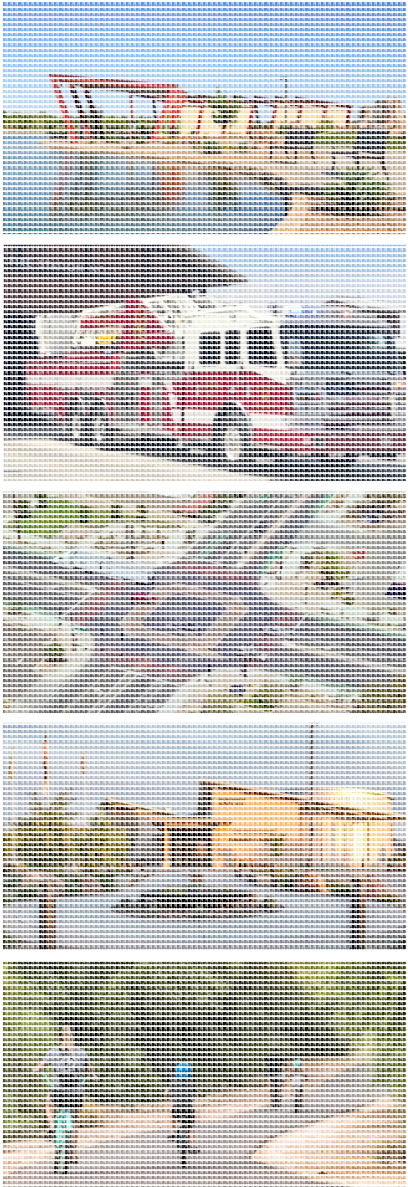


Operating Budget Results

FY 21-22 Operating Funds

~\$20M Better Than Expected

	Revised Budget	Final Audited Results	\$ Variance	% Variance
Revenues	\$105.8M	\$113.3M	\$7.5M	7%
Expenses	<u>\$105.0M</u>	<u>\$91.6M</u>	<u>\$13.6M</u>	13%
Net Annual	\$0.8M	\$21.7M	\$21.1M	
Beginning Balance	<u>\$92.4M</u>	<u>\$92.4M</u>	-	
Ending Balance	<u>\$93.2M</u>	<u>\$114.1M</u>	<u>\$19.8M</u>	



Operating Revenues

Revenue Results

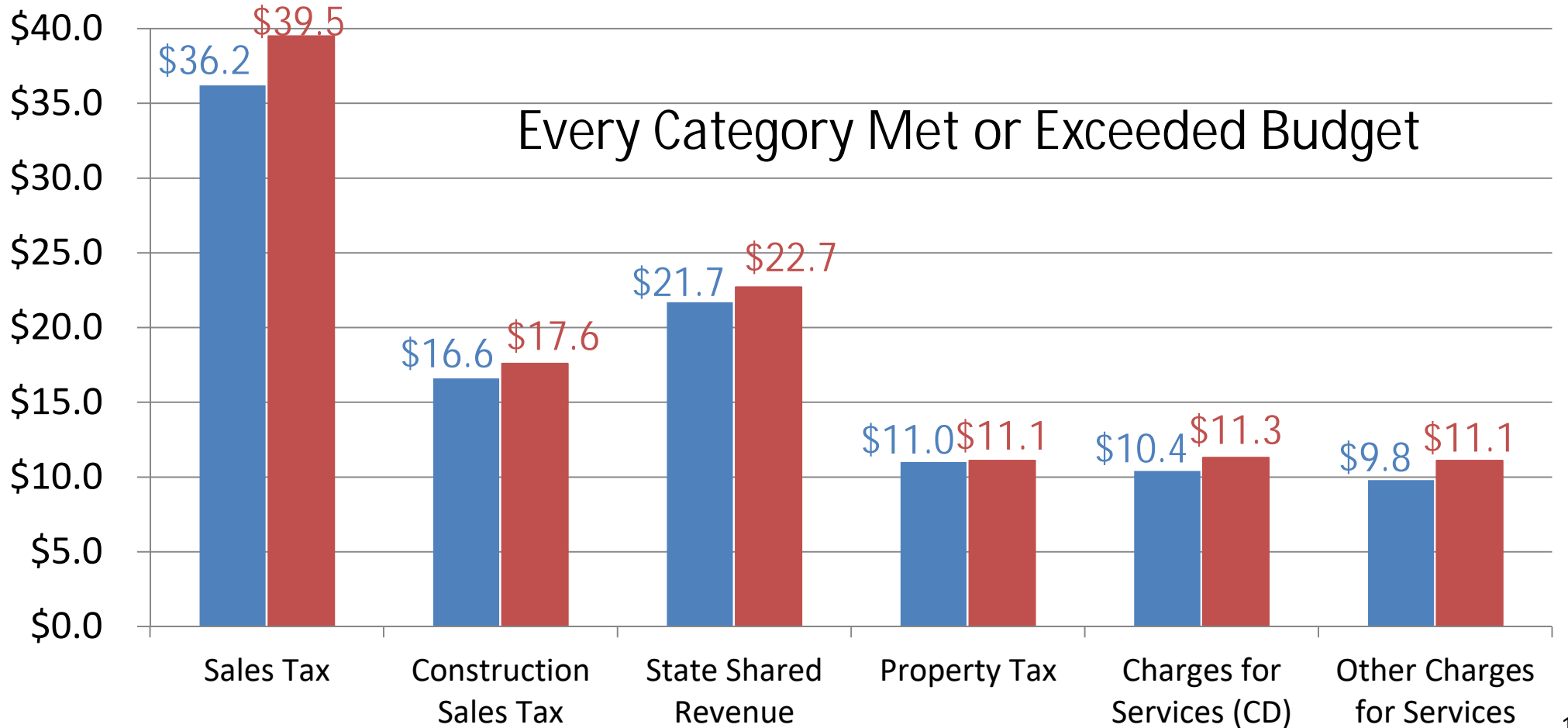
Revenues Were Better Than Expected: +\$7.5M (7%)

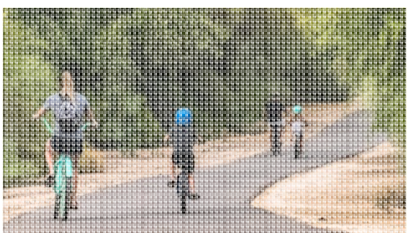
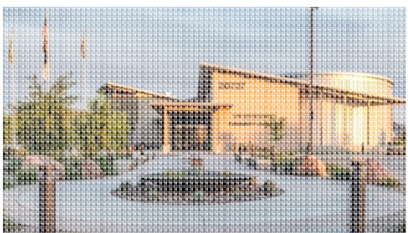
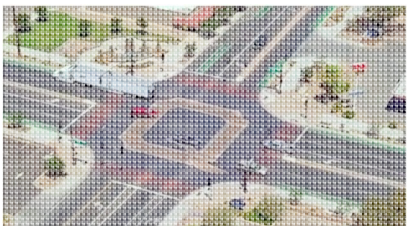
- High Median Income Households
- Population Growth In and Around QC
- More Individuals Shopping Closer to Home Because Working From Home Continues
- New Businesses Continue to Open in the QC
- Online Sales Tax
- Strong New Construction Activity



Operating Revenue Variance: +\$7.5M (+7%)

\$105.8M Revised Budget to \$113.3M Actual

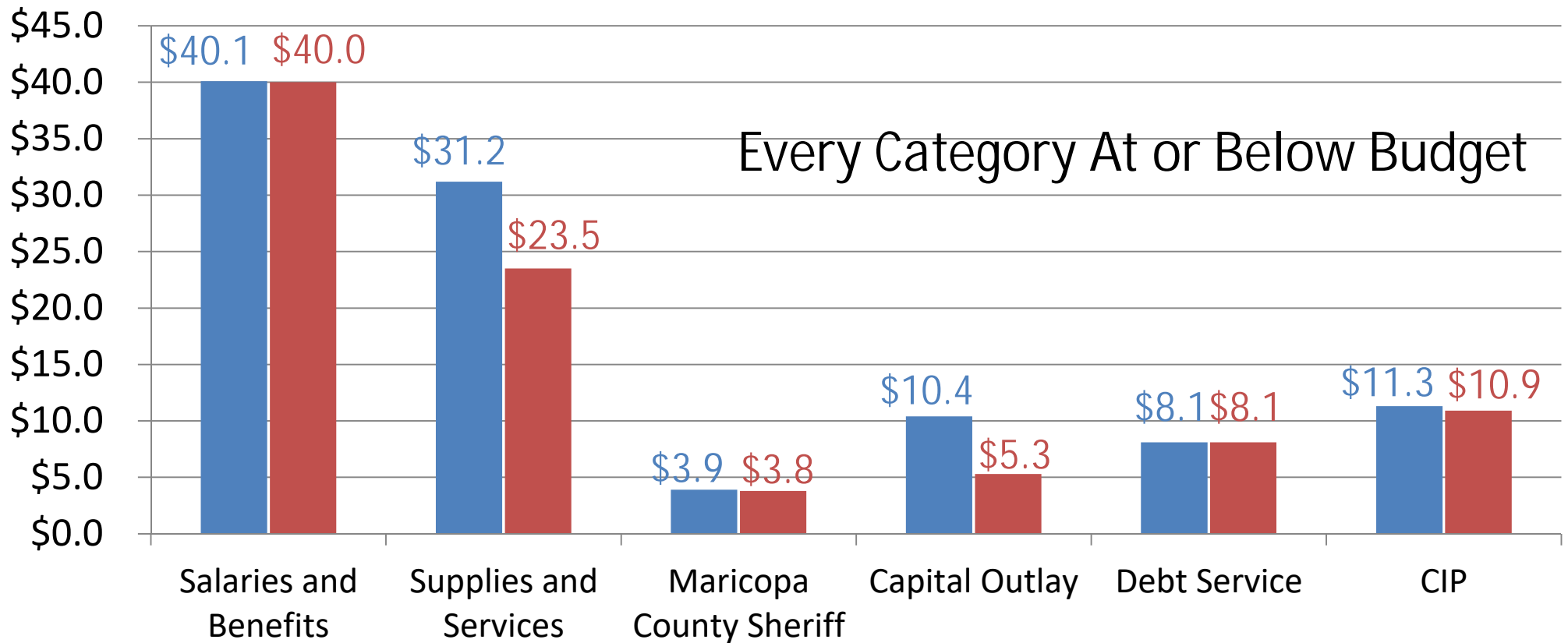


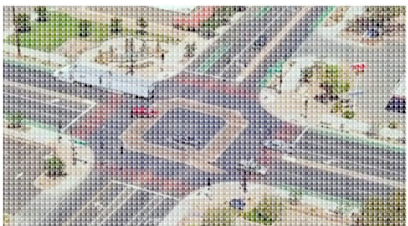
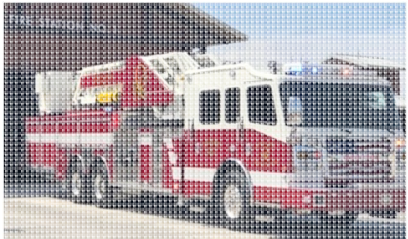


Operating Expenses

Operating Expense Variance: +\$13.3M (+13%)

\$105.0M Revised Budget to \$91.6M Actual

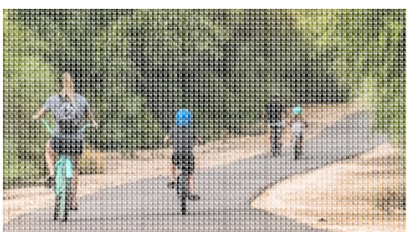
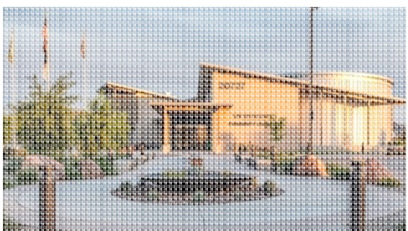
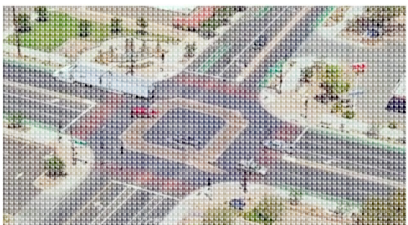




Operating Reserves

FY 21-22 Operating Fund Balance

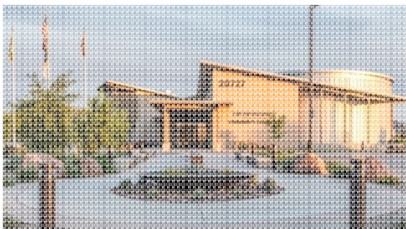
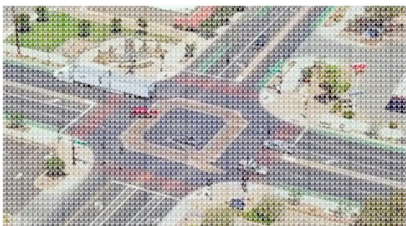
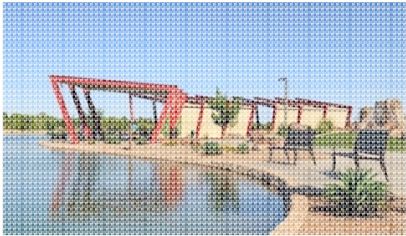
Total Fund Balance		\$114.1M
Restrictions / Obligations:		
25% Revenue Reserve	\$29.6M	
Police Unfunded Pension Liability Reserve	\$26.3M	
ASRS Unfunded Pension Liability Reserve	\$15.9M	
HURF Funds (Reserved by State Statute)	\$1.7M	
Road Replacement Funding Reserve	\$0.5M	
Allowance for Carry-Forward Encumbrances	<u>\$6.4M</u>	
Total Restrictions		<u>\$80.4M</u>
Unrestricted		\$33.7M



Debt

Current Bond Rating

- Current Rating: 'AA+' (S&P and FitchRatings)
- Last Rating Increase: March 2022
- Rating Highlights
 - Stable and Diverse Revenue Base
 - Continued Strong Population Growth and Employment Gains Expected
 - Strong Arizona Economy and Connectivity to Phoenix-Metro Area



Outstanding Debt

Purpose	Principal Outstanding
Transportation	\$135.5M
Fire	\$29.0M
Parks and Recreation (includes HPEC)	\$142.5M
Library	\$4.5M
Town Facilities	\$4.0M
Police	<u>\$1.7M</u>
Total "General Government"	\$317.2M
Water	\$160.0M
Wastewater	<u>\$21.9M</u>
Total – All Debt	\$499.1M



Sources of Debt Repayment (in millions)

Of \$765.8M in future debt payments (principal and interest), \$437.3 million (57%) will come from Pledged Excise Taxes and \$328.5 million (43%) will come from Dedicated Revenues

Issue	Future Debt Payments	Excise Taxes	Impact Fees	Dedicated Revenues			Total Dedicated Revenue	% Of Debt
				Water Rates	Sewer Rates	Private / 3 rd Parties		
Excise Tax Bonds	\$500.0	\$437.3	\$62.7				\$62.7	13%
2014 GADA Wastewater Loan	\$2.7				\$2.7		\$2.7	100%
WIFA Loans	\$211.6			\$211.6			\$211.6	100%
H2O Loan	\$39.1			\$39.1			\$39.1	100%
Improvement District Bonds	\$12.4					\$12.4	\$12.4	100%
Total Debt Payments	\$765.8	\$437.3	\$62.7	\$250.7	\$2.7	\$12.4	\$328.5	43%

Capacity to Issue Debt

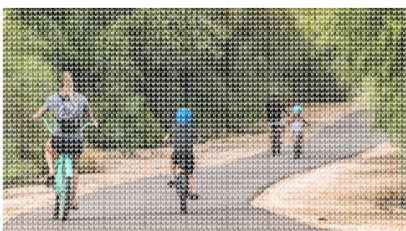
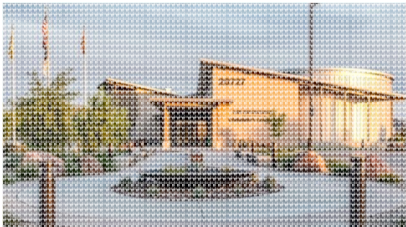
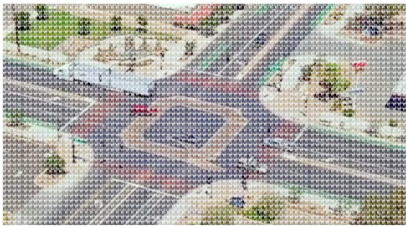
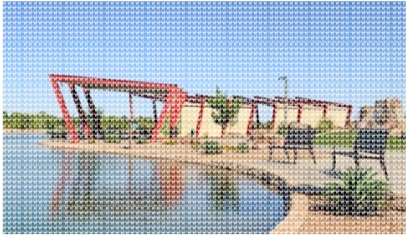
- Debt Coverage Ratio (Excise Tax Debt)
 - Calculation: Revenues Legally Pledged to Make Annual Debt Payments Divided by Annual Debt Payments
 - The Higher the Number Indicates More Revenues are Available to Make Annual Debt Payments
 - Bond Legal Minimum Coverage Ratio: 3

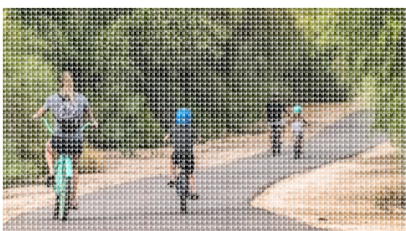
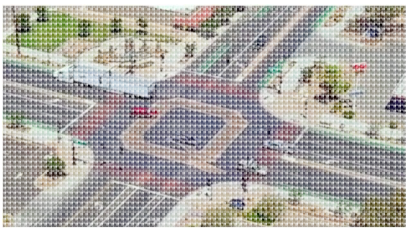
	FY 19-20	FY 20-21	FY 21-22
Pledged Revenues (A)	\$74.1M	\$96.8M	\$112.6M
Annual Debt Payments (B)	\$9.0M	\$11.0M	\$13.4M
Liquidity Ratio (A / B)	8.2	8.8	8.4



Future Action Items

1. Update Operating Reserve Policy
2. Update Debt Management Policy
3. Update Pension Funding Policy
4. Impact and Capacity Fee Study Update
5. Utility Rate and Fee Study Update
6. Initial Utility Bond Rating





Recommended Motion

Approve Resolution No. 1510-22 Accepting the Town's Fiscal Year 2021-22 Annual Comprehensive Financial Report and Related Audit Reports

To: Honorable Mayor and Council
From: Scott McCarty, Finance Director
Through: John Kross, Town Manager
Date: 12/21/2022
Re: FY 2021-22 Financial Audit Findings and Town Responses of Corrective Action

The FY 2021-22 financial audit is complete. The Town's financial records are the responsibility of the Town. The auditors provide reasonable, not absolute, assurance that the Town's financial records are materially correct. As a result, the Town accepts full and complete responsibility for any issues identified during the audit.

The audit is required by state law and was performed by an independent certified public accounting firm, CliftonLarsonAllen LLP. The audit included two comments to management that represents recommendations to improve procedures as well as one uncorrected misstatement. This memo explains these issues.

The comments are presented in the Internal Control Communication (a report on internal control findings and recommendations).

Audit findings have different levels of severity. A "material weakness" is the most severe. This type of finding means there is a reasonable possibility that a material misstatement of the Town's financial statements would not be prevented, or detected and corrected, on a timely basis. The Town has no such findings of this type.

The next tier is a "significant deficiency" finding. In this case, a deficiency has occurred, but it is not material and, in all likelihood, would not cause a material misstatement in the financial statements, but is important enough that it should be reported to the Town Council. The Town has no such findings of this type.

In addition to audit findings, the auditors will provide comments and suggestions for improvement to Town management. The Town received no comments from the auditors for FY 2021-22.

Memo – Responses to FY2021-22 Audit Findings

PASSED ADJUSTMENTS – Governance Communication Letter

The Town had two passed adjustments this fiscal year as presented in the Governance Communication Letter (a report on the overall audit results to the Town’s governing body). The Finance department makes every effort to record passed adjusting entries when identified but was unable to this year for reasons provided below.

Passed Adjustment #1 – ASRS/PRPRS OPEB related activity

The Town has had assets and liabilities related to Other Post-Employment Benefits (OPEB) for many years. The amounts involved continue to increase as more Town employees begin to retire and become eligible for these benefits. The activity is only now reaching the level where it is large enough that it warrants recording in the financial statements. At the point this adjustment was identified, the Finance department determined that there was not enough time left to get this change made to the financial statements and to update the pension note without risking delaying the issuance of the report and so the decision was made to hold off this year and start recording OPEB related activity in FY 2022-23.

Passed Adjustment #2 – Change in Amortization Method for Bond Premiums

Through discussion with the Town’s Auditors, it was determined that a change from the straight-line to the effective interest method for amortizing bond premiums would help ensure that the Town was following the latest GASB standards. The issue with this type of change in accounting principal is that it requires a prior period adjustment to the starting balances. As the amounts were not large enough to be material to the financial statements, the Town chose to run the adjustment through the current year’s activity instead.

Concluding Thoughts

The Town values the suggestions and recommendations of our auditors. We work to make adjustments to prevent these issues from arising again. Correcting these findings improves our performance and the quality of the Town’s financial statements. We feel we are getting better with this process every year.

Finally, we would like to thank the Town Council for their continued support of the Finance Department and the additional staff positions added to the department over the last several years. The addition of these positions has improved our ability to identify, address and resolve issues and has allowed the more timely preparation of the financial statements.

RESOLUTION 1510-22

**A RESOLUTION OF THE COMMON COUNCIL OF THE
TOWN OF QUEEN CREEK, ARIZONA ACCEPTING THE FY
2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT
(ACFR) AND ASSOCIATED FINANCIAL REPORTS.**

WHEREAS, the Town of Queen Creek endeavors to manage its financial affairs in a prudent and professional manner, consistent with Generally Accepted Accounting Principles and Practices; and

WHEREAS, an annual audit conducted by independent auditors is an essential method to ensure this goal of fiscal prudence is met; and

WHEREAS, the accounting firm of Clifton Larson Allen LLP conducted the audit and concluded the Town's financial statements present fairly, in all material respects, the financial positions of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Queen Creek; and

WHEREAS, the Town of Queen Creek's Governance Letter, Annual Comprehensive Financial Report, Internal Control Communication, Highway User Revenue Letter, Annual Expenditure Limitation Report, and Single Audit Report for the fiscal year ending June 30, 2022, were presented to the Town Council for its review and consideration on December 21, 2022;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Queen Creek, Arizona, as follows.

Section 1. The Town Council does hereby accept the Governance Letter, Annual Comprehensive Financial Report, Internal Control Communication, Highway User Revenue Letter, Annual Expenditure Limitation Report, and Single Audit Report for the fiscal year ending June 30, 2022 incorporated herein by reference.

PASSED, ADOPTED AND APPROVED by the Town Council of the Town of Queen Creek
this _____ day of December, 2022.

FOR THE TOWN OF QUEEN CREEK:

ATTESTED TO:

Jeff Brown, Vice Mayor

Maria Gonzalez, Town Clerk

REVIEW BY:

APPROVED AS TO FORM:

John Kross, Town Manager

Dickinson Wright PLLC
Attorneys for the Town



Honorable Mayor and Members of the Town Council
Town of Queen Creek, Arizona
Queen Creek, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Queen Creek, Arizona (Town) as of and for the year ended June 30, 2022, and have issued our report thereon dated December 6, 2022. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated August 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Queen Creek, Arizona are described in Note 1 to the financial statements.

The Town adopted Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*, in 2022. The adoption of this GASB Statement did not have a material effect on the Town's financial statements.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

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

- Management's estimate of the estimated useful lives and remaining useful lives of capital assets was based on proper experience and the condition of the assets. We evaluated the key factors and assumptions used to develop the estimated useful lives and remaining useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the advances in aid of construction liability is based on historical water usage through applicable water lines and a projection of that usage and estimated increases in usage through the remaining terms of the outstanding contracts. We evaluated the key factors and assumptions used to develop the advances in aid of construction liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for sales tax is based on historical collections and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the compensated absence liability is based on employees who have currently vested and those employees who are expected to vest. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the change in investment in joint venture is based on contribution data and the knowledge of current year capital activity. We evaluated the key factors and assumptions used to develop change in investment in joint venture in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the unfunded pension liability related to the Arizona State Retirement System pension plan and Public Safety Personnel Retirement System Plan benefits are based on actuarial reports prepared by other professionals. We reviewed the key assumptions used to estimate the liability in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the liability for meter deposit refunds payable to water system customers is based upon preliminary historical records included in the Town's utility billing system and the opinion of the Town's attorney with respect to the Town's obligation to refund the deposits. We reviewed the underlying records within the utility billing system and held discussions with the Town's attorney in determining the reasonableness of the assumptions and the liability in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2022.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements taken as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 6, 2022.

With respect to the nonmajor combining statements and schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 6, 2022.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory and statistical sections. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of

the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the use of the Town Council and management of the Town of Queen Creek, Arizona and is not intended to be and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
December 6, 2022

Schedule of Uncorrected Misstatements

Description		Debit	Credit
Proposed Journal Entries			
<i>Governmental Activities</i>			
To record ASRS/PSPRS OPEB related activity for the fiscal year.			
	OPEB Asset	\$ 892,525	
	OPEB Liability		\$ 34,958
	Deferred Outflow of Resources - OPEB	213,079	
	Deferred Inflow of Resources - OPEB		768,931
	OPEB Expense		301,715
Total		\$ 1,105,604	\$ 1,105,604
To record change in amortization method for bond premiums from straight-line to effective interest method.			
	Interest Expense	\$ 3,149,761	
	Beginning Net Position		\$ 3,149,761
Total		\$ 3,149,761	\$ 3,149,761
	Total Proposed Adjusting Journal Entries	\$ 4,255,365	\$ 4,255,365



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor and Members of Town Council
Town of Queen Creek, Arizona
Queen Creek, Arizona

We have examined the Town of Queen Creek, Arizona's (Town) compliance as to whether expenditures made during the fiscal year ended June 30, 2022, from Highway User Revenue Fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town were used solely for the authorized transportation purposes prescribed in Article IX, §14, of the Arizona Constitution. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Town of Queen Creek, Arizona complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2022.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 6, 2022

**TOWN OF QUEEN CREEK, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2022**

**TOWN OF QUEEN CREEK, ARIZONA
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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona
The Honorable Mayor and the Town Council
Town of Queen Creek, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Queen Creek, Arizona (Town), for the year ended June 30, 2022, and the related notes to the report. The Town's management is responsible for presenting this report in accordance with the *Uniform Expenditure Reporting System* (UERS) as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the UERS in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Annual Expenditure Limitation Report of the Town of Queen Creek, Arizona, referred to above is presented in accordance with the *Uniform Expenditure Reporting System* as described in Note 1, in all material respects.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
December 6, 2022

**TOWN OF QUEEN CREEK, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2022**

1. Economic Estimates Commission expenditure limitation	\$ 63,496,162	
2. Voter approved alternative expenditure limitation (approved August 28, 2018)	<u>487,183,614</u>	
3. Enter applicable amount from Line 1 or Line 2		<u>\$ 487,183,614</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	237,232,464	
10. Total adjusted amount subject to the expenditure limitation		<u>237,232,464</u>
11. Amount under (in excess of) the expenditure limitation		<u><u>\$ 249,951,150</u></u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer:



Name and Title: Scott McCarty, Finance Director

Telephone Number: (480) 358-3170

Date: December 6, 2022

See accompanying Notes to the Annual Expenditure Limitation Report.

**TOWN OF QUEEN CREEK, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2022**

Description	Funds	Funds	Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 146,602,259	\$ 84,745,455	\$ 5,884,750	\$ 237,232,464
C. Amounts subject to the expenditure limitation	<u>\$ 146,602,259</u>	<u>\$ 84,745,455</u>	<u>\$ 5,884,750</u>	<u>\$ 237,232,464</u>

See accompanying Notes to the Annual Expenditure Limitation Report.

TOWN OF QUEEN CREEK, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
YEAR ENDED JUNE 30, 2022

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 146,602,259	\$ 41,152,571	\$ 5,884,750	\$ 193,639,580
B. Subtract:				
1. Items not requiring use of current financial resources:				
a. Depreciation	-	7,036,916	-	7,036,916
c. Bad debt expense	-	56,140	-	56,140
d. Pension Expense	-	395,124	-	395,124
6. Total subtractions	-	7,488,180	-	7,488,180
C. Additions:				
1. Principal payments on long-term debt	-	24,413,151	-	24,413,151
2. Capital asset acquisitions	-	25,914,006	-	25,914,006
4. Pension Contributions paid in the current year	-	753,907	-	753,907
5. Total additions	-	51,081,064	-	51,081,064
D. Amounts reported on Part II Line A	<u>\$ 146,602,259</u>	<u>\$ 84,745,455</u>	<u>\$ 5,884,750</u>	<u>\$ 237,232,464</u>

See accompanying Notes to the Annual Expenditure Limitation Report.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes §41-1279.07 and in accordance with the voter-approved alternative expenditure limitation adopted August 28, 2018, as authorized by the Arizona Constitution, Article IX. §20(9).

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, and the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for the Proprietary and Internal Service Funds.

NOTE 2 PENSION RELATED ADJUSTMENTS

Pension expense in the amount of \$395,124, reported as a component of administration operating expense within the Statement of Revenues, Expenses, and Changes in Net Position represents the proprietary funds' proportionate share of the actuarially calculated expense related to the Town's ASRS pension plan. As actuarially determined pension expense does not require the use of current financial resources, it therefore is subtracted from total expenditures for reporting under the UERS.

Conversely, pension contributions in the amount of \$753,907, which are reported as a deferred outflow of resources on the Proprietary Funds Statement of Net Position as required under Governmental Accounting Standards Board Statement No. 71, represent the use of current financial resources and, therefore, are added back to total expenditures for reporting under the UERS.

TOWN OF QUEEN CREEK, ARIZONA
SINGLE AUDIT ACT REPORTS
YEAR ENDED JUNE 30, 2022



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members of the Town Council
Town of Queen Creek, Arizona
Queen Creek, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Queen Creek, Arizona (Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 6, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

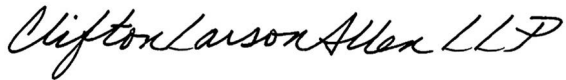
The Honorable Mayor and Members of the Town Council
Town of Queen Creek, Arizona

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Phoenix, Arizona
December 6, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Members of the Town Council
Town of Queen Creek, Arizona
Queen Creek, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Queen Creek, Arizona's (Town's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2022. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

The Honorable Mayor and Members of the Town Council
Town of Queen Creek, Arizona

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon, dated December 6, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 6, 2022

**TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Program

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

SECTION II—FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

**TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	Expenditures	Passed- through to Subrecipients
U.S. Department of Transportation				
Passed through Arizona Department of Transportation:				
Highway Planning and Construction Program	20.205	CMAQ-QCR-0(218)T	\$ 1,068,778	\$ -
Passed through Maricopa Association of Governments:				
Highway Planning and Construction Program	20.205	N/A	239,740	-
Total Highway Planning and Construction Cluster			<u>1,308,518</u>	<u>-</u>
Passed through Arizona Governor's Office of Highway Safety:				
State and Community Highway Safety	20.600	2022-OTS-077	57,577	-
Total U.S. Department of Transportation			<u>1,366,095</u>	<u>-</u>
U.S. Department of the Treasury				
Passed through Arizona Department of Economic Security:				
Emergency Rental Assistance Program	21.023	N/A	25,695	-
Total U.S. Department of the Treasury			<u>25,695</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through Arizona Department of Economic Security:				
Low Income Home Energy Assistance Program	93.568	N/A	1,935	-
Total U.S. Department of Health and Human Services			<u>1,935</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,393,725</u>	<u>\$ -</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**TOWN OF QUEEN CREEK, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the Town of Queen Creek, Arizona (Town). The Town's reporting entity is defined in Note 1.A. to the basic financial statements for the year ended June 30, 2022. All federal awards received directly from federal agencies are included in the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the Town's basic financial statements for the year ended June 30, 2022.

NOTE 3 INDIRECT COST RATE

The Town did not elect the 10 percent de minimus indirect cost rate as established in 2CFR 200.414.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

TOWN OF QUEEN CREEK, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022



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TOWN OF QUEEN CREEK, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Issued by:
Finance Department

**TOWN OF QUEEN CREEK, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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YEAR ENDED JUNE 30, 2022**

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**TOWN OF QUEEN CREEK, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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**TOWN OF QUEEN CREEK, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION

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TOWN OF
QUEEN CREEK
ARIZONA

December 6, 2022

To the Honorable Mayor, Members of the Town Council, and Citizens of the Town of Queen Creek:

In accordance with Arizona statutes, we are pleased to present the Annual Comprehensive Financial Report of the Town of Queen Creek for the fiscal year ended June 30, 2022. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management.

We believe the enclosed information accurately presents the Town's financial position and results of operations, in all material respects, in accordance with generally accepted accounting principles. We also believe we have included all disclosures necessary to enable the reader to gain an understanding of the Town's financial activities. These assertions are made on the basis of the Town's system of internal control over assets and liabilities recorded in the accounting system. These controls have been designed to provide reasonable, but not absolute, assurance of safeguarding assets against loss from unauthorized use or disposition, and to ensure the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and that the evaluation of costs and benefits requires estimates and judgments by management.

CliftonLarsonAllen LLP, a certified public accounting firm, has audited the Town's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Queen Creek's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with generally accepted accounting principles. The auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the Town included an additional federally mandated "Single Audit" required to be completed as the Town received more than \$750,000 in Federal Grants this year. This single audit was designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Single Audit Report.

A narrative introduction, overview, and analysis accompanies the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The Town's MD&A can be found immediately following the report of the independent auditor. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Honorable Mayor, Members of the Town Council, and
Citizens of the Town of Queen Creek, Arizona

PROFILE

The Town of Queen Creek is located in the southeast corner of Maricopa County, with an overlap into Pinal County. The City of Mesa borders the Town to the north, and the Town of Gilbert borders it to the west. Queen Creek is within 10 minutes of the Phoenix-Mesa Gateway Airport and 45 minutes of the Phoenix Sky Harbor International Airport. Queen Creek contains over 42 square miles in its incorporated area and nearly 72 square miles in its planning area. The Town's population is estimated to be approximately 70,975 as of June 30, 2022. The Town's population has doubled since 2016, making it the fastest growing municipality in Arizona and the third-fastest growing city in the country.

The Town of Queen Creek incorporated in 1989 to preserve the benefits of rural life and provide avenues for managed change. By preserving the past while providing for economic and recreational opportunities and a high quality of life, the Town has grown from rich rural roots to what is one of the most innovatively planned, family-friendly hometowns in Arizona. With overall lower-density residential areas, preservation of open space, a variety of parks and recreational activities, spectacular views and multi-use trails, all among a vibrant and growing economy, the Town of Queen Creek offers comforts of the country amidst the convenience of the city.

With a few exceptions, Queen Creek is a full-service municipality. Jail, animal control and Municipal court services are provided through contracts with the Town of Gilbert. Refuse and recycling services are provided via a contract with a private company.

The Town of Queen Creek operates under the Council-Manager form of government. The seven-member Town Council is elected at large on a nonpartisan ballot. The Mayor is elected every four years, and Town Council members are elected to staggered four-year terms, with three members elected every two years. The Town Council is responsible for setting public policy, approving the Town's annual budget, approving agreements, providing policy leadership, approving planning and development decisions, and adopting new codes and ordinances. The Town Council appoints the Town Manager to implement policy and direct daily operations.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the basic financial statements is best understood when considered from the broader perspective of the environment in which the Town operates.

Local Economy

Commercial development is focused in three main strategic areas: the Town Center, the northeast area, and the southeast area. The Town Center is the economic core of the community and includes over 2 million square feet of commercial development. The northeast section of the Town is strategically positioned to capitalize on new employment growth with its proximity to the Phoenix-Mesa Gateway Airport, a tremendous economic development catalyst for the region, and State Route 24 which has freeway access within 1.5 miles of the East Valley's main employment corridor.

The Town's southeast area is adjacent to the San Tan Valley in Pinal County. With over 110,000 residents, this unincorporated area is a significant source of traffic through the Town's business districts and streets. A recent study by Elliott D. Pollack & Company estimated that approximately 38% of taxable retail sales and 47% of restaurant and bar sales in Queen Creek come from non-residents.

Honorable Mayor, Members of the Town Council, and
Citizens of the Town of Queen Creek, Arizona

The Town has continued to see revenue increases for fiscal year 2022. Local sales tax revenue grew 39%, state-shared revenue increased 5%, and building revenue from new development activity increased 16% over the prior year as a result of a near record-setting number of single-family building permits. Combined, total property valuation of all new residential and nonresidential construction reached \$1 billion, which was on par with last year's record numbers. These positive results are a reflection of the Town's strong demographics, recent population growth, low mortgage rates, and new businesses that continue to open in Queen Creek.

Following are highlights of recent development activity within the Town:

- The Town issued 1,767 single-family building permits during fiscal year 2022. This was less than the prior year's record total of 2,223 permits issued but still a large number by historical standards. Since June 2022, the Town has seen a slowing of single-family building permits compared to recent years; however, permits for multi-family and commercial construction remain at near-record levels. This diversity of new construction types reflects the Town's maturity from a strictly "bedroom" community to a more traditional suburban municipality where more residents can shop and work locally..
- Vertical commercial construction continues in the Town Center and in the QC Commons, Pecan Lakes, and QC Crossings retail development sites. New businesses opened recently or soon to open in Queen Creek include Fat Cats Fun Center, Fry's Marketplace, Dave & Busters, Ashley Furniture, Hobby Lobby, and Costco.
- The Town recently sold 2.4 acres of land to a developer who will build a Homewood Suites hotel in the next 18-24 months. This will be the second hotel in Queen Creek.
- In April 2022, LG Energy Solutions announced plans to invest \$1.4 billion in Queen Creek to build its first ever cylindrical-type battery facility in North American. The facility is expected to begin construction in calendar year 2023 and employ over 2,800 people at full build-out.

Growth and Development

Since incorporation in 1989, Queen Creek has grown through annexation and development of surrounding properties. As residential development turned farmland into suburban neighborhoods, commercial development followed to the Town Center, with the Queen Creek Marketplace, Cornerstone at Queen Creek, and QC District shopping centers providing anchors for retail development. Other areas on the Town's borders have recently been annexed or developed, providing additional housing and commercial options for Town residents and neighboring communities.

The following key annexations occurred during the fiscal year ended June 30, 2022:

- Durham – Annexed in January 2022, this 20-acre parcel is located at the southeast corner of Ellsworth and Cloud roads. This property is zoned for General Commercial uses.
- Hudson Station – Annexed in July 2022, this 91-acre development is located on the southwest corner of Signal Butte and Queen Creek roads. The proposed site plan includes a mix of residential and commercial uses.

Honorable Mayor, Members of the Town Council, and
Citizens of the Town of Queen Creek, Arizona

Active residential development in Queen Creek includes over 30 master-planned communities and several custom-home builders. Combined, these projects will add over 21,000 new single-family homes and over 4,000 multi-family units over the next 10-20 years, which will more than double the Town's current inventory of existing homes and double the Town's population.

Accomplishments

The Town Council is very committed to improving the financial condition of the Town and has implemented important financial policies to do so as detailed below.

Water Strategy. In September 2021, the Town acquired 4,162 acre-feet of Non-Indian Agricultural (NIA) Priority Water from the Central Arizona Project (CAP). This allocation from CAP will reduce the Town's reliance on groundwater pumping to meet its water resource needs over the next 100 years.

On September 21, 2022, Town Council approved an application with the Water Infrastructure Finance Authority (WIFA) to seek financing of approximately \$27 million to be paid over 30 years at an estimated interest rate of 3.25%. The Town is seeking the loan to fund a purchase agreement between the Town and GSC Farm, LLC to transfer up to 2,088 AF of Colorado River perpetual surface water rights.

These additional acquisitions continue the Town's water strategy to secure long-term water resources and become a designated assured water supply provider. In achieving these objectives, the Town will minimize its reliance on the Central Arizona Groundwater Replenishment District (CAGR) to meet the groundwater replenishment requirements of the Arizona Groundwater Management Act. Minimizing reliance on the CAGR will reduce fees paid by the Town's water utility customers.

Bond Ratings. In April 2022, the Town's bond rating was upgraded to AA+ from AA, with a stable outlook, by both S&P Global Ratings and Fitch Ratings. Both rating agencies have cited the Town's strong financial management policies and practices, strong budgetary performance, and strong budgetary flexibility and liquidity as key reasons for the rating upgrade.

Reserve Policy and Long-Term Financial Planning

Economic growth has provided sufficient resources for the Town to maintain services for its residents while also building reserves in its operating funds. The Town Council's current operating reserve policy is to have 25% of next year's General Fund budgeted revenues in reserve. As of June 30, 2022, the Town has fully funded this reserve at \$29.6 million. Additionally the Town has added a reserve for future Road Replacement that started at \$500,000 this first year and will continue to increase by \$500,000 each year thereafter until the annual set-aside amount approximates the annualized repair and replacement costs of the Town's major transportation infrastructure.

The Town continues to follow its policy of holding reserves to address the Town's pension liabilities. As of June 30, 2022, the Town reserved \$26.3 million for pension obligations for its newly formed Police Department. This amount is equal to what the Town had been setting aside for its share of the Maricopa County Sheriff's Office total unfunded pension liability. In addition, \$15.9 million was reserved for the Town's estimated share of the ASRS unfunded liability in the Town's General Fund and an additional \$6.3 million in the Town's enterprise funds. In lieu of setting aside reserves for Fire Personnel, the Town makes a year-end payment to PSPRS for any pension deficit in the Fire plan. For the current fiscal year, the Town reports a net pension asset for Fire as assets on hand currently exceed the plan's estimated liabilities. With this policy, the Town has one of the most aggressive and comprehensive pension funding strategies in the country.

Honorable Mayor, Members of the Town Council, and
Citizens of the Town of Queen Creek, Arizona

Each fall the Town begins the annual budget process with a five-year financial forecast. Using a long-range projection model, the Town is able to identify and address projected structural budget gaps and prioritize any potential use of fund balances for strategic needs. The Town's financial plan remains balanced over the five-year planning horizon, and staff is currently updating the five-year plan to accommodate new revenue projections, continued population growth, and new commercial development.

Major Initiatives

The Town is in the midst of several major initiatives to meet the demands of a growing community. These initiatives include the following:

- Build and improve major arterial roads to accommodate the Town's rapidly growing population and businesses based on the adoption of a ten year, \$390 million Transportation Master Plan.
- Develop a new Police Department. The Town launched its municipal police department on January 11, 2022. A modern police agency built on a foundation of community engagement and problem solving, the Queen Creek Police Department has approximately 70 employees. The department includes divisions for patrol, traffic, investigations, public records, and crime scene analysis. Special operations such as SWAT, forensic lab services, crash investigations, and aerial support are provided through intergovernmental agreements with surrounding agencies.
- Build fire stations to maintain adopted response levels to our residents and businesses. The Town opened two new fire stations in fiscal year 2021-22.
- Provide ambulance services to residents. Historically, the Town's emergency medical transport services have been provided by a private company. Beginning in fiscal year 2023-24, the Town will assume this service, which will ensure continuity of care for patients who require an ambulance transport to a local medical facility.
- Develop parks and recreational facilities according to the Town's adopted Parks Master Plan. The Town issued \$138 million of new excise tax bonds in June 2022 to build the new 85-acre Frontier Family Park, expand Mansel Carter Park, and open an aquatics and recreation center. The Town also purchased 76.5 acres of land for development of a future park in the next ten years.
- Pursue the acquisition of water resources to secure the Town's ability to provide water to its residents and businesses to meet the requirements of a 100-year assured water supply and become a designated water provider in 2025.
- Consolidate water and sewer services for existing Town residents. Certain areas of the Town currently receive water service from the Town and sewer service from EPCOR Water Arizona, Inc., a private utility company. In June 2022, Town Council approved an exchange agreement with EPCOR in which the Town will receive from EPCOR approximately 6,200 current and future sewer customers who are currently the Town's water customers but EPCOR's sewer customers. EPCOR will receive from the Town approximately 9,800 future customers who are currently in the Town's water and sewer service area. EPCOR and the Town are waiting for final approval of the exchange agreement by the Arizona Corporation Commission.
- Eliminate property tax assessments for Street Light Improvement Districts (SLIDs). The Town Council recently approved a new policy whereby the Town will now absorb the approximately \$200,000 of electricity costs for 130 SLIDs that are currently being assessed to 16,000 property owners.
- Eliminate any primary property tax increases for existing property tax payers for five years. The Town Council recently approved a new policy that requires the property tax rate to decrease as property values increase, so that a taxpayer pays the same amount of property tax to Queen Creek as the prior year. Any increase in the Town's total property tax revenue will come from new homes and businesses only. The policy sets a minimum tax rate of \$1.40 per \$100 of assessed value (the FY 2021-22 rate was \$1.83), and property tax revenues cannot generate less than 20% of public safety expenses.

Honorable Mayor, Members of the Town Council, and
Citizens of the Town of Queen Creek, Arizona

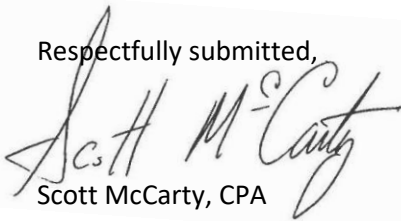
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Queen Creek for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the 17th consecutive year that the Town has received this prestigious award. In order to be awarded this certificate, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate is valid for a period of one year only. We believe that our current ACFR continues to meet the program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Town received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year ending June 30, 2022. This was the 19th consecutive year that the Town has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. A budget award is valid for a period of one year only. We believe that our annual budget documents will continue to meet the program's requirements and we will submit them to the GFOA each year to determine their eligibility for a certificate.

The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Finance Department, and through the competent service of our independent auditors. I also wish to express my sincere appreciation to the Town Council and the Town Manager for their interest and support in planning and conducting the financial affairs of the Town in a responsible and progressive manner.

Respectfully submitted,

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

Scott McCarty, CPA
Finance Director

**TOWN OF QUEEN CREEK, ARIZONA
LIST OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2022**

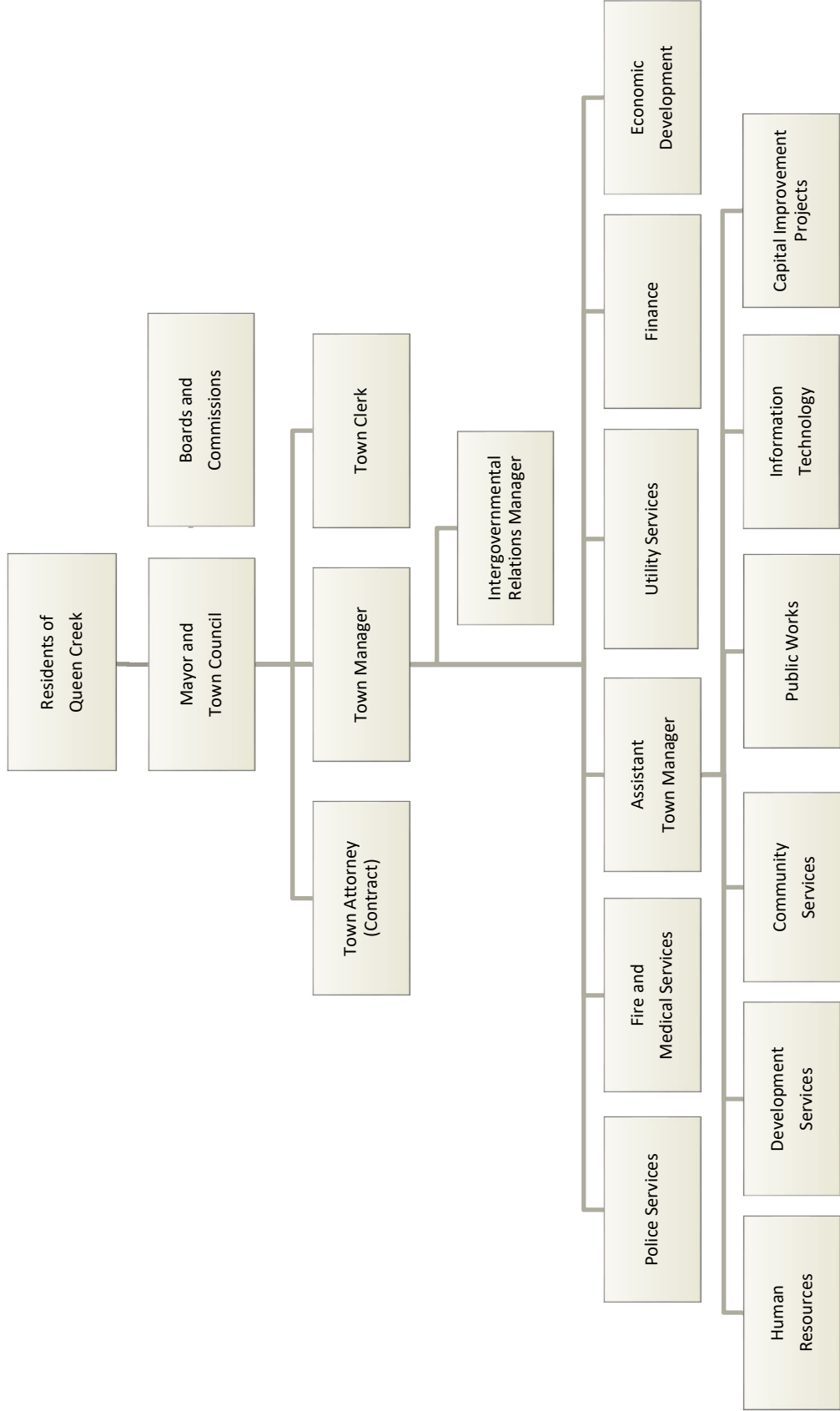
ELECTED OFFICIALS

Mayor	Gail Barney
Vice- Mayor	Jeff Brown
Council Member	Robin Benning
Council Member	Leah Martineau
Council Member	Dawn Oliphant
Council Member	Emilena Turley
Council Member	Julia Wheatley

DEPARTMENT DIRECTORS

Town Manager	John Kross
Assistant Town Manager	Bruce Gardner
Fire Chief	Vance Gray
Chief of Police	Randy Brice
Finance Director	Scott McCarty, CPA
Human Resources Director	Michele Brown
Communications, Marketing & Recreation Director	Marnie Shubert
Development Services Director	Brett Burningham
Economic Development Director	Doreen Cott
Utilities Director	Paul Gardner
Workforce and Technology Director	Mike Black
Public Works Director	Mohamed Youssef
Capital Improvement Projects Director	Dave Lipinski

**TOWN OF QUEEN CREEK, ARIZONA
 ORGANIZATIONAL CHART
 YEAR ENDED JUNE 30, 2022**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Queen Creek
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and the Town Council
Town of Queen Creek, Arizona
Queen Creek, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Queen Creek, Arizona (Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information for the Town's pension plans, and the budgetary comparison information for the general fund and construction sales tax special revenue fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods

of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 6, 2022

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REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

As management of the Town of Queen Creek, Arizona (Town), we offer readers of the Town's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information provided in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$808.8 million (net position). Total net position increased by \$111.9 million during the fiscal year.
- As of June 30, 2022, the Town's governmental funds reported a combined ending fund balance of \$367.5 million, an increase of \$140.3 million in comparison with the prior year.
- At the close of the current fiscal year, total fund balance for the General Fund was \$108.9 million. Of this amount, \$61.3 million is unassigned meeting the Town's policy objective of having 25% of the following year's budgeted revenue in reserve as well as \$0.5 million as a road replacement reserve. In addition to these reserves, the Town has \$42.3 million set aside as committed per its pension funding policy.
- The Town issued \$131.2 million in excise tax and state-shared revenue bonds for the construction of 98 acres of parks, a recreation center, and an aquatics center.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are separated into three sections:

1. Government-wide financial statements
2. Fund financial statements and schedules
3. Notes to basic financial statements

In addition to the basic financial statements, this report also includes other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the Town's financial position is improving or deteriorating.

The statement of activities presents data showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years, such as revenue from uncollected taxes or expenses from earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish Town functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions that intend to recover all or a significant portion of their costs from user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

and streets, culture and recreation, and economic development. The business-type activities of the Town include water, wastewater, and solid waste.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the Town uses fund accounting to ensure and demonstrate compliance with finance-related or legal requirements. The Town funds are divided into two categories: governmental funds and proprietary funds.

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

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

The Town maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Construction Sales Tax Fund, Drainage and Transportation Fund, General Capital Improvement Fund, Improvement District Debt Service Fund, and the Debt Service Fund, all of which are considered to be major funds. For financial reporting purposes, the Town's Emergency Services Fund and Horseshoe Park and Equestrian Center Fund are presented as part of the Town's General Fund. Separate Budget to Actual Schedules for each of these funds are presented in the Supplementary Information section of this report. Data from the other fifteen funds are combined into a single aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of the combining statements contained within the Supplementary Information section of this report.

- *Proprietary Funds* – Proprietary funds are used to account for services for which the Town charges its customers. Enterprise funds are used to report the same functions as presented in the business-type activities in the government-wide financial statements. There are three funds reported under business-type activities: Water, Wastewater, and Solid Waste. The Water and Wastewater Funds are considered to be major funds of the Town.

Notes to the Basic Financial Statements

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

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this section of the report presents certain required supplementary information concerning the Town's pension plans and budgetary comparison schedules for the General Fund and Construction Sales Tax Fund.

Supplementary Information

The combining statements for nonmajor governmental funds are presented immediately following the Required Supplementary Information. This section also includes budgetary comparison schedules for all other funds for which the Town has adopted an annual budget.

Statistical Section

This section provides up to ten years of financial, economic, and demographic information about the Town.

The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2022 and 2021.

	Net Position					
	June 30, 2022 and 2021					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 423,839,586	\$ 260,910,469	\$ 61,278,176	\$ 19,943,140	\$ 485,117,762	\$ 280,853,609
Capital Assets:						
Non-depreciable	153,460,063	116,578,498	114,850,422	91,587,058	268,310,485	208,165,556
Depreciable (net)	<u>386,860,173</u>	<u>356,728,480</u>	<u>260,078,911</u>	<u>256,346,578</u>	<u>646,939,084</u>	<u>613,075,058</u>
Total Assets	964,159,822	734,217,447	436,207,509	367,876,776	1,400,367,331	1,102,094,223
Deferred Outflows of Resources	10,607,199	11,024,339	16,158,484	16,593,614	26,765,683	27,617,953
Liabilities						
Current and Other Liabilities	22,942,134	18,821,732	10,129,129	8,662,240	33,071,263	27,483,972
Long-Term Liabilities	<u>368,664,688</u>	<u>246,163,955</u>	<u>205,754,600</u>	<u>158,658,183</u>	<u>574,419,288</u>	<u>404,822,138</u>
Total Liabilities	391,606,822	264,985,687	215,883,729	167,320,423	607,490,551	432,306,110
Deferred Inflows of Resources	<u>8,882,495</u>	<u>521,968</u>	<u>2,002,345</u>	-	<u>10,884,840</u>	<u>521,968</u>
Net Position						
Net Investment in Capital Assets	363,427,683	323,096,888	185,308,699	198,361,711	548,736,382	521,458,599
Restricted	87,876,069	62,872,940	2,205,006	59,244	90,081,075	62,932,184
Unrestricted	<u>122,973,952</u>	<u>93,764,303</u>	<u>46,966,214</u>	<u>18,729,012</u>	<u>169,940,166</u>	<u>112,493,315</u>
Total Net Position	<u>\$ 574,277,704</u>	<u>\$ 479,734,131</u>	<u>\$ 234,479,919</u>	<u>\$ 217,149,967</u>	<u>\$ 808,757,623</u>	<u>\$ 696,884,098</u>

The largest portion of the Town's net position (68%) reflects its investment in capital assets (e.g. land, buildings, and equipment), less any debt used to acquire those assets. The Town uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources since the assets themselves cannot be liquidated for these liabilities.

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

An additional portion of the Town's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (21%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Position

The Town's net position overall increased by \$111.9 million (16%) during the current fiscal year. The increase in the governmental activities and business-type activities are discussed on the following pages.

**Changes in Net Position
For the Years Ended June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Fees, Fines and Charges for Services	\$ 35,396,358	\$ 31,877,457	\$ 53,691,928	\$ 52,985,240	\$ 89,088,286	\$ 84,862,697
Operating Grants and Contributions	4,117,273	9,510,005	99,920	107,275	4,217,193	9,617,280
Capital Grants and Contributions	36,758,401	19,058,817	7,931,963	9,224,262	44,690,364	28,283,079
General Revenues						
Sales Taxes	74,240,195	62,207,782	-	-	74,240,195	62,207,782
Property Taxes	11,081,885	9,909,455	-	-	11,081,885	9,909,455
Franchise Taxes	468,643	491,622	-	-	468,643	491,622
Grants and Contributions Not Restricted to Specific Programs						
Restricted to Specific Programs	18,754,450	15,892,593	-	-	18,754,450	15,892,593
Investment Earnings	(2,883,010)	92,783	(44,713)	23,508	(2,927,723)	116,291
Miscellaneous	803,693	629,618	421,671	842,689	1,225,364	1,472,307
Total Revenues	178,737,888	149,670,132	62,100,769	63,182,974	240,838,657	212,853,106
Expenses						
General Government	20,388,951	19,132,253	-	-	20,388,951	19,132,253
Public Safety	29,175,388	22,265,636	-	-	29,175,388	22,265,636
Highways and Streets	25,265,179	21,264,036	-	-	25,265,179	21,264,036
Culture and Recreation	7,234,793	6,428,530	-	-	7,234,793	6,428,530
Economic Development	2,000,603	1,503,522	-	-	2,000,603	1,503,522
Interest on Long-Term Debt	4,018,538	7,223,334	-	-	4,018,538	7,223,334
Water	-	-	28,007,330	26,131,375	28,007,330	26,131,375
Wastewater	-	-	8,961,967	7,895,586	8,961,967	7,895,586
Solid Waste	-	-	3,912,383	3,817,914	3,912,383	3,817,914
Total Expenses	88,083,452	77,817,311	40,881,680	37,844,875	128,965,132	115,662,186
Change in Net Position Before Transfers						
	90,654,436	71,852,821	21,219,089	25,338,099	111,873,525	97,190,920
Transfers In (Out)						
	3,889,137	3,188,814	(3,889,137)	(3,188,814)	-	-
Change in Net Position						
	94,543,573	75,041,635	17,329,952	22,149,285	111,873,525	97,190,920
Net Position - Beginning of Year						
	479,734,131	404,692,496	217,149,967	195,000,682	696,884,098	599,693,178
Net Position - End of Year						
	\$ 574,277,704	\$ 479,734,131	\$ 234,479,919	\$ 217,149,967	\$ 808,757,623	\$ 696,884,098

Governmental Activities – Total revenues increased \$29.1 million (19%) primarily as a result of the following changes. An increase in capital grants and contributions of \$17.7 million (93%) due to an increase in transportation related construction funded by grants and contributions from other entities. An increase in sales and property taxes of \$13.2 million (18%) due to increases in consumer driven tax revenue, the residential population and commercial construction activity. Additionally, the Town saw an increase in program revenues fees, fines and charges for services totaling \$3.5 million (11%) driven primarily by an

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

increase in impact fee revenues received due to near-record numbers of new home permits and commercial development. State shared revenues were also up \$2.9 million (18%) due to the Town's continued population growth. These increases were offset by a decrease in operating grants and contributions of \$5.4 million due to a decrease in COVID grant funds from the federal government and a decrease in investment earnings of \$3.0 million due to the decrease in fair market values for investments given the rising interest rate environment.

Total expenses increased \$10.3 million (13%) due to an increase in salaries and benefits expense of \$9.0 million. The increase in salaries is the direct result of an increase in the number of employees most of which were in the newly created QC Police Department. There were a number of other factors that contributed to the increase in expenses including an increase in depreciation expense of \$1.9 million. This was offset by a \$0.9 million decrease in costs for the Town's PSPRS expense as the plan was fully funded at year-end.

Net position for governmental activities increased \$94.5 million (20%), ending the year at \$574.3 million.

Business-Type Activities – Net position of the Town's business-type activities increased \$17.3 million (8%). The \$1.1 million (2.0%) decrease in revenues was caused by a \$1.3 million decrease in capital grants and contributions due to fewer infrastructure assets being contributed to the Town in fiscal year 2022 than in the prior year.

Total expenses increased \$3.0 million (8%). The cost of sales and services increased by \$0.5 million due mainly to increases in operations and maintenance at the Greenfield Water Reclamation Plant (GWRP), capital maintenance expense, and expense for water credits used during FY 22. Expenses related to the Town's equity interest in GWRP increased by \$1.3 million. Depreciation expense increased \$0.9 million and debt issuance costs increased \$0.5 million.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the Town include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$367.5 million, an increase of \$140.3 million (62%) from the prior year. The increase was primarily the result of issuing excise tax and state-shared revenue bonds totaling \$139 million for the purchase of land and the construction of new parks and recreation facilities. At fiscal year end, the proceeds remained unspent.

Other changes to fund balances include the following:

- Increases totaling \$18.5 million (20%) to the General Fund fund balance of \$108.9 million were the result of better than predicted revenues exceeding expenses for the Town. Transfers out for capital projects increased by \$7.2 million from the prior year, mostly for new Public Works facilities.

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

- The Construction Sales Tax fund balance increased \$7.5 million due primarily to an increase in sales tax revenue of \$2.6 million combined with a decrease of \$2.8 million in transfers out for capital projects, due to fewer transportation projects expenses this year.
- The Drainage and Transportation Fund saw a decrease in fund balance of \$30.9 million as the Town used existing balances of debt proceeds issued in prior years for construction projects.
- The General Capital Improvement fund balance increased by \$138.4 million due to the aforementioned issuance of \$139.0 million in revenue bonds.

At fiscal year ended June 30, 2022, fund balances were as follows.

Fund	Balance	Increase/(Decrease) From FY 21
General Fund	\$ 108,933,583	\$ 18,518,414
Construction Sales Tax	11,769,328	7,495,939
Drainage and Transportation	36,219,853	(30,913,967)
General Capital Improvement	148,988,674	138,365,935
Improvement District Debt Service	560	(47,679)
Debt Service	1,569	-
Nonmajor Governmental Funds	61,538,683	6,895,504
	\$ 367,452,250	\$ 140,314,146

General Fund – Revenues of the General Fund exceeded expenditures and other financing sources (uses) by \$18.5 million.

Total revenues increased \$5.3 million (6.0%) from the prior year. Increases of \$9.0 million in sales taxes and \$1.2 million in property taxes are attributable to a growing population and increase in local businesses. The Town saw an increase in total taxable assessed value from \$535.7 million to \$605.0 million. Intergovernmental revenues comprised of state sales tax, income tax revenue sharing, and grants decreased \$2.8 million. The decrease was due to receiving \$5.8 million less in grant revenue, offset by an increase of \$3.0 million in state shared tax revenues. The Town received a one-time grant of \$5.8 million in FY 21 for COVID relief. Interest income decreased \$3.2 million from the prior year, resulting in a negative presentation on the Statement of Revenues, Expenditures and Change in Fund Balances. The large decrease was the result of a decline in the fair market value of the Town’s investments given the rising interest rate environment.

Total General Fund expenditures increased by \$12.3 million (24%) due mainly to an increase in salaries and benefits expense of \$10.3 million. The largest increase was in public safety, \$8.2 million, due to hiring additional police officers and support staff for the new police department. General government also saw an increase in salaries and benefits expense of \$1.5 million due to pay increases as well as new staff to meet the growing needs of the Town. There was also an increase in capital outlay expense of \$1.2 million due mainly to the purchase of a new fuel island at the Municipal Services Building and new vehicles needed for the new Police Department.

General Fund Budgetary Highlights – The Town’s annual budget is the legally adopted expenditure control document of the Town. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found in the Required Supplementary Information section of this report.

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

General Fund revenues, on a budgetary basis, exceeded budgeted revenues by \$6.4 million (8.5%). The increased revenues over the budgeted amount was the result of better than expected sales taxes and a growing community resulting in increased retail and construction sales tax revenues. Budgetary basis expenditures were \$4.4 million (13%) below budgeted expenditures. The savings in expenditures resulted from a combination of personnel cost savings from vacant positions, unfinished projects and service contracts that will be carried over to the next fiscal year, and goods and services that cost less than expected.

During the year, the Town increased the General Fund budget for sales taxes by \$11.1 million (31%) and the budget for licenses, permits and fees by \$3.0 million (38%) as revenue collections exceeded the original projections due to better than expected growth in the Town. The Town increased the General Fund expenditure budget by \$1.1 million (3%). The majority of that increase was in the Public Works Department for vehicles and equipment and repairs and maintenance.

Other Major Funds – The Construction Sales Tax fund balance increased \$7.5 million as construction related revenues exceeded transfers to the Drainage and Transportation Fund for transportation construction projects.

The Drainage and Transportation Fund spent \$45.5 million on street improvement projects. These projects were funded from the proceeds of debt issued in prior fiscal years and from impact fees and construction sales tax revenue.

The General Capital Improvement Fund spent \$15.7 million on general construction projects throughout Town including the addition of two new fire stations. Additionally, the fund received \$139.0 million in proceeds from a new debt issuance to fund parks and recreation projects.

The Improvement District Debt Service Fund spent \$1.9 million for debt service payments while special assessment revenue comprised of collections from property owners totaled \$1.8 million.

The Debt Service Fund had \$13.1 million in debt service payments. Transfers in from the General Fund, Construction Sales Tax Fund, Highway Users Revenue Fund and Impact Fee Funds covered these expenditures.

Nonmajor Funds – Fund balances of the remaining Nonmajor Governmental Funds increased a combined total of \$6.9 million (13%). These funds include the Town's Highway User Revenue Fund (HURF) and the Town's impact fee funds, all of which are restricted or assigned for specific purposes.

Proprietary Funds – The Town's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail.

Internal Service Fund – The Town's internal service fund accounts for employee insurance benefits and related costs. Departments are charged the budgeted amounts for employee benefits, and the internal service fund pays actual claims, premiums, and administration costs. Any savings relative to the budget were kept within the fund to be used to help offset future insurance cost increases.

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets for its governmental and business-type activities as of June 30, 2022 amount to \$540.3 million and \$374.9 million (net of accumulated depreciation/amortization), respectively. Capital assets include land and improvements, water rights and credits, infrastructure, buildings and improvements, machinery and equipment, vehicles, and construction in progress. Capital assets for governmental activities increased 14% and capital assets for business-type activities increased 8%.

**Capital Assets (Net)
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and Related Assets	\$ 53,058,013	\$ 52,913,843	\$ 5,185,544	\$ 4,539,972	\$ 58,243,557	\$ 57,453,815
Water Rights and Credits	-	-	73,293,826	66,235,985	73,293,826	66,235,985
Construction In Progress	100,402,050	63,664,655	36,381,148	20,811,101	136,783,198	84,475,756
Streets and Other Infrastructure	307,876,654	280,783,018	-	-	307,876,654	280,783,018
Buildings and Improvements	62,371,151	64,080,269	7,396,261	7,645,359	69,767,412	71,725,628
Vehicles, Furniture and Equipment	16,612,368	11,865,193	3,472,472	2,907,584	20,084,840	14,772,777
Wastewater Collection System	-	-	93,694,781	91,790,353	93,694,781	91,790,353
Water System	-	-	155,505,300	154,003,282	155,505,300	154,003,282
Total Assets	\$ 540,320,236	\$ 473,306,978	\$ 374,929,332	\$ 347,933,636	\$ 915,249,568	\$ 821,240,614

Major capital asset events during the fiscal year include the following:

Governmental Activities

- The Town accepted \$17.7 million of completed streets and other infrastructure from developers, and spent an additional \$67.8 million for Town-funded projects, most of which was for three new fire stations and various street projects.
- At year-end, the Town had \$100.4 million in projects under construction.

Business-type Activities

- The Town accepted \$7.5 million of completed water and wastewater infrastructure from developers, and an additional \$19.5 million in Town-funded projects.
- The Town purchased 4,162 acre feet of water rights for \$8.2 million.
- The Town received additional water extinguishment credits at a value of \$0.3 million through an agreement with a developer. The Town used \$1.4 million of the existing water extinguishment credits to help meet its water conservation requirements.
- At year-end, the Town had \$36.4 million in utility projects under construction.

For government-wide financial statement purposes, capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. Additional information on the Town's capital assets may be found in the notes to the basic financial statements in Note 7.

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Debt Administration

At the end of the current fiscal year, the Town had total long-term obligations outstanding of \$350.3 million for governmental activities and \$198.9 million for business-type activities. The outstanding debt is secured by pledges of specific revenue sources of the Town.

Overall, the Town's governmental activities debt increased by \$127.3 million (57%) as a result of the Town issuing \$139.0 in excise tax revenue bonds for parks and recreation projects, offset by the Town making the scheduled debt service payments including \$6.6 million of outstanding principal.

The business-type activities debt increased by \$49.5 million (33%). The increases were primarily the result of the Town issuing subordinate lien excise tax pledged bonds of \$44.0 million for water and wastewater infrastructure projects and a WIFA loan of \$8.2 million for the purchase of water rights. Additionally, the Town issued a direct placement utility revenue pledged loan for \$21.5 million to refinance a 2008 WIFA loan. These increases were offset by making the scheduled debt service payments including \$24.4 million of outstanding principal.

Additional information on the Town of Queen Creek Arizona's long-term debt may be found in the notes to basic financial statements in Note 9. The following schedule summarizes the Town's outstanding debt as of June 30, 2022 and 2021:

	Outstanding Debt					
	June 30, 2022 and 2021					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Excise Tax Revenue Bonds	\$ 270,188,000	\$ 141,420,000	\$ 44,000,000	\$ -	\$ 314,188,000	\$ 141,420,000
GADA Loan Payable	-	-	2,330,000	2,605,000	2,330,000	2,605,000
Excise Tax Refunding Bonds	35,705,000	38,255,000	-	-	35,705,000	38,255,000
Special Assessment						
Refunding Bonds	11,320,177	12,895,229	-	-	11,320,177	12,895,229
Premium/Discount on Bonds	32,940,726	30,458,906	9,911,415	10,533,542	42,852,141	40,992,448
WIFA Loan Payable	-	-	95,563,052	110,214,931	95,563,052	110,214,931
Leases	158,023	-	11,780	-	169,803	-
Water System Obligation	-	-	40,040,482	18,872,408	40,040,482	18,872,408
Advances in Aid of Construction	-	-	7,016,950	7,181,760	7,016,950	7,181,760
Total Outstanding Debt	\$ 350,311,926	\$ 223,029,135	\$ 198,873,679	\$ 149,407,641	\$ 549,185,605	\$ 372,436,776

OTHER MATTERS

The following issues may affect the Town's future financial condition:

- In order to construct the necessary Water and Wastewater infrastructure, the Town has entered into loan agreements with the Water Infrastructure Finance Authority (WIFA) for \$54.6 million in financing. As of June 30, 2022, the Town has only used \$75,000 of the loan authorization total.
- In addition to the \$44 million in subordinate lien excise tax pledged bonds outstanding at year end, the town will draw down an additional \$41 million for water and wastewater infrastructure projects during fiscal years 2023 and 2024.
- The Town has applied for a \$27 million loan from WIFA to finance the purchase of 2,088 acre feet of Colorado River water rights in fiscal year 2023.

**TOWN OF QUEEN CREEK, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of Queen Creek's finances and to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information in this report, or any other matters related to the Town's budget and finances, can be addressed by contacting the Finance Department, 22358 South Ellsworth Road, Queen Creek, Arizona 85142, or by calling 480-358-3000.

BASIC FINANCIAL STATEMENTS

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TOWN OF QUEEN CREEK, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 190,535,933	\$ 10,105,324	\$ 200,641,257
Receivables, Net:			
Accounts Receivable	575,875	6,501,673	7,077,548
Taxes Receivable	9,559,605	-	9,559,605
Special Assessments Receivable	11,265,810	-	11,265,810
Intergovernmental Receivable	21,459,427	29,597	21,489,024
Interest Receivable	518,200	15,377	533,577
Leases Receivable	1,470,377	15,508	1,485,885
Internal Balances	(393,155)	393,155	-
Inventory	-	327,681	327,681
Prepaid Items	516,157	201,700	717,857
Prepaid Supplies	1,049,687	1,234,907	2,284,594
Restricted Cash and Investments	180,058,064	12,232,388	192,290,452
Net Pension Asset	3,392,893	-	3,392,893
Investment in Joint Venture	-	30,220,866	30,220,866
Land Held for Economic Development	3,830,713	-	3,830,713
Capital Assets:			
Non-Depreciable	153,460,063	114,850,422	268,310,485
Depreciable (Net)	386,860,173	260,078,911	646,939,084
Total Assets	<u>964,159,822</u>	<u>436,207,509</u>	<u>1,400,367,331</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	10,369,358	2,029,047	12,398,405
Debt Related	237,841	-	237,841
Water System Acquisition Related	-	14,129,437	14,129,437
Total Deferred Outflows of Resources	<u>10,607,199</u>	<u>16,158,484</u>	<u>26,765,683</u>
LIABILITIES			
Accounts Payable	8,910,908	5,752,518	14,663,426
Accrued Wages and Benefits	696,540	154,919	851,459
Other Accrued Expenses	-	767,895	767,895
Retainage Payable	2,115,610	251,428	2,367,038
Deposits Held for Others	2,591,063	1,869,838	4,460,901
Unearned Revenue	4,843,393	-	4,843,393
Interest Payable	3,784,620	1,332,531	5,117,151
Noncurrent Liabilities:			
Due within One Year	8,046,055	4,252,986	12,299,041
Due in More than One Year	344,678,416	195,230,726	539,909,142
Net Pension Liability	15,940,217	6,270,888	22,211,105
Total Liabilities	<u>391,606,822</u>	<u>215,883,729</u>	<u>607,490,551</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related	6,953,070	1,986,837	8,939,907
Debt Related	459,048	-	459,048
Lease Related	1,470,377	15,508	1,485,885
Total Deferred Inflows of Resources	<u>8,882,495</u>	<u>2,002,345</u>	<u>10,884,840</u>
NET POSITION			
Net Investment in Capital Assets	363,427,683	185,308,699	548,736,382
Restricted for:			
Agreements	234,854	-	234,854
Streets and Transportation	2,644,355	-	2,644,355
Debt Service	11,263,164	-	11,263,164
Development	73,652,466	933,066	74,585,532
Housing Rehab	81,230	-	81,230
Capital Projects	-	51,906	51,906
Water Rights	-	1,220,034	1,220,034
Unrestricted	122,973,952	46,966,214	169,940,166
Total Net Position	<u>\$ 574,277,704</u>	<u>\$ 234,479,919</u>	<u>\$ 808,757,623</u>

See accompanying Notes to the Basic Financial Statements.

TOWN OF QUEEN CREEK, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 20,388,951	\$ 12,579,332	\$ -	\$ -
Public Safety	29,175,388	6,748,570	-	123,278
Highways and Streets	25,265,179	6,365,124	4,002,653	36,574,963
Culture and Recreation	7,234,793	9,703,332	114,620	60,160
Economic Development	2,000,603	-	-	-
Interest and Fiscal Charges	4,018,538	-	-	-
Total Governmental Activities	88,083,452	35,396,358	4,117,273	36,758,401
Business-Type Activities				
Water	28,007,330	34,525,789	-	4,928,050
Wastewater	8,961,967	14,992,099	99,920	3,003,913
Solid Waste	3,912,383	4,174,040	-	-
Total Business-Type Activities	40,881,680	53,691,928	99,920	7,931,963
Total Primary Government	\$ 128,965,132	\$ 89,088,286	\$ 4,217,193	\$ 44,690,364

General Revenues
Taxes:
Sales Taxes
Property Taxes
Franchise Taxes
State Revenue Sharing
Investment Income
Other
Gain on Disposal of Assets
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning
Net Position - Ending

See accompanying Notes to the Basic Financial Statements.

Net (Expense) Revenue and Change in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (7,809,619)	\$ -	\$ (7,809,619)
(22,303,540)	-	(22,303,540)
21,677,561	-	21,677,561
2,643,319	-	2,643,319
(2,000,603)	-	(2,000,603)
(4,018,538)	-	(4,018,538)
(11,811,420)	-	(11,811,420)
-	11,446,509	11,446,509
-	9,133,965	9,133,965
-	261,657	261,657
-	20,842,131	20,842,131
(11,811,420)	20,842,131	9,030,711
74,240,195	-	74,240,195
11,081,885	-	11,081,885
468,643	-	468,643
18,754,450	-	18,754,450
(2,883,010)	(44,713)	(2,927,723)
805,313	302,671	1,107,984
(1,620)	119,000	117,380
3,889,137	(3,889,137)	-
106,354,993	(3,512,179)	102,842,814
94,543,573	17,329,952	111,873,525
479,734,131	217,149,967	696,884,098
\$ 574,277,704	\$ 234,479,919	\$ 808,757,623

**TOWN OF QUEEN CREEK, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Construction Sales Tax	Drainage and Transportation
ASSETS			
Cash and Investments	\$ 98,144,249	\$ 9,572,431	\$ 6,668,878
Restricted Cash and Investments	2,654,788	-	31,109,765
Receivables:			
Accounts Receivable	565,939	-	9,936
Taxes Receivable	7,175,178	2,196,897	-
Special Assessments Receivable	-	-	-
Intergovernmental Receivable	346,009	-	20,246,519
Interest Receivable	518,200	-	-
Leases Receivable	1,465,776	-	-
Prepaid Items	516,157	-	-
Prepaid Supplies	662,982	-	133,711
Advances to Other Funds	3,992,110	-	-
Total Assets	<u>\$ 116,041,388</u>	<u>\$ 11,769,328</u>	<u>\$ 58,168,809</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 2,056,660	\$ -	\$ 5,134,685
Accrued Wages and Benefits	626,180	-	39,946
Retainage Payable	-	-	1,941,454
Deposits Held for Others	2,591,063	-	-
Interest Payable	-	-	-
Unearned Revenues	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	<u>5,273,903</u>	<u>-</u>	<u>7,116,085</u>
Deferred Inflows of Resources:			
Unavailable Revenues	368,126	-	14,832,871
Lease Related	1,465,776	-	-
Total Deferred Inflows of Resources	<u>1,833,902</u>	<u>-</u>	<u>14,832,871</u>
Fund Balances:			
Nonspendable	5,171,249	-	133,711
Restricted	234,854	-	31,109,765
Committed	42,275,146	11,769,328	-
Assigned	-	-	4,976,377
Unassigned	61,252,334	-	-
Total Fund Balances	<u>108,933,583</u>	<u>11,769,328</u>	<u>36,219,853</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 116,041,388</u>	<u>\$ 11,769,328</u>	<u>\$ 58,168,809</u>

See accompanying Notes to the Basic Financial Statements.

General Capital Improvement	Improvement District Debt Service	Debt Service	Nonmajor Governmental Funds	Totals
\$ 7,456,067	\$ 194,168	\$ 1,569	\$ 66,447,927	\$ 188,485,289
142,914,023	-	-	3,379,488	180,058,064
-	-	-	-	575,875
-	-	-	187,530	9,559,605
-	11,265,810	-	-	11,265,810
36,033	-	-	830,866	21,459,427
-	-	-	-	518,200
-	-	-	4,601	1,470,377
-	-	-	-	516,157
-	-	-	252,994	1,049,687
-	-	-	-	3,992,110
<u>\$ 150,406,123</u>	<u>\$ 11,459,978</u>	<u>\$ 1,569</u>	<u>\$ 71,103,406</u>	<u>\$ 418,950,601</u>
\$ 1,207,260	\$ 58,142	\$ -	\$ 454,161	\$ 8,910,908
-	-	-	30,414	696,540
174,156	-	-	-	2,115,610
-	-	-	-	2,591,063
-	138,672	-	-	138,672
-	-	-	4,843,393	4,843,393
-	-	-	3,992,110	3,992,110
<u>1,381,416</u>	<u>196,814</u>	<u>-</u>	<u>9,320,078</u>	<u>23,288,296</u>
36,033	11,262,604	-	240,044	26,739,678
-	-	-	4,601	1,470,377
<u>36,033</u>	<u>11,262,604</u>	<u>-</u>	<u>244,645</u>	<u>28,210,055</u>
-	-	-	252,994	5,557,954
142,914,023	560	-	59,206,826	233,466,028
-	-	-	2,078,863	56,123,337
6,074,651	-	1,569	-	11,052,597
-	-	-	-	61,252,334
<u>148,988,674</u>	<u>560</u>	<u>1,569</u>	<u>61,538,683</u>	<u>367,452,250</u>
<u>\$ 150,406,123</u>	<u>\$ 11,459,978</u>	<u>\$ 1,569</u>	<u>\$ 71,103,406</u>	<u>\$ 418,950,601</u>

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**TOWN OF QUEEN CREEK, ARIZONA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances for Governmental Funds \$ 367,452,250

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds and land held for future investment are not financial resources and, therefore, are not reported in the funds. Those assets consists of:

Governmental Capital Assets	696,054,197	
Less: Accumulated Depreciation	<u>(155,733,961)</u>	
		540,320,236
Land Held for Economic Development		3,830,713

Revenues earned but not received within 60 days of year-end are unavailable in the governmental funds, but are recognized in the governmental activities.

Accrued Interest on Investments		229,035
Business Licenses		39,550
Delinquent Property Taxes		65,757
Charges for Services		-
Grants		267,819
Project Reimbursement		14,868,904
Special Assessments		11,262,604
Miscellaneous		6,009

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred Outflows of Resources Related to Pensions		10,369,358
Deferred Inflows of Resources Related to Pensions		(6,953,070)

Long-term Liabilities that pertain to governmental funds, including bonds payable and net pension liabilities, are not due and payable in the current period and, therefore, are not reported as fund liabilities.

Accrued Interest Payable	(3,645,948)	
Bonds Payable	(317,213,177)	
Premium on Bonds Payable	(32,940,726)	
Deferred Outflow of Resources Related to Refunding	237,841	
Deferred Inflow of Resources Related to Refunding	(459,048)	
Lease Liability	(158,023)	
Net Pension Asset	3,392,893	
Net Pension Liability	(15,940,217)	
Compensated Absence Payable	<u>(2,412,545)</u>	
		(369,138,950)

Internal service funds are used by management to charge the costs of certain activities to the individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.

Internal Service Fund Net Position	2,050,644	
Less: Amount Attributed to the Business-Type Activities	<u>(393,155)</u>	
		1,657,489

Total Net Position of Governmental Activities \$ 574,277,704

See accompanying Notes to the Basic Financial Statements.

TOWN OF QUEEN CREEK, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Construction Sales Tax	Drainage and Transportation
REVENUES			
Local Sales Tax	\$ 57,009,430	\$ 15,607,714	\$ -
Property Tax	11,111,319	-	-
Intergovernmental	16,403,101	-	-
Licenses, Permits and Fees	11,854,605	-	-
Special Assessments	-	-	-
Charges for Services	3,599,875	-	-
Contributions	163,390	-	200,000
Impact Fees	-	-	-
Investment Income (Loss)	(3,301,079)	18	40,027
Miscellaneous	818,057	-	-
Total Revenues	<u>97,658,698</u>	<u>15,607,732</u>	<u>240,027</u>
EXPENDITURES			
Current:			
General Government	19,706,808	-	-
Public Safety	31,909,985	-	-
Highways and Streets	731,899	-	1,898,100
Culture and Recreation	5,539,569	-	-
Economic Development	1,980,433	-	-
Capital Outlay	4,345,982	-	43,567,118
Debt Service:			
Principal Retirement	47,012	-	-
Interest on Long-Term Debt	2,716	-	-
Debt Issuance Costs	-	-	-
Total Expenditures	<u>64,264,404</u>	<u>-</u>	<u>45,465,218</u>
Excess (Deficiency) of Revenues Over Expenditures	33,394,294	15,607,732	(45,225,191)
OTHER FINANCING SOURCES (USES)			
Transfers In	3,594,174	-	14,311,224
Transfers Out	(18,675,088)	(8,111,793)	-
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Financing of Leases	205,034	-	-
Total Other Financing Sources (Uses)	<u>(14,875,880)</u>	<u>(8,111,793)</u>	<u>14,311,224</u>
Net Change in Fund Balances	18,518,414	7,495,939	(30,913,967)
FUND BALANCES			
Beginning of Year	90,415,169	4,273,389	67,133,820
End of Year	<u>\$ 108,933,583</u>	<u>\$ 11,769,328</u>	<u>\$ 36,219,853</u>

See accompanying Notes to the Basic Financial Statements.

General Capital Improvement	Improvement District Debt Service	Debt Service	Nonmajor Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ 1,623,051	\$ 74,240,195
-	-	-	-	11,111,319
24,127	-	-	6,535,962	22,963,190
-	-	-	-	11,854,605
-	1,824,012	-	17,866	1,841,878
-	-	-	94,219	3,694,094
-	-	-	114,620	478,010
-	-	-	19,847,010	19,847,010
6,992	-	-	188,339	(3,065,703)
-	-	-	29,986	848,043
<u>31,119</u>	<u>1,824,012</u>	<u>-</u>	<u>28,451,053</u>	<u>143,812,641</u>
-	-	-	3,592	19,710,400
-	-	-	14,366	31,924,351
-	-	-	4,868,944	7,498,943
-	-	-	211,639	5,751,208
-	-	-	41,347	2,021,780
14,957,931	-	-	1,083,584	63,954,615
-	1,575,052	4,985,000	-	6,607,064
-	296,639	8,068,700	-	8,368,055
765,843	-	-	-	765,843
<u>15,723,774</u>	<u>1,871,691</u>	<u>13,053,700</u>	<u>6,223,472</u>	<u>146,602,259</u>
(15,692,655)	(47,679)	(13,053,700)	22,227,581	(2,789,618)
15,048,997	-	13,053,700	-	46,008,095
-	-	-	(15,332,077)	(42,118,958)
131,203,000	-	-	-	131,203,000
7,806,593	-	-	-	7,806,593
-	-	-	-	205,034
<u>154,058,590</u>	<u>-</u>	<u>13,053,700</u>	<u>(15,332,077)</u>	<u>143,103,764</u>
138,365,935	(47,679)	-	6,895,504	140,314,146
10,622,739	48,239	1,569	54,643,179	227,138,104
<u>\$ 148,988,674</u>	<u>\$ 560</u>	<u>\$ 1,569</u>	<u>\$ 61,538,683</u>	<u>\$ 367,452,250</u>

**TOWN OF QUEEN CREEK, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 140,314,146

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for Capital Assets	63,502,310	
Depreciation Expense	<u>(18,630,775)</u>	44,871,535

Contributions of capital assets are not current financial resources and are not reflected in the governmental funds. 17,744,617

Some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Also, some revenues that are current financial resources reported in the funds have been recognized in the statement of activities in previous years.

Accrued Interest on Investments	182,696	
Business Licenses	22,460	
Delinquent Property Taxes	(29,421)	
Charges for Services	(82,872)	
Grants	267,819	
Project Reimbursement	18,426,639	
Loss on Disposal of Assets	(44,350)	
Special Assessments	(1,554,681)	
Miscellaneous	<u>(7,659)</u>	17,180,631

Governmental funds report Town pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions, and the investment experience.

Pension Contributions		4,086,269
Pension Expense		<u>(2,808,650)</u>

See accompanying Notes to the Basic Financial Statements.

**TOWN OF QUEEN CREEK, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

(Concluded)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to the governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Also, governmental funds report the effect of premiums and discounts when the debt is first issued, whereas these items are amortized over the term of the long-term debt in the statement of activities.

Issuance of Long-Term Debt	(131,203,000)	
Premium on Bonds Issued	(7,806,593)	
Principal Payments on Long-Term Debt	6,560,052	
Issuance of Leases	(205,035)	
Principal Payments on Leases	47,012	
Interest Payable	(238,240)	
Amortization of Bond Premiums/Discounts	5,324,773	
Amortization of Deferred Amount on Refunding	28,827	
		(127,492,204)

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

Change in Compensated Absences		(438,785)
--------------------------------	--	-----------

Internal service funds are used by management to charge the costs of certain activities to the individual funds. The net revenues of the Internal Service Fund is reported with governmental activities.

Net Revenues of the Internal Service Fund	1,312,192	
Less: Amount Attributable to the Business-Type Activities	(226,178)	
		1,086,014
Change in Net Position of Governmental Activities		\$ 94,543,573

TOWN OF QUEEN CREEK, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities		
	Water	Wastewater	Non-Major Fund Solid Waste
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,951,300	\$ 6,025,394	\$ 1,128,630
Receivables, Net:			
Accounts Receivable	4,848,931	1,122,447	530,295
Intergovernmental Receivable	29,597	-	-
Interest Receivable	762	14,615	-
Leases Receivable	15,508	-	-
Inventory	201,944	-	125,737
Prepaid Items	201,700	-	-
Prepaid Supplies	1,234,907	-	-
Total Current Assets	<u>9,484,649</u>	<u>7,162,456</u>	<u>1,784,662</u>
Noncurrent Assets:			
Restricted Cash and Investments	9,666,906	2,565,482	-
Investment in Joint Venture	-	30,220,866	-
Capital Assets:			
Non-Depreciable	102,805,904	12,044,518	-
Depreciable (Net)	163,553,910	96,469,407	55,594
Total Noncurrent Assets	<u>276,026,720</u>	<u>141,300,273</u>	<u>55,594</u>
Total Assets	<u>285,511,369</u>	<u>148,462,729</u>	<u>1,840,256</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	1,741,904	163,388	123,755
Water System Acquisition Related	14,129,437	-	-
Total Deferred Outflows of Resources	<u>15,871,341</u>	<u>163,388</u>	<u>123,755</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,495,462	1,993,218	263,838
Accrued Wages and Benefits	134,112	12,390	8,417
Other Accrued Expenses	767,895	-	-
Retainage Payable	231,992	19,436	-
Deposits Held for Others	1,869,838	-	-
Interest Payable	1,258,868	73,663	-
Compensated Absences	275,472	34,442	28,052
Loans and Leases Payable	3,487,445	285,000	-
Advance in Aid of Construction	142,575	-	-
Total Current Liabilities	<u>11,663,659</u>	<u>2,418,149</u>	<u>300,307</u>
Noncurrent Liabilities:			
Compensated Absences	235,600	19,623	16,845
Net Pension Liability	5,383,456	504,960	382,472
Loans and Leases Payable	166,283,319	21,800,964	-
Advance in Aid of Construction	6,874,375	-	-
Total Noncurrent Liabilities	<u>178,776,750</u>	<u>22,325,547</u>	<u>399,317</u>
Total Liabilities	<u>190,440,409</u>	<u>24,743,696</u>	<u>699,624</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related	1,705,668	159,989	121,180
Lease Related	15,508	-	-
Total Deferred Inflows of Resources	<u>1,721,176</u>	<u>159,989</u>	<u>121,180</u>
NET POSITION			
Net Investment in Capital Assets	96,249,098	89,004,007	55,594
Restricted for:			
Development	668,635	264,431	-
Capital Projects	51,906	-	-
Water Rights	1,220,034	-	-
Unrestricted	11,031,452	34,453,994	1,087,613
Total Net Position	<u>\$ 109,221,125</u>	<u>\$ 123,722,432</u>	<u>\$ 1,143,207</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities

See accompanying Notes to the Basic Financial Statements.

	<u>Internal Service</u>
<u>Totals</u>	<u>Insurance</u>
\$ 10,105,324	\$ 2,050,644
6,501,673	-
29,597	-
15,377	-
15,508	-
327,681	-
201,700	-
<u>1,234,907</u>	<u>-</u>
18,431,767	2,050,644
12,232,388	-
30,220,866	-
114,850,422	-
<u>260,078,911</u>	<u>-</u>
<u>417,382,587</u>	<u>-</u>
435,814,354	2,050,644
2,029,047	-
<u>14,129,437</u>	<u>-</u>
16,158,484	-
5,752,518	-
154,919	-
767,895	-
251,428	-
1,869,838	-
1,332,531	-
337,966	-
3,772,445	-
<u>142,575</u>	<u>-</u>
14,382,115	-
272,068	-
6,270,888	-
188,084,283	-
<u>6,874,375</u>	<u>-</u>
<u>201,501,614</u>	<u>-</u>
215,883,729	-
1,986,837	-
<u>15,508</u>	<u>-</u>
2,002,345	-
185,308,699	-
933,066	-
51,906	-
1,220,034	-
<u>46,573,059</u>	<u>2,050,644</u>
<u>\$ 234,086,764</u>	<u>\$ 2,050,644</u>
393,155	
<u>\$ 234,479,919</u>	

TOWN OF QUEEN CREEK, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities		
	Water	Wastewater	Non-Major Fund Solid Waste
OPERATING REVENUES			
Charges for Services	\$ 29,290,967	\$ 9,747,448	\$ 4,174,040
Miscellaneous	337,546	419,759	-
Total Operating Revenues	<u>29,628,513</u>	<u>10,167,207</u>	<u>4,174,040</u>
OPERATING EXPENSES			
Administration	744,203	121,952	65,230
Cost of Sales and Services	18,381,499	3,959,885	3,840,918
Depreciation	4,467,599	2,548,972	20,345
Amortization	396,912	-	-
Equity Interest in Joint Venture	-	2,079,451	-
Insurance Claims and Premiums	-	-	-
Total Operating Expenses	<u>23,990,213</u>	<u>8,710,260</u>	<u>3,926,493</u>
Operating Income	5,638,300	1,456,947	247,547
NONOPERATING REVENUES (EXPENSES)			
Capacity Fees	5,229,176	4,924,813	-
Intergovernmental	75,000	-	-
Investment Income (Loss)	34,963	(85,547)	5,871
Interest and Fiscal Charges	(3,730,314)	(137,399)	-
Debt Issuance Costs	(480,054)	(133,125)	-
Gain on Disposal of Assets	77,000	42,000	-
Miscellaneous	367	-	-
Total Nonoperating Revenues (Expenses)	<u>1,206,138</u>	<u>4,610,742</u>	<u>5,871</u>
Income before Capital Contributions	6,844,438	6,067,689	253,418
Capital Contributions	4,823,453	3,003,913	-
Transfers Out	(2,916,162)	(972,975)	-
	<u>1,907,291</u>	<u>2,030,938</u>	<u>-</u>
Change in Net Position	8,751,729	8,098,627	253,418
Total Net Position - Beginning of Year	100,469,396	115,623,805	889,789
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 109,221,125</u></u>	<u><u>\$ 123,722,432</u></u>	<u><u>\$ 1,143,207</u></u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

See accompanying Notes to the Basic Financial Statements.

<u>Totals</u>	<u>Internal Service</u>
	<u>Insurance</u>
\$ 43,212,455	\$ 7,196,942
757,305	-
<u>43,969,760</u>	<u>7,196,942</u>
931,385	-
26,182,302	-
7,036,916	-
396,912	-
2,079,451	-
-	5,884,750
<u>36,626,966</u>	<u>5,884,750</u>
7,342,794	1,312,192
10,153,989	-
75,000	-
(44,713)	-
(3,867,713)	-
(613,179)	-
119,000	-
367	-
<u>5,822,751</u>	<u>-</u>
13,165,545	1,312,192
7,827,366	-
(3,889,137)	-
<u>3,938,229</u>	<u>-</u>
17,103,774	1,312,192
216,982,990	738,452
<u>\$ 234,086,764</u>	<u>\$ 2,050,644</u>
226,178	
<u>\$ 17,329,952</u>	

TOWN OF QUEEN CREEK, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities		
	Water	Wastewater	Non-Major Fund Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 28,903,163	\$ 10,454,915	\$ 4,131,992
Receipts from Users	-	-	-
Payments to Suppliers	(12,452,038)	(1,716,594)	(3,613,073)
Payments to Employees	(7,506,950)	(706,713)	(526,574)
Payments for Claims and Premiums	-	-	-
Customer Deposits	(7,839)	-	-
Net Cash Flows Provided by Operating Activities	<u>8,936,336</u>	<u>8,031,608</u>	<u>(7,655)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Provided (Used) by			
Other Funds for Interfund Borrowing	(8,267,385)	(15,070,256)	-
Transfers Out	(2,916,163)	(972,975)	-
Net Cash Flows Provided by Noncapital Financing Activities	<u>(11,183,548)</u>	<u>(16,043,231)</u>	<u>-</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(18,655,593)	(7,258,413)	-
Refunds of Waterline Agreements	(164,810)	-	-
Capacity Fees	5,229,176	4,924,813	-
Loan Proceeds	54,565,761	19,475,405	-
Interest Paid on Capital Debt	(4,592,744)	(164,144)	-
Principal Paid on Capital Debt	(24,138,151)	(275,000)	-
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>12,243,639</u>	<u>16,702,661</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	<u>35,012</u>	<u>(100,162)</u>	<u>5,871</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>10,031,439</u>	<u>8,590,876</u>	<u>(1,784)</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,586,767</u>	<u>-</u>	<u>1,130,414</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,618,206</u>	<u>\$ 8,590,876</u>	<u>\$ 1,128,630</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents	\$ 2,951,300	\$ 6,025,394	\$ 1,128,630
Restricted Cash and Cash Equivalents	<u>9,666,906</u>	<u>2,565,482</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 12,618,206</u>	<u>\$ 8,590,876</u>	<u>\$ 1,128,630</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 5,638,300	\$ 1,456,947	\$ 247,547
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	4,864,511	2,548,972	20,345
Equity Interest in Joint Venture	-	2,079,451	-
Changes in Assets/Liabilities/Deferred Outflows & Inflows:			
Receivables, Net	(373,989)	711,781	(40,928)
Inventory	(129,141)	-	48,865
Prepaid Items	(181,376)	-	-
Prepaid Supplies	(1,234,907)	-	-
Deferred Outflows of Resources - Pensions	25,019	6,194	8,688
Accounts Payable	807,839	1,286,676	(231,578)
Other Accrued Expenses	(1,264)	-	-
Deposits Held for Others	(6,575)	-	-
Compensated Absences	7,532	3,832	4,537
Accrued Wages and Benefits	(175,992)	(17,669)	(14,644)
Pension Liability	(2,009,289)	(204,565)	(171,667)
Deferred Inflows of Resources - Pensions	1,705,668	159,989	121,180
Net Cash Provided by Operating Activities	<u>\$ 8,936,336</u>	<u>\$ 8,031,608</u>	<u>\$ (7,655)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Capital Assets Contributed from Developers	\$ 4,806,117	\$ 3,003,913	\$ -
Capital Contributions for Advances in Aid of Construction	\$ 17,336	\$ -	\$ -
Amortization of Premium	\$ 585,269	\$ 36,858	\$ -

See accompanying Notes to the Basic Financial Statements.

<u>Totals</u>	<u>Internal Service</u>
	<u>Insurance</u>
\$ 43,490,070	\$ -
-	7,196,942
(17,781,705)	(12,650)
(8,740,237)	-
-	(5,872,100)
<u>(7,839)</u>	<u>-</u>
16,960,289	1,312,192
(23,337,641)	-
<u>(3,889,138)</u>	<u>-</u>
(27,226,779)	-
(25,914,006)	-
(164,810)	-
10,153,989	-
74,041,166	-
(4,756,888)	-
<u>(24,413,151)</u>	<u>-</u>
28,946,300	-
<u>(59,279)</u>	<u>-</u>
18,620,531	1,312,192
<u>3,717,181</u>	<u>738,452</u>
<u>\$ 22,337,712</u>	<u>\$ 2,050,644</u>
\$ 10,105,324	\$ 2,050,644
12,232,388	-
<u>\$ 22,337,712</u>	<u>\$ 2,050,644</u>
\$ 7,342,794	\$ 1,312,192
7,433,828	-
2,079,451	-
296,864	-
(80,276)	-
(181,376)	-
(1,234,907)	-
39,901	-
1,862,937	-
(1,264)	-
(6,575)	-
15,901	-
(208,305)	-
(2,385,521)	-
1,986,837	-
<u>\$ 16,960,289</u>	<u>\$ 1,312,192</u>
\$ 7,810,030	\$ -
\$ 17,336	\$ -
\$ 622,127	\$ -

**TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Queen Creek, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the Town's significant accounting policies follows.

A. Reporting Entity

The Town is a municipal entity governed by a separately elected governing body. It is legally separate from and fiscally independent of other state or local governments. Furthermore, there are no component units combined with the Town for financial statement presentation purposes, and the Town is not included in any other governmental reporting entity. Consequently, the Town's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. Additionally, when debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year, the expenditures and related liabilities will be recognized in the Debt Service Funds.

Property taxes, intergovernmental grants and aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

For fiscal year 2022, the Town reports the following major funds:

Major Governmental Funds

- *General Fund* – The General Fund is the Town’s primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- *Construction Sales Tax Fund* – This special revenue fund accounts for the revenue and expenditures of the Town’s 2.0% construction sales tax.
- *Drainage and Transportation Fund* – This capital projects fund accounts for resources accumulated and used for acquisition and construction of various Town infrastructure.
- *General Capital Improvement* – This capital projects fund accounts for resources accumulated and used for acquisition and construction of the Town’s general government infrastructure (excluding streets) such as buildings, parks and trails.
- *Improvement District Debt Service Fund* – This fund accounts for resources accumulated and used for the payment of long-term principal and interest for the Town’s improvement district.
- *Debt Service Fund* – This fund accounts for the accumulation of resources for, and payment of, debt service principal, interest, and related costs for the Town’s excise tax revenue bonds.

Major Proprietary Funds

- *Water Fund* – The Water Fund accounts for the costs of operating, constructing, and financing the Town’s water utility operations.
- *Wastewater Fund* – The Wastewater Fund accounts for the costs of operating, constructing, and financing the Town’s wastewater treatment facilities.

Additionally, the Town reports an internal service fund to account for the Town’s employee and dependent care insurance program administered through the Valley School’s Employee Benefit Trust.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are charges for utility services. Operating expenses for the proprietary funds include the cost of sales and services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For governmental activities, business-type activities, and proprietary funds, when both restricted and unrestricted resources are available for use, the Town’s policy is to use restricted resources first, then unrestricted resources as needed. For governmental funds, when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Town uses restricted resources first, then unrestricted resources. When an expenditure is incurred for purposes for which committed, assigned and unassigned resources are available, the Town’s policy is to use committed, assigned and then unassigned amounts, respectively.

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity

Cash and Investments – The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the State Treasurer, and highly liquid investments with maturities

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

of three months or less from the date of acquisition. Cash and investments are pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Interest earned from investments purchased with such pooled monies is allocated to each fund based on average daily cash balances.

Receivables – All trade and taxes receivables are shown net of an allowance for uncollectibles. For fiscal year 2022, governmental activities did not report an allowance, and business-type activities reported an allowance of \$42,996.

Property taxes are levied and collected by the Maricopa and Pinal County Treasurers. Property taxes are levied no later than the third Monday in August and are payable in two installments due on the first day of October and the first day of March of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquency date. However, a lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

Intergovernmental Receivables – Intergovernmental receivables include state-shared revenues, revenues owed by other local governments under intergovernmental agreements, and federal and state grants.

Interfund Receivables/Payables – During the course of operations, individual funds within the Town’s pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet of the fund financial statements.

Individual funds also borrow resources from other funds on a long-term basis. These loans are formally approved by the Town Council and the terms require repayment over several fiscal years. These receivables and payables are classified as “advances to other funds” and “advances from other funds” on the balance sheet of the fund financial statements.

When preparing the government-wide financial statements, interfund receivables and payables within the respective governmental and business-type activities are eliminated. Receivables and payables between governmental and business-type activities are reported as “internal balances.”

Inventories – Inventories are recorded as expenditures at the time of purchase in the governmental funds, and are recorded as an asset and expensed when consumed in the government-wide and proprietary fund financial statements.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are expensed when consumed.

Restricted Assets – Restricted assets include resources that are restricted for specific uses, such as bond proceeds that are being used for construction of capital projects. Customer deposits and developer payments for the construction of future infrastructure are also recorded as restricted assets because their use is limited.

Capital Assets – Capital assets, which include property, plant, infrastructure, water rights, machinery, equipment and vehicles, are reported in the governmental and business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of one year.

TOWN OF QUEEN CREEK, ARIZONA
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Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on assets is calculated on a straight-line basis over the following estimated useful lives:

Infrastructure	30 to 50 Years
Buildings and Improvements	10 to 50 Years
Vehicles and Equipment	4 to 20 Years
Intangible Assets	5 to 7 Years
Wastewater Collection System	50 Years
Water System.....	50 Years

Deferred Outflows of Resources – The Town recognizes the consumption of net assets that applies to future reporting periods as deferred outflows of resources. Reported amounts are related to losses on refundings of long-term debt and the requirements of accounting and financial reporting for pensions.

Compensated Absences – The liability for compensated absences reported in the government-wide and proprietary fund financial statements consists of unpaid, accumulated employee leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

The Town’s employee vacation policy provides for granting vacation leave with pay. The policy states that a maximum of 240 hours can be accrued for each employee (336 hours for fire employees). Every year, the excess above 240 (or 336) is paid out to the employees who meet certain eligibility criteria. The employee is compensated at the employee’s current rate of pay.

Long-Term Obligations – In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension Plans and Pension Funding Policy – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS) and additions to/deductions from ASRS/PSPRS’s fiduciary net position, have been determined on the same basis as they are reported by ASRS/PSPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Town’s Pension Funding Policy requires the Town to set aside a portion of Fund Balance/Net Position to offset unfunded pension liabilities within the General Fund and proprietary funds. Pension liabilities in

TOWN OF QUEEN CREEK, ARIZONA
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the General Fund consist of Sworn Fire Personnel, Maricopa County Sheriff’s Office (MCSO) Contracted Personnel, and ASRS Personnel. Per the Town’s Pension Funding Policy, fund balance in the General Fund in excess of 25% of the following fiscal year’s Operating Budget Revenue is set aside to cover these pension liabilities, in the following order: Police Personnel and then ASRS Personnel. Pension liabilities in the proprietary funds consist solely of ASRS Personnel. The Town sets aside unrestricted net position to cover these amounts to the extent funds are available.

As of June 30, 2022, the Town had a net pension asset with PSPRS and as such there was no need to set funds aside for Fire Personnel. The following amounts were set aside toward the Town’s remaining pension liabilities:

	Police Personnel	ASRS Personnel	Total
General Fund	\$ 26,334,929	\$ 15,940,217	\$ 42,275,146
Water Fund	-	5,383,456	5,383,456
Wastewater Fund	-	504,960	504,960
Solid Waste Fund	-	382,472	382,472
	\$ 26,334,929	\$ 22,211,105	\$ 48,546,034

The Town has continued to set aside an amount in the General Fund for Police Personnel. The amount was taken from the prior MCSO Contracted Personnel balance and has continued to be set aside until the newly formed Police department has had time to get established and to start receiving actuarial valuations of its own. The amounts set aside in General Fund and the proprietary funds for ASRS Personnel represent 100% of those funds’ allocations of the Town’s net pension liability.

Deferred Inflows of Resources – The Town recognizes the acquisition of net assets that applies to future periods as deferred inflows of resources. Deferred inflows of resources reported on the governmental fund financial statements represent resources that are not available to the Town as of June 30 or within 60 days of fiscal year-end. On the governmental fund statements, deferred inflows of resources represent property taxes, special assessments, and other revenues that are unavailable. On the government-wide financial statements, amounts reported are related to a gain in the refunding of long-term debt and the requirements of accounting and financial reporting for pensions.

Net Position – In the government-wide financial statements, net position is reported in three categories: net position invested in capital assets; restricted net position; and unrestricted net position. Investment in capital assets is separately reported because capital assets make up a significant portion of total net position. Restricted net position accounts for the portion of net position restricted by parties outside the Town. Unrestricted net position is the remaining net position not included in the previous two categories.

Fund Balance Classifications – Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are *nonspendable* and *spendable* fund balances.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact.

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Spendable fund balance includes restricted, committed, assigned, and unassigned fund balances.

- *Restricted* fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.
- *Committed* fund balances are self-imposed limitations approved by the Town’s Council through formal resolution. The Town Council is the highest level of decision-making authority within the Town and the formal commitment must occur prior to fiscal year end. Only the Town Council can remove or change the constraints placed on committed fund balances through formal council action. The Town’s pension reserves are included in Committed fund balance.
- *Assigned* fund balances are resources constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town Council, through formal resolution, has authorized the Chief Financial Officer to make assignments of resources for a specific purpose.
- *Unassigned* fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town uses restricted fund balance first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned or unassigned balances are available, the Town uses committed, assigned, and unassigned amounts, respectively.

Operating Reserve Policies – The Town Council has adopted reserve policies to provide the Town with sufficient working capital to address emergencies, sudden loss of revenue or operating needs, and unexpected downturns without borrowing. The Town currently has three operating reserves:

- *Operating Budget Reserve* – \$29.6 million, an amount equal to the greater of 25% of the following year’s Operating Budget revenue (defined as revenue of the General Fund and HURF Fund) or the actual Operating Budget Reserve amount reported in the Town’s most recent financial statements.
- *Road Replacement Reserve* – In order to provide resources for future replacement of the Town’s transportation infrastructure \$500,000 has been set aside for fiscal year 2022. The amount set aside will increase by \$500,000 each year until the annual set aside amount approximates the annualized repair and replacement costs of the Town’s major transportation infrastructure.

These reserve amounts are included in Unassigned fund balance in the General Fund as follows:

	Operating Reserves
Operating Budget Reserve	\$ 29,627,958
Road Replacement Reserve	500,000
	\$ 30,127,958

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Expenditures Within Appropriations

For fiscal year 2022, no funds had expenditures that exceeded budgeted appropriations. Furthermore, total expenditures were within the Town’s adopted expenditure limitation, as more fully explained in the Town’s separately issued Annual Expenditure Limitation Report.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS

The Town maintains a cash and investment pool that is available for use by all funds. Certain restricted funds are not part of the Town's pool but rather are maintained with trustees as required by contractual commitments.

A. Deposits

At June 30, 2022, the carrying amount of the Town's deposits was \$19,979,585 and the bank balance was \$21,125,522. The difference represents deposits in transit, outstanding checks and other reconciling items. In addition, the Town had \$2,725 cash on hand.

B. Investments

The Town invests in obligations that fall within the authorization of State of Arizona laws and the Town's Investment Policy. The Policy has been established to allow for the prudent investment of cash reserves in order to attain a competitive rate of return while maintaining the safety and liquidity of Town funds.

At June 30, 2022 the Town had the following investments:

Investment Type	Amount	Maturity (in years)			% of Holdings	Fair Value Category	S&P / Moody's Credit Rating
		Less than 1	1-2	2-3			
Money Market	\$ 189,413,530	\$ 189,413,530	\$ -	\$ -	50.79%	Amortized Cost	n/a
US Treasury Obligations	103,465,773	27,228,705	40,582,014	35,655,054	27.74%	Level 1	AAA
US Treasury Obligations	3,551,411	884,709	2,666,702	-	0.95%	Level 1	n/a
Federal Home Loan Bank	9,713,764	2,752,134	1,997,130	4,964,500	2.60%	Level 2	AAA
Federal Home Loan Mortgage Corporation	7,381,675	1,897,896	5,483,779	-	1.98%	Level 2	AAA
Federal National Mortgage Association	2,792,229	1,624,041	1,168,188	-	0.75%	Level 2	AAA
Federal Farm Credit Bank	13,104,822	1,971,583	1,106,292	10,026,947	3.51%	Level 2	AAA
State Treasurer's Investment Pool	20,713,380	20,713,380	-	-	5.55%	n/a	n/a
Corporate Bonds and Notes:							
Amazon Inc.	5,943,540	-	-	5,943,540	1.59%	Level 2	A1
Apple Inc.	5,715,245	994,220	3,239,760	1,481,265	1.53%	Level 2	AAA
Chevron USA Inc.	859,877	-	-	859,877	0.23%	Level 2	AA2
Honeywell	2,704,648	-	-	2,704,648	0.73%	Level 2	A2
Intel Corp.	1,995,880	-	1,995,880	-	0.54%	Level 2	A1
Microsoft Corp.	1,964,575	-	1,964,575	-	0.53%	Level 2	AAA
PepsiCo Inc.	480,180	-	480,180	-	0.13%	Level 2	A1
Proctor Gamble Co.	1,150,150	1,150,150	-	-	0.31%	Level 2	AA3
Toyota Motor	1,001,000	-	1,001,000	-	0.27%	Level 2	A1
US Bankcorp	997,720	-	997,720	-	0.27%	Level 2	A2
	<u>\$ 372,949,399</u>	<u>\$ 248,630,348</u>	<u>\$ 62,683,220</u>	<u>\$ 61,635,831</u>	<u>100.0%</u>		

Fair Value Measurements. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets
- Level 2 – Observable inputs other than quoted market prices, including evaluator models using credit information, market movements and sector news
- Level 3 – Significant unobservable inputs

The Town's categories of investments within the fair value hierarchy are displayed in the table above.

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C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the interest rate risk. The Town's Investment Policy limits the duration of investments to a maximum maturity of five years.

D. Credit Risk

Credit risk is the risk that the issuer of an investment will not fulfill its obligations to the holder of the investment. The Town's Investment Policy limits allowable investments to certificates of deposits or interest-bearing savings accounts at eligible depositories, State Treasurer investment pools, obligations issued or guaranteed by the United States of America, bonds or other debt instruments of the State of Arizona (or any political subdivision thereof), commercial paper of prime quality rated P1 by Moody's Investors Service or A1 by Standard and Poor's, or bonds and notes of corporations organized or doing business within the United States rated A or better by Moody's Investors Service or Standard and Poor's. Ratings of the Town's investments are displayed in the table above.

E. Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure the Town's deposits may not be returned. At June 30, 2022, \$575,733 of the Town's deposits was covered by federal depository insurance. The remaining \$20,549,789 was collateralized by securities held by the Town's agent in the Town's name.

Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's Investment Policy limits exposure to custodial credit risk by requiring that all security transactions be conducted on a delivery-versus-payment basis. Securities are held by third-party custodians who provide monthly statements to the Town.

The fair value of the Town's investment in the State Treasurer's investment pool approximates the value of the Town's proportionate interest in the pool's portfolio; however the Town's portion is not identified with specific investments and is not subject to custodial credit risk.

F. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town's Investment Policy places no limit on the amount the Town may invest in any one issuer. The concentration of investment types is indicated in the table above.

NOTE 4. PROPERTY TAXES AND RECEIVABLES

In the government-wide financial statements, property taxes are recognized as revenues in the fiscal year they are levied and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements, property taxes are recognized as revenues in the fiscal year levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as unavailable revenues.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

	General Fund	Drainage and Transportation Fund	General Capital Improvement Fund	Improvement District Debt Service Fund	Nonmajor Funds		Total
					Highway Users Revenue Fund	Street Lighting District Fund	
Accrued Interest on Investments	\$ 229,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,035
Business Licenses	39,550	-	-	-	-	-	39,550
Grants	28,079	-	-	-	239,740	-	267,819
Delinquent Property Taxes	65,453	-	-	-	-	304	65,757
Project Reimbursement	-	14,832,871	36,033	-	-	-	14,868,904
Special Assessments	-	-	-	11,262,604	-	-	33,787,812
Miscellaneous	6,009	-	-	-	-	-	6,009
Total Unavailable Revenues	\$ 368,126	\$ 14,832,871	\$ 36,033	\$ 11,262,604	\$ 239,740	\$ 304	\$ 26,739,678

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Loans

As of June 30, 2022 advances to and from funds were as follows:

Advances To:	Advances From:
Nonmajor Funds:	General Fund
Park Development Fund	\$ 3,519,965
Transportation Development Fund	472,145
Total	\$ 3,992,110

The loans between these funds are the result of adjustments made to funding for Impact Fee projects.

B. Interfund Transfers

Interfund transfers during the year were made to fund debt service and capital projects and to support operations in the HURF Fund. Additionally, Town policy requires the Water and Wastewater Funds to provide resources to the General Fund in the form of payments-in-lieu of taxes, franchise fees, and a return on investment. In the fund statements, these items are reported as transfers but for budgetary reporting they are considered interfund revenues and expenses. Interfund transfers for the year ended June 30, 2022 consisted of the following:

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	Transfers In				Total
	General	Drainage and	General	Debt	
	Fund	Transportation	Capital	Service	
Transfers Out:					
General Fund	\$ -	\$ 3,320,478	\$ 7,562,208	\$ 7,792,402	\$18,675,088
Construction Sales Tax Fund	-	6,593,226	-	1,518,567	8,111,793
Water Fund	2,685,563	230,599	-	-	2,916,162
Wastewater Fund	828,053	144,922	-	-	972,975
Nonmajor Funds:					
HURF Fund	-	-	-	262,790	262,790
Town Center Fund	-	-	-	331,475	331,475
Community Events Fund	80,558	-	-	-	80,558
Town Buildings Development	-	-	-	287,723	287,723
Transportation Development	-	4,021,999	-	909,923	4,931,922
Library Development	-	-	-	232,115	232,115
Parks Development	-	-	1,709,181	507,543	2,216,724
Public Safety Development	-	-	1,194,420	140,075	1,334,495
Fire Development	-	-	4,583,188	1,071,087	5,654,275
Total	<u>\$ 3,594,174</u>	<u>\$ 14,311,224</u>	<u>\$ 15,048,997</u>	<u>\$ 13,053,700</u>	<u>\$46,008,095</u>

NOTE 6. LEASES

A. Town as Lessee

The Town, as a lessee, has entered into lease agreements involving a mailing system with postage meter, printers and copiers, and right-of-way for a water tank. The total of the Town's lease assets is recorded at a cost of \$216,815, less accumulated amortization of \$57,488.

The future lease payments under lease agreements are as follows:

Fiscal Year	Leases		
	Principal	Interest	Total
2023	\$ 61,446	\$ 2,184	\$ 63,630
2024	62,457	1,173	63,630
2025	34,634	319	34,953
2026	6,156	121	6,277
2027	3,065	59	3,124
2028 - 2032	2,045	29	2,074
	<u>\$ 169,803</u>	<u>\$ 3,884</u>	<u>\$ 173,687</u>

B. Town as Lessor

The Town, as a lessor, has entered into lease agreements involving town buildings, property for cell towers, and a water well. The total amount of inflows of resources, including lease revenue and interest revenue, recognized during the fiscal year was \$224,997.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 7. CAPITAL ASSETS

A. Changes in Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Capital Assets			Ending Balance
	Beginning Balance	Additions	Deletions	
Governmental Activities:				
Capital assets not being depreciated:				
Land and Related Assets	\$ 52,913,843	\$ 144,170	\$ -	\$ 53,058,013
Construction-In-Progress	63,664,655	61,715,602	(24,978,207)	100,402,050
Total	<u>116,578,498</u>	<u>61,859,772</u>	<u>(24,978,207)</u>	<u>153,460,063</u>
Capital assets being depreciated/amortized:				
Streets and Other Infrastructure	393,827,130	41,236,179	-	435,063,309
Buildings and Improvements	77,199,294	172,667	-	77,371,961
Vehicles, Furniture, and Equipment	23,235,660	7,192,937	(474,769)	29,953,828
Intangible right-to-use lease assets:				
Equipment	-	205,035	-	205,035
Total	<u>494,262,084</u>	<u>48,806,818</u>	<u>(474,769)</u>	<u>542,594,133</u>
Less accumulated depreciation/amortization for:				
Streets and Other Infrastructure	(113,044,112)	(14,142,543)	-	(127,186,655)
Buildings and Improvements	(13,119,025)	(1,881,785)	-	(15,000,810)
Vehicles, Furniture, and Equipment	(11,370,467)	(2,550,642)	430,419	(13,490,690)
Intangible right-to-use lease assets:				
Equipment	-	(55,805)	-	(55,805)
Total	<u>(137,533,604)</u>	<u>(18,630,775)</u>	<u>430,419</u>	<u>(155,733,960)</u>
Capital assets being depreciated, net	356,728,480	30,176,043	(44,350)	386,860,173
Governmental Activities Capital Assets, Net	<u>\$ 473,306,978</u>	<u>\$ 92,035,815</u>	<u>\$ (25,022,557)</u>	<u>\$ 540,320,236</u>

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	Capital Assets			
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land and Related Assets	\$ 4,539,972	\$ 635,476	\$ -	\$ 5,175,448
Water Rights and Credits	66,235,985	8,436,256	(1,378,415)	73,293,826
Construction-In-Progress	20,811,101	18,407,435	(2,837,388)	36,381,148
Total	<u>91,587,058</u>	<u>27,479,167</u>	<u>(4,215,803)</u>	<u>114,850,422</u>
Capital assets being depreciated/amortized:				
Water System	175,247,533	5,341,039	-	180,588,572
Wastewater Collection System	113,888,786	4,269,322	-	118,158,108
Buildings and Improvements	7,742,157	20,011	-	7,762,168
Vehicles, Furniture, and Equipment	5,865,568	1,128,781	(569,139)	6,425,210
Intangible right-to-use lease assets:				
Land	-	11,780	-	11,780
Total	<u>302,744,044</u>	<u>10,770,933</u>	<u>(569,139)</u>	<u>312,945,838</u>
Less accumulated depreciation/amortization for:				
Water System	(21,244,251)	(3,839,021)	-	(25,083,272)
Wastewater Collection System	(22,098,433)	(2,364,894)	-	(24,463,327)
Buildings and Improvements	(96,798)	(269,109)	-	(365,907)
Vehicles, Furniture, and Equipment	(2,957,984)	(563,893)	569,139	(2,952,738)
Intangible right-to-use lease assets:				
Land	-	(1,684)	-	(1,684)
Total	<u>(46,397,466)</u>	<u>(7,038,601)</u>	<u>569,139</u>	<u>(52,866,928)</u>
Capital assets being depreciated, net	256,346,578	3,732,332	-	260,078,910
Business-Type Activities Capital Assets, Net	<u>\$ 347,933,636</u>	<u>\$ 31,211,499</u>	<u>\$ (4,215,803)</u>	<u>\$ 374,929,332</u>

B. Depreciation/Amortization

Depreciation/amortization expense was charged to the functions of governmental activities as follows:

General Government	\$ 1,098,032
Public Safety	2,068,785
Highways and Streets	13,713,633
Culture and Recreation	1,748,252
Economic Development	2,073
Total	<u>\$ 18,630,775</u>

**TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

C. Contractual Commitments

The Town had contractual commitments related to various projects at June 30, 2022, mostly for the construction of Town facilities and infrastructure improvements. At June 30, 2022, the Town had remaining contractual commitments of \$50,896,307, consisting of the following:

General Fund	\$ 4,415,627
Drainage and Transportation Fund	31,135,066
General Capital Improvement Fund	3,670,607
Water Fund	9,382,441
Wastewater Fund	1,310,335
Nonmajor Funds:	
Highway Users Revenue Fund	882,989
Town Building Development Fund	6,783
Transportation Development Fund	20,350
Library Development Fund	6,783
Parks Development Fund	20,350
Public Safety Development Fund	13,567
Fire Development Fund	13,567
Solid Waste Fund	17,842
Total	\$ 50,896,307

D. Land Held for Economic Development

As part of the Town's long-term development plan, the Town has acquired various parcels of land within the commercial center of Town. The Town does not intend to use the properties for government services purposes, but rather intends to use the properties for economic development. The total balance of land being held for economic development as of June 30, 2022 was \$3,830,713, which is recorded as a noncurrent asset in the governmental activities column of the Statement of Net Position.

NOTE 8. ADVANCES IN AID OF CONSTRUCTION

The Town purchased water companies in fiscal year 2008, 2014, and 2021. Included in the purchases was the assumption of unearned advances in aid of construction. These are contracts with various property owners who advanced payment to the water company for the cost of extended water lines to their property. As part of the contracts, the Town is required to remit to the property owners, on an annual basis, 10% of additional water sales earned on the line extension for a period of years indicated in the contract or until the cost of the line extension has been repaid to the property owner, whichever comes first. After the period of time indicated in the contract, any balance remaining on the contract is recognized by the Town as a capital contribution. For the fiscal year ended June 30, 2022, the Town made refund payments of \$147,475 to property owners and recognized a gain of \$17,336 as a result of a change in the estimated liability for future payouts. As of June 30, 2022, the Town had \$7,016,950 of outstanding unearned advances in aid of construction.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9. LONG-TERM OBLIGATIONS

A. Changes in Long-Term Obligations

Changes in long-term obligations for the fiscal year ended June 30, 2022 were as follows:

	Long-Term Obligations				
	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Excise Tax and State-Shared Revenue Bonds:					
Project Bonds, Series 2022	\$ -	\$ 106,980,000	\$ -	\$ 106,980,000	\$ -
Project Bonds, Series 2020	78,605,000	-	(1,080,000)	77,525,000	1,135,000
Project Bonds, Series 2018A	45,965,000	-	(855,000)	45,110,000	890,000
Project Bonds, Series 2018B	16,850,000	-	(500,000)	16,350,000	520,000
Refunding Bonds, Series 2016	38,255,000	-	(2,550,000)	35,705,000	2,690,000
Direct-Placement Debt:					
Project Bonds, Second Series 2022	-	24,223,000	-	24,223,000	-
Special Assessment Refunding Bonds, Series 2016	12,895,229	-	(1,575,052)	11,320,177	1,431,455
Unamortized Premiums / Discounts	30,458,906	7,806,593	(5,324,773)	32,940,726	-
Leases	-	205,035	(47,012)	158,023	59,616
Compensated Absences	1,973,760	2,117,639	(1,678,854)	2,412,545	1,319,984
Total Governmental Long-Term Obligations	\$ 225,002,895	\$ 141,332,267	\$ (13,610,691)	\$ 352,724,471	\$ 8,046,055
Business-Type Activities:					
Loans:					
WIFA Loan, 2022 - Clean Water (CW)	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
WIFA Loan, 2022 - Drinking Water (DW)	-	8,238,763	-	8,238,763	-
WIFA Loan, 2021 - Drinking Water (DW)	9,807,500	862,582	-	10,670,082	-
WIFA Loan, 2020 - Drinking Water (DW)	57,942,805	-	(1,431,868)	56,510,937	1,460,277
WIFA Loan, 2020 - Clean Water (CW)	8,600,000	-	(212,521)	8,387,479	216,737
WIFA Loan, 2014	12,045,179	-	(364,389)	11,680,790	375,881
WIFA Loan, 2008	21,819,447	-	(21,819,447)	-	-
GADA Infrastructure Revenue Loan, Series 2014A	2,605,000	-	(275,000)	2,330,000	285,000
Direct-Placement Debt:					
Water System Revenue Refinancing Obligation, Series 2022	-	21,478,000	-	21,478,000	1,098,000
Subordinate Lien Excise Tax & State Shared Revenue Obligation, Series 2021	-	44,000,000	-	44,000,000	-
Subordinate Lien Water System Revenue Obligation, Series 2013	18,872,408	-	(309,926)	18,562,482	334,720
Unamortized Premiums / Discounts	10,533,542	-	(622,127)	9,911,415	-
Leases	-	11,780	-	11,780	1,830
Advances in Aid of Construction	7,181,760	-	(164,810)	7,016,950	142,575
Compensated Absences	594,133	429,417	(413,516)	610,034	337,966
Total Business-Type Long-Term Obligations	\$ 150,001,774	\$ 75,095,542	\$ (25,613,604)	\$ 199,483,712	\$ 4,252,986

TOWN OF QUEEN CREEK, ARIZONA
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YEAR ENDED JUNE 30, 2022

B. Bonds and Loans Payable

The following table summarizes the Town's bonds and loans payable at June 30, 2022:

Description	Original Issue	Maturity	Interest Rate (%)	Outstanding at June 30, 2022
Governmental Activities:				
Excise Tax and State-Shared Revenue Bonds:				
Project Bonds, Series 2022	\$ 106,980,000	8/1/2047	3.88-5.00%	\$ 106,980,000
Project Bonds, Series 2020	78,605,000	8/1/2050	4.00-5.00%	77,525,000
Project Bonds, Series 2018A	47,945,000	8/1/2047	2.00-5.00%	45,110,000
Project Bonds, Series 2018B	18,015,000	8/1/2047	2.00-5.00%	16,350,000
Refunding Bonds, Series 2016	47,990,000	8/1/2036	2.00-5.00%	35,705,000
Direct-Placement Debt:				
Project Bonds, Second Series 2022	24,223,000	8/1/2037	3.30%	24,223,000
Special Assessment Refunding Bonds, Series 2016	18,445,000	1/1/2030	2.45%	11,320,177
Total Governmental Bonds and Loans Payable				<u>\$ 317,213,177</u>
Business-Type Activities:				
Loans:				
WIFA Loan, 2022 - Drinking Water (DW)	\$ 44,506,194	7/1/2052	2.889%	\$ -
WIFA Loan, 2022 - Clean Water (CW)	10,098,396	7/1/2052	2.889%	75,000
WIFA Loan, 2022 - Drinking Water (DW)	8,238,763	7/1/2051	1.683%	8,238,763
WIFA Loan, 2021 - Drinking Water (DW)	12,807,500	7/1/2050	1.874%	10,670,082
WIFA Loan, 2020 - Drinking Water (DW)	57,981,000	7/1/2050	1.984%	56,510,937
WIFA Loan, 2020 - Clean Water (CW)	8,600,000	7/1/2050	1.984%	8,387,479
WIFA Loan, 2014	16,000,000	7/1/2043	3.154%	11,680,790
GADA Infrastructure Revenue Loan, Series 2014A	3,845,000	8/1/2028	2.00-5.00%	2,330,000
Direct-Placement Debt:				
Water System Revenue Obligation, Series 2022	21,478,000	7/1/2038	2.850%	21,478,000
Subordinate Lien Excise Tax & State Shared Revenue Obligation, Series 2021	85,000,000	6/1/2025	variable	44,000,000
Subordinate Lien Water System Revenue Obligation, Series 2013	19,425,093	5/1/2043	8.00%	18,562,482
Total Business-Type Bonds and Loans Payable				<u>\$ 181,933,533</u>

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

C. Debt Service Requirements to Maturity – Summary

Following are the Town’s debt service requirements to maturity for all bonds and loans:

Governmental Activities:

Fiscal Year	Excise Tax and State-Shared Revenue Bonds					
	Series 2022 Project			Series 2020 Project		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ -	\$ 3,228,413	\$ 3,228,413	\$ 1,135,000	\$ 3,309,175	\$ 4,444,175
2024	2,265,000	4,931,481	7,196,481	1,195,000	3,250,925	4,445,925
2025	2,380,000	4,815,356	7,195,356	1,255,000	3,189,675	4,444,675
2026	2,505,000	4,693,231	7,198,231	1,320,000	3,125,300	4,445,300
2027	2,630,000	4,564,856	7,194,856	1,385,000	3,057,675	4,442,675
2028 - 2032	15,325,000	20,656,656	35,981,656	8,860,000	14,126,500	22,986,500
2033 - 2037	19,675,000	16,303,406	35,978,406	14,865,000	11,174,125	26,039,125
2038 - 2042	24,770,000	11,211,884	35,981,884	17,115,000	7,751,900	24,866,900
2043 - 2047	30,410,000	5,567,938	35,977,938	15,530,000	4,575,400	20,105,400
2048 - 2052	7,020,000	175,500	7,195,500	14,865,000	1,218,900	16,083,900
	<u>\$ 106,980,000</u>	<u>\$ 76,148,723</u>	<u>\$ 183,128,723</u>	<u>\$ 77,525,000</u>	<u>\$ 54,779,575</u>	<u>\$ 132,304,575</u>

Fiscal Year	Excise Tax and State-Shared Revenue Bonds					
	Series 2018A Project			Series 2018B Project		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 890,000	\$ 2,228,800	\$ 3,118,800	\$ 520,000	\$ 698,100	\$ 1,218,100
2024	925,000	2,187,875	3,112,875	540,000	676,900	1,216,900
2025	975,000	2,140,375	3,115,375	565,000	651,975	1,216,975
2026	1,020,000	2,090,500	3,110,500	595,000	622,975	1,217,975
2027	1,075,000	2,038,125	3,113,125	625,000	592,475	1,217,475
2028 - 2032	6,225,000	9,308,625	15,533,625	3,610,000	2,456,956	6,066,956
2033 - 2037	7,940,000	7,546,250	15,486,250	4,380,000	1,694,831	6,074,831
2038 - 2042	10,135,000	5,297,625	15,432,625	2,530,000	1,001,188	3,531,188
2043 - 2047	12,935,000	2,427,375	15,362,375	2,425,000	454,875	2,879,875
2048 - 2052	2,990,000	74,750	3,064,750	560,000	14,000	574,000
	<u>\$ 45,110,000</u>	<u>\$ 35,340,300</u>	<u>\$ 80,450,300</u>	<u>\$ 16,350,000</u>	<u>\$ 8,864,275</u>	<u>\$ 25,214,275</u>

Fiscal Year	Excise Tax and State-Shared Revenue Bonds			Direct-Placement		
	Series 2016 Refunding			Excise Tax and State-Shared Revenue Bonds		
	Principal	Interest	Total	Series 2022		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 2,690,000	\$ 1,596,350	\$ 4,286,350	\$ -	\$ 484,056	\$ 484,056
2024	2,800,000	1,472,550	4,272,550	-	799,359	799,359
2025	2,755,000	1,347,450	4,102,450	466,000	791,670	1,257,670
2026	2,875,000	1,234,850	4,109,850	482,000	776,028	1,258,028
2027	2,985,000	1,117,650	4,102,650	497,000	759,875	1,256,875
2028 - 2032	16,080,000	3,279,500	19,359,500	7,020,000	3,243,537	10,263,537
2033 - 2037	5,520,000	351,775	5,871,775	12,561,000	1,690,606	14,251,606
2038 - 2042	-	-	-	3,197,000	52,751	3,249,751
2043 - 2047	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-
	<u>\$ 35,705,000</u>	<u>\$ 10,400,125</u>	<u>\$ 46,105,125</u>	<u>\$ 24,223,000</u>	<u>\$ 8,597,882</u>	<u>\$ 32,820,882</u>

TOWN OF QUEEN CREEK, ARIZONA
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YEAR ENDED JUNE 30, 2022

Fiscal Year	Direct-Placement Special Assessment Bonds			Total Governmental Activities		
	Series 2016 Refunding			Principal	Interest	Total
	Principal	Interest	Total			
2023	\$ 1,431,455	\$ 259,809	\$ 1,691,264	\$ 6,666,455	\$ 11,804,703	\$ 18,471,158
2024	1,465,537	224,321	1,689,858	9,190,537	13,543,411	22,733,948
2025	1,509,357	187,878	1,697,235	9,905,357	13,124,379	23,029,736
2026	1,543,439	150,482	1,693,921	10,340,439	12,693,366	23,033,805
2027	1,582,390	112,190	1,694,580	10,779,390	12,242,846	23,022,236
2028 - 2032	3,787,999	111,892	3,899,891	60,907,999	53,183,667	114,091,666
2033 - 2037	-	-	-	64,941,000	38,760,994	103,701,994
2038 - 2042	-	-	-	57,747,000	25,315,348	83,062,348
2043 - 2047	-	-	-	61,300,000	13,025,588	74,325,588
2048 - 2052	-	-	-	25,435,000	1,483,150	26,918,150
	<u>\$ 11,320,177</u>	<u>\$ 1,046,572</u>	<u>\$ 12,366,749</u>	<u>\$ 317,213,177</u>	<u>\$ 195,177,452</u>	<u>\$ 512,390,629</u>

Business-Type Activities:

Fiscal Year	Water Infrastructure Finance Authority (WIFA) Loans					
	Second Series 2022 DW *			Series 2022 CW *		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ -	\$ 1,457,222	\$ 1,457,222	\$ -	\$ 330,642	\$ 330,642
2024	-	1,285,784	1,285,784	-	291,743	291,743
2025	-	1,285,784	1,285,784	-	291,743	291,743
2026	1,054,021	1,255,333	2,309,354	239,156	284,833	523,989
2027	1,084,471	1,224,003	2,308,474	246,065	277,725	523,790
2028 - 2032	5,910,811	5,617,448	11,528,259	1,341,155	1,274,591	2,615,746
2033 - 2037	6,815,407	4,686,718	11,502,125	1,546,407	1,063,410	2,609,817
2038 - 2042	7,858,443	3,613,548	11,471,991	1,783,070	819,909	2,602,979
2043 - 2047	9,061,107	2,376,140	11,437,247	2,055,953	539,143	2,595,096
2048 - 2052	10,447,828	949,357	11,397,185	2,370,598	215,408	2,586,006
2053 - 2057	2,274,106	-	2,274,106	515,992	-	515,992
	<u>\$ 44,506,194</u>	<u>\$ 23,751,337</u>	<u>\$ 68,257,531</u>	<u>\$ 10,098,396</u>	<u>\$ 5,389,147</u>	<u>\$ 15,487,543</u>

Fiscal Year	Water Infrastructure Finance Authority (WIFA) Loans					
	Series 2022 DW			Series 2021 DW *		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ -	\$ 138,642	\$ 138,642	\$ -	\$ 239,979	\$ 239,979
2024	-	138,642	138,642	352,042	233,383	585,425
2025	232,768	134,725	367,493	358,638	226,663	585,301
2026	236,686	130,742	367,428	365,358	219,817	585,175
2027	240,668	126,692	367,360	372,204	212,843	585,047
2028 - 2032	1,265,472	570,284	1,835,756	1,968,281	954,942	2,923,223
2033 - 2037	1,375,593	458,310	1,833,903	2,159,725	759,912	2,919,637
2038 - 2042	1,495,297	336,592	1,831,889	2,369,789	545,912	2,915,701
2043 - 2047	1,625,418	204,281	1,829,699	2,600,285	311,097	2,911,382
2048 - 2052	1,766,861	60,458	1,827,319	2,261,178	64,536	2,325,714
2053 - 2057	-	-	-	-	-	-
	<u>\$ 8,238,763</u>	<u>\$ 2,299,368</u>	<u>\$ 10,538,131</u>	<u>\$ 12,807,500</u>	<u>\$ 3,769,084</u>	<u>\$ 16,576,584</u>

* reflects the full loan authorization amount; the debt repayment schedule will be revised after the final draw has been made.

TOWN OF QUEEN CREEK, ARIZONA
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YEAR ENDED JUNE 30, 2022

Water Infrastructure Finance Authority (WIFA) Loans

Fiscal Year	Series 2020 DW			Series 2020 CW		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,460,276	\$ 1,092,205	\$ 2,552,481	\$ 216,737	\$ 162,108	\$ 378,845
2024	1,489,248	1,062,658	2,551,906	221,038	157,722	378,760
2025	1,518,795	1,032,526	2,551,321	225,423	153,250	378,673
2026	1,548,928	1,001,795	2,550,723	229,895	148,689	378,584
2027	1,579,659	970,454	2,550,113	234,456	144,037	378,493
2028 - 2032	8,381,022	4,359,966	12,740,988	1,243,930	647,115	1,891,045
2033 - 2037	9,246,071	3,477,755	12,723,826	1,372,323	516,176	1,888,499
2038 - 2042	10,200,405	2,504,486	12,704,891	1,513,967	371,721	1,885,688
2043 - 2047	11,253,241	1,430,762	12,684,003	1,670,231	212,357	1,882,588
2048 - 2052	9,833,292	297,429	10,130,721	1,459,479	44,145	1,503,624
2053 - 2057	-	-	-	-	-	-
	<u>\$ 56,510,937</u>	<u>\$ 17,230,036</u>	<u>\$ 73,740,973</u>	<u>\$ 8,387,479</u>	<u>\$ 2,557,320</u>	<u>\$ 10,944,799</u>

Water Infrastructure Finance Authority (WIFA) Loans

GADA Infrastructure Revenue Loan

Fiscal Year	Series 2014			Series 2014A		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 375,880	\$ 356,557	\$ 732,437	\$ 285,000	\$ 99,100	\$ 384,100
2024	387,736	344,328	732,064	300,000	84,100	384,100
2025	399,966	331,713	731,679	315,000	71,500	386,500
2026	412,580	318,700	731,280	330,000	55,000	385,000
2027	425,593	305,277	730,870	350,000	37,500	387,500
2028 - 2032	2,337,985	1,309,741	3,647,726	750,000	19,250	769,250
2033 - 2037	2,730,688	904,652	3,635,340	-	-	-
2038 - 2042	3,189,352	431,522	3,620,874	-	-	-
2043 - 2047	1,421,010	22,757	1,443,767	-	-	-
2048 - 2052	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-
	<u>\$ 11,680,790</u>	<u>\$ 4,325,247</u>	<u>\$ 16,006,037</u>	<u>\$ 2,330,000</u>	<u>\$ 366,450</u>	<u>\$ 2,696,450</u>

Direct-Placement Debt

Fiscal Year	Senior Lien Utility System Revenue Refunding Obligations, Series 2022			Subordinate Lien Excise Tax and State Shared Revenue Obligations, Series 2021 *		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,098,000	\$ 580,830	\$ 1,678,830	\$ -	\$ 780,213	\$ 780,213
2024	1,020,000	551,760	1,571,760	-	747,717	747,717
2025	1,049,000	521,864	1,570,864	85,000,000	747,717	85,747,717
2026	1,079,000	491,112	1,570,112	-	-	-
2027	1,110,000	459,477	1,569,477	-	-	-
2028 - 2032	6,055,000	1,789,515	7,844,515	-	-	-
2033 - 2037	6,981,000	848,986	7,829,986	-	-	-
2038 - 2042	3,086,000	44,546	3,130,546	-	-	-
2043 - 2047	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-
	<u>\$ 21,478,000</u>	<u>\$ 5,288,090</u>	<u>\$ 26,766,090</u>	<u>\$ 85,000,000</u>	<u>\$ 2,275,647</u>	<u>\$ 87,275,647</u>

* reflects the full loan authorization amount; the debt repayment schedule will be revised after the final draw has been made.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Direct-Placement Debt						
Subordinate Lien Water System				Total Business-Type Activities		
Revenue Obligation, Series 2013						
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 334,720	\$ 1,466,759	\$ 1,801,479	\$ 3,770,613	\$ 6,704,257	\$ 10,474,870
2024	361,498	1,438,761	1,800,259	4,131,562	6,336,598	10,468,160
2025	390,417	1,408,530	1,798,947	89,490,007	6,206,015	95,696,022
2026	421,651	1,375,888	1,797,539	5,917,275	5,281,909	11,199,184
2027	455,383	1,340,644	1,796,027	6,098,499	5,098,652	11,197,151
2028 - 2032	2,885,273	6,067,910	8,953,183	32,138,929	22,610,762	54,749,691
2033 - 2037	4,239,412	4,654,762	8,894,174	36,466,626	17,370,681	53,837,307
2038 - 2042	6,229,088	2,579,958	8,809,046	37,725,411	11,248,194	48,973,605
2043 - 2047	3,245,040	246,718	3,491,758	32,932,285	5,343,255	38,275,540
2048 - 2052	-	-	-	28,139,236	1,631,333	29,770,569
2053 - 2057	-	-	-	2,790,098	-	2,790,098
	<u>\$ 18,562,482</u>	<u>\$ 20,579,930</u>	<u>\$ 39,142,412</u>	<u>\$ 279,600,541</u>	<u>\$ 87,831,656</u>	<u>\$ 367,432,197</u>

Memo Only - Total WIFA Loans			
Fiscal Year	Principal	Interest	Total
2023	\$ 2,052,893	\$ 3,777,355	\$ 5,830,248
2024	2,450,064	3,514,260	5,964,324
2025	2,735,590	3,456,404	6,191,994
2026	4,086,624	3,359,909	7,446,533
2027	4,183,116	3,261,031	7,444,147
2028 - 2032	22,448,656	14,734,087	37,182,743
2033 - 2037	25,246,214	11,866,933	37,113,147
2038 - 2042	28,410,323	8,623,690	37,034,013
2043 - 2047	29,687,245	5,096,537	34,783,782
2048 - 2052	28,139,236	1,631,333	29,770,569
	<u>\$ 152,230,059</u>	<u>\$ 59,321,539</u>	<u>\$ 211,551,598</u>

D. Excise Tax and State-Shared Revenue Pledged Debt – First Lien Parity Obligations

The Town has issued debt secured by a pledge of all of the Town’s excise taxes and state-shared revenues. The Town is required to maintain excise tax and state-shared revenues at a level equal to at least 3.0 times the aggregate annual debt service of all debt secured by the pledge.

1. *Excise Tax and State-Shared Revenue Bonds, Series 2022 (Direct-placement Debt).* In fiscal year 2022, the Town issued a total of \$24.223 million of long-term excise tax and state-shared revenue bonds to provide funding for new parks and recreation projects.
2. *Excise Tax and State-Shared Revenue Bonds, Series 2022.* In fiscal year 2022, the Town issued \$106.980 million of long-term excise tax and state-shared revenue bonds to provide funding for new parks and recreation projects.
3. *Excise Tax and State-Shared Revenue Bonds, Series 2020.* In fiscal year 2020, the Town issued \$78.605 million of long-term excise tax and state-shared revenue bonds to provide funding for new transportation, public safety, and fire projects.

TOWN OF QUEEN CREEK, ARIZONA
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YEAR ENDED JUNE 30, 2022

4. *Excise Tax and State-Shared Revenue Bonds, Series 2018A and B.* In fiscal year 2018, the Town issued a total of \$65.96 million of long-term excise tax and state-shared revenue bonds to provide funding for new transportation, public safety and fire projects.
5. *Excise Tax and State-Shared Revenue Refunding Bonds, Series 2016.* In fiscal year 2017, the Town refunded all of its outstanding governmental activities debt by issuing \$47.990 million of excise tax and state-shared revenue bonds. The refunded debts were originally issued to fund acquisition of land, construction of infrastructure and municipal facilities, and improvements to parks.
6. *GADA Infrastructure Revenue Loan, Series 2014A.* In fiscal year 2014, the Town obtained financing of \$3.845 million through the Greater Arizona Development Authority (GADA) to refinance a loan from 2003 that was used for wastewater system improvements. Although the Town pledged excise taxes to secure the debt, the loan is being repaid from wastewater utility revenues.

E. Other Excise Tax Revenue Pledged Debt – Subordinate Lien Excise Tax and State-Shared Revenue Obligations, Series 2021 (Direct-Placement Debt).

During fiscal year 2022, the Town issued \$85 million of subordinate lien excise tax and state-shared revenue debt to provide funding for water and wastewater construction projects. The debt was issued as a direct-placement loan with US Bank at a variable interest rate that resets weekly. Although the Town pledged excise taxes to secure the loan, interest on the loan will be repaid from utility system revenues. The Town intends to refinance the loan with long-term financing at maturity. At June 30, 2022, only \$44 million was drawn down and outstanding.

1. *Variable Rate Terms.* The interest rate is calculated at 100% of the weekly Securities Industry and Financial Markets Association (SIFMA) index plus the applicable spread as defined in the trust agreement. The Town’s applicable spread for fiscal year 2022 was 0.37%.
2. *Events of Default.* If the Town was unable to make payment on the loan, the loan payments could not be accelerated, but the interest rate would increase to a minimum of 7.5% but no more than a maximum of 10%.
3. *Other Terms.* The loan may be repaid on any weekly SIFMA index reset date without penalty.

The following table presents the Town’s excise tax pledged debt service requirements relative to pledged excise tax revenues collected during the fiscal year:

Debt Issue	Debt Service, FY 2022			Remaining Principal and Interest to Maturity	Maturity Date
	Principal	Interest	Total		
<i>First Lien Parity Obligations:</i>					
Excise Tax and State-Shared Revenue Bonds, Series 2022	\$ -	\$ -	\$ -	\$ 183,128,723	8/1/2047
Excise Tax and State-Shared Revenue Bonds, Series 2020	1,080,000	3,364,550	4,444,550	132,304,575	8/1/2050
Excise Tax and State-Shared Revenue Bonds, Series 2018A	855,000	2,263,700	3,118,700	80,450,300	8/1/2047
Excise Tax and State-Shared Revenue Bonds, Series 2018B	500,000	718,500	1,218,500	25,214,275	8/1/2047
Excise Tax and State-Shared Revenue Bonds, Series 2016	2,550,000	1,713,900	4,263,900	46,105,125	8/1/2036
GADA Infrastructure Revenue Loan, Series 2014A	275,000	113,350	388,350	2,696,450	8/1/2028
<i>Direct-Placement Debt</i>					
Excise Tax and State-Shared Revenue Bonds, Series 2022	-	-	-	32,820,882	8/1/2037
Total First Lien Parity Obligations	5,260,000	8,174,000	13,434,000	502,720,330	
<i>Subordinate Lien Obligations:</i>					
Sub-Lien Excise Tax and State-Shared Revenue Obligations:					
Series 2021	-	106,591	106,591	87,275,647	6/1/2025
Total Debt Service, FY 2022	\$ 5,260,000	\$ 8,280,591	\$ 13,540,591	\$ 589,995,977	
Total Excise Tax and State-Shared Revenues, FY 2022			\$ 112,568,733		

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F. Special Assessment Debt (Direct-Placement Debt)

The Town's Special Assessment Improvement District No. 1 (District) was created to fund infrastructure improvements within the District, which covers most of the Town's downtown business area. The Town originally issued \$54.08 million of Special Assessment bonds in 2006 to pay for the improvements. The bonds were refinanced in fiscal year 2017 through a direct-placement with CoBiz Financial (now owned by BOK Financial) at a fixed interest rate of 2.45%. The bonds do not have specific provisions regarding significant events of default, subjective acceleration clauses, or termination events with finance-related consequences.

Each property owner within the District has been assessed an annual assessment for repayment of the bonds. Owners may prepay their assessment in full or in part at any time. In case of default, the Town has the responsibility to cover delinquencies of special assessments with other sources until foreclosure proceeds are received. During fiscal year 2022, the Town was not required to cover any delinquencies. The Town has pledged special assessment revenues from assessments levied on property owners within the District to repay the refunding bonds. Annual principal and interest payments on the bonds are estimated to require all special assessment revenues. Total principal and interest remaining on the bonds is \$12,366,749 payable through January 1, 2030.

G. Utility System Revenue Pledged Debt – Senior Parity Obligations

The Town has issued debt secured by a pledge of all of utility system Net Revenues. "Net revenues" is defined as all revenues from water and wastewater system activities, net of operation and maintenance costs. The Town's outstanding senior parity utility system revenue pledged debt obligations are as follows:

1. *WIFA Loan, 2022 Drinking Water (DW)*. In fiscal year 2022, the Town obtained a loan authorization of up to \$45.519 million from the Water Infrastructure Finance Authority of Arizona (WIFA) to construct various water system infrastructure projects. The loan includes \$1.013 million in forgivable principal. By June 30, 2022, the Town had drawn down \$75,000 of the forgivable principal, and the Town expects to draw down the remaining loan authorization amount during fiscal years 2023 and 2024.
2. *WIFA Loan, 2022 Clean Water (CW)*. In fiscal year 2022, the Town obtained a loan authorization of up to \$10.098 million from the Water Infrastructure Finance Authority of Arizona (WIFA) to construct various wastewater system infrastructure projects. By June 30, 2022, the Town had drawn down \$75,000 of the loan authorization, and the Town expects to draw down the remaining loan authorization amount during fiscal year 2023.
3. *Senior Lien Utility System Revenue Refunding Obligations, Series 2022 (Direct-Placement Debt)*. In fiscal year 2022, the Town obtained a \$21.478 million loan from Bank of America to refund the Town's 2008 WIFA Loan that was used to purchase of the Queen Creek Water Company and improvements to the infrastructure acquired.
4. *WIFA Loan, 2022 Drinking Water (DW)*. In fiscal year 2022, the Town obtained a loan of \$8.239 million from the Water Infrastructure Finance Authority of Arizona (WIFA) to purchase 4,162 acre-feet of NIA priority CAP water from the Central Arizona Water Conservation District.
5. *WIFA Loan, 2021 Drinking Water (DW)*. In fiscal year 2021, the Town obtained a loan authorization of up to \$13.25 million from the Water Infrastructure Finance Authority of Arizona (WIFA) to acquire Diversified Water Utilities, Inc., and install an interconnection to its water system. The loan includes \$442,500 in forgivable principal. By June 30, 2022, the Town had drawn down \$11.113 million of the loan authorization, and the Town expects to draw down the remaining \$2.137 million in fiscal year 2023.

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6. *WIFA Loan, 2020 Drinking Water (DW)*. In fiscal year 2020, the Town obtained a loan authorization of up to \$57.981 million from the Water Infrastructure Finance Authority of Arizona (WIFA). By June 30, 2020, the Town had drawn down \$56.856 million of the loan authorization to redeem the Series 2019 and Series 2020 Subordinate Lien Excise Tax and State-Shared Revenue Obligations and to pay for 1,486 acre-feet of groundwater extinguishment credits (GWECs). In August 2020, the Town drew down an additional \$1.087 million of loan proceeds to purchase 3,881 acre-feet of GWECs, bringing the total loan amount to \$57.943 million. The Town does not expect to use the remaining \$38,195 of loan authorization.
7. *WIFA Loan, 2020 Clean Water (CW)*. In fiscal year 2020, the Town obtained an \$8.6 million loan from WIFA to fund a water exchange agreement with Trilogy Encanterra Construction LLC wherein the Town receives perpetual rights to receive up to 3 million gallons per day of reclaimed water and permanent facilities to recharge surface water, reclaimed water, or other effluent.
8. *WIFA Loan, 2014*. In fiscal year 2014, the Town obtained a \$16 million loan from WIFA to finance a portion of the purchase price of the H2O Water Company.

The following table presents the Town's senior parity utility system revenue pledged debt service requirements relative to utility system net revenues for the fiscal year:

Debt Issue	Debt Service, FY 2022			Remaining Principal and	Maturity Date
	Principal	Interest	Total	Interest to Maturity	
WIFA Loan, 2022 DW	\$ -	\$ -	\$ -	\$ 68,257,531	7/1/2052
WIFA Loan, 2022 CW	-	-	-	15,487,543	7/1/2052
WIFA Loan, 2022 DW	-	75,483	75,483	10,538,131	7/1/2051
WIFA Loan, 2021 DW	-	189,110	189,110	16,576,584	7/1/2050
WIFA Loan, 2020 DW	1,431,868	1,121,177	2,553,045	73,740,973	7/1/2050
WIFA Loan, 2020 CW	212,521	166,408	378,929	10,944,799	7/1/2050
WIFA Loan, 2014	364,388	368,412	732,800	16,006,038	7/1/2043
WIFA Loan, 2008	21,819,447	729,126	22,548,573	-	7/1/2038
<i>Direct-Placement Debt:</i>					
Senior Lien Utility System Revenue Refunding Obligations, Series 2022	-	-	-	26,766,090	7/1/2038
Total Debt Service, FY 2022	\$ 23,828,224	\$ 2,649,716	\$ 26,477,940	\$ 144,034,484	
Total Utility System Net Revenues, FY 2022	\$ 25,507,263				

H. Water System Revenue Pledged Debt – Subordinate Lien Water System Revenue Obligations, Series 2013 (Direct Placement Debts).

The remaining balance of the purchase price for the H2O Water Company in 2013 was financed through issuance of a \$19,425,093 direct-placement subordinate lien tax-exempt revenue obligation to the former owners of the H2O Water Company. The obligations are secured by a pledge of net revenues from the Town's water system that is subordinate to the pledge of net revenues on the Town's senior parity obligations. "Net revenues" for the subordinate lien obligations are defined as all revenues from water system activities only (excluding wastewater activities), net of operation and maintenance costs. The purchase agreement requires the Town to maintain net revenues at least equal to 1.2 times debt service coverage on the senior and subordinate lien obligations combined and 1.0 times debt service coverage on the subordinate lien obligations alone. The obligations carry an interest rate of 8.0% and are not subject to early redemption. Total debt service on the obligations for fiscal year 2022 was \$1,802,615, and net revenues from the water system were \$14,497,080. Total principal and interest remaining on the

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obligations is \$39,142,412 payable through May 1, 2043. The obligations do not have specific provisions regarding significant events of default, subjective acceleration clauses, or termination events with finance-related consequences.

I. Debt Capacity – Arizona Constitutional Limit

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, parks and open space, transportation and public safety purposes may not exceed 20% of a municipality's net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a municipality's net assessed valuation. The Town of Queen Creek has no outstanding general obligation debt.

The Town of Queen Creek's net valuation at June 30, 2022 is \$683,060,807. This includes both Maricopa County and Pinal County assessed values. The Town's constitutional debt limit is calculated as follows:

20% Debt Margin Limit	\$ 136,612,161
Bonded Debt Outstanding	<u>-</u>
Unused 20% Limitation Borrowing Capacity	\$ 136,612,161
6% Debt Margin Limit	\$ 40,983,648
Bonded Debt Outstanding	<u>-</u>
Unused 6% Limitation Borrowing Capacity	\$ 40,983,648

NOTE 10. NET POSITION AND FUND BALANCES

A. Net Position

Net Position is the difference between assets/deferred outflows and liabilities/deferred inflows on the government-wide and proprietary fund statements. The purposes of restricted net position are noted on the face of the government-wide and proprietary fund financial statements.

B. Fund Balance Classifications of Governmental Funds

The Town has classified its fund balances as follows:

	Fund Balances							Total
	General Fund	Construction Sales Tax Fund	Drainage and Transportation Fund	General Capital Improvement Fund	Improvement		Nonmajor Governmental Funds	
					District Debt Service Fund	Debt Service Fund		
Nonspendable:								
Prepaid Items	\$ 516,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 516,157
Prepaid Supplies	662,982	-	133,711	-	-	-	252,994	1,049,687
Advances to Other Funds	3,992,110	-	-	-	-	-	-	3,992,110
Total Nonspendable	5,171,249	-	133,711	-	-	-	252,994	5,557,954
Restricted:								
Debt Service	-	-	-	-	560	-	-	560
Transportation and Town Facilities	-	-	31,109,765	142,914,023	-	-	58,904,734	232,928,522
Street Lighting Districts	-	-	-	-	-	-	220,862	220,862
Contractual Agreements	234,854	-	-	-	-	-	-	234,854
Housing Rehabilitation	-	-	-	-	-	-	81,230	81,230
Total Restricted	234,854	-	31,109,765	142,914,023	560	-	59,206,826	233,466,028
Committed:								
Pension Liabilities	42,275,146	-	-	-	-	-	-	42,275,146
Transportation and Town Facilities	-	11,769,328	-	-	-	-	2,078,863	13,848,191
Total Committed	42,275,146	11,769,328	-	-	-	-	2,078,863	56,123,337
Assigned:								
Debt Service	-	-	-	-	-	1,569	-	1,569
Transportation and Town Facilities	-	-	4,976,377	6,074,651	-	-	-	11,051,028
Total Committed	-	-	4,976,377	6,074,651	-	1,569	-	11,052,597
Unassigned	61,252,334	-	-	-	-	-	-	61,252,334
Total Fund Balance	\$ 108,933,583	\$ 11,769,328	\$ 36,219,853	\$ 148,988,674	\$ 560	\$ 1,569	\$ 61,538,683	\$ 367,452,250

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NOTE 11. RETIREMENT PLANS

A. Cost-Sharing and Agent Multiple Employer Pension Plans

The Town contributes to the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS) for firefighters and police. The plans are component units of the State of Arizona.

At June 30, 2022, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net Pension Assets	\$ 3,392,893	\$ -	\$ 3,392,893
Net Pension Liabilities	15,940,217	6,270,888	22,211,105
Deferred Outflows of Resources	10,369,358	2,029,047	12,398,405
Deferred Inflows of Resources	6,953,070	1,986,837	8,939,907
Pension Expense	2,808,650	395,124	3,203,774

The Town's accrued payroll and employee benefits includes \$91,587 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2022. Also, the Town reported \$4,840,176 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

B. Arizona State Retirement System

Plan Descriptions – Town employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB); and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

As previously stated, the Town has implemented the provisions of GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which amends and replaces previous guidance for reporting of other postemployment benefit plans. In evaluating the financial significance of the Town's OPEB plans, the Town determined the OPEB plan provided through ASRS is not financially significant to the Town, and therefore the plan is not presented.

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

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	Retirement	
	Initial Membership Date	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percentage per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits

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

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41% (12.22% for retirement and 0.19% for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 12.41% (12.01% for retirement, 0.21% for the health insurance premium benefit, and 0.19% for long-term disability) of the active members' annual covered payroll.

In addition, the Town was required by statute to contribute at the actuarially determined rate of 10.22% (10.13% for retirement and 0.09% for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the ASRS would typically fill. The Town's contributions to the pension plan for the year ended June 30, 2022, were \$2,670,293, and were paid 61% from the General Fund, 32% from major funds, and 7% from other funds.

Pension Liability – At June 30, 2022, the Town reported a liability of \$22,211,105 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2020 to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The Town's proportions measured as of June 30, 2021, was 0.16904%, which was an increase of 0.00706% from its proportion measured as of June 30, 2020.

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Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2022, the Town recognized pension expense for ASRS of \$3,374,270. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 338,588	\$ -
Changes of assumptions or other inputs	2,890,953	-
Net difference between projected and actual earnings on pension plan investments	-	7,037,260
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,286,926	-
Town contributions subsequent to the measurement date	2,670,293	-
	<u>\$ 7,186,760</u>	<u>\$ 7,037,260</u>

The \$2,670,293 reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2023	\$ 418,421
2024	(1,551,355)
2025	(2,425,093)

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

Actuarial Valuation Date	June 30, 2020
Actuarial Roll Forward Date	June 30, 2021
Actuarial Costs Method	Entry Age Normal
Discount Rate	7.0%
Projected Salary Increases	2.9 - 8.4%
Inflation	2.3%
Permanent Benefit Increase	Included
Mortality Rates	2017 SRA Scale U-MP

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Real Return Geometric Basis
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real Estate	20%	5.70%
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 7.0%, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate – The following table presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension liability	\$ 34,936,209	\$ 22,211,105	\$ 11,601,890

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

C. Public Safety Personnel Retirement System (PSPRS)

Plan Descriptions – Town firefighters who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan. The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and an agent and cost sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Firefighters who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the County’s financial statements.

Town police officers have a separate plan however, as the police department is new to the Town for fiscal year 2021 reports from PSPRS are not available. Any liabilities would be insignificant at this point given the small size of the startup staff for the police department. The Town has been following the contribution rates prescribed by PSPRS and has continued to receive all policing services from the County Sheriff’s office and will continue to do so until the expected switch is made in January 2022.

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The PSPRS issues a publicly available financial report that include their financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

As previously stated, the Town has implemented the provisions of GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which amends and replaces previous guidance for reporting of other postemployment benefit plans. In evaluating the financial significance of the Town’s OPEB plans, the Town determined the OPEB plan provided through PSPRS is not financially significant to the Town, and therefore the plan is not presented.

Benefits Provided — The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date		
	Before January 1, 2012	On or After January 1, 2012 and Before July 1, 2017	On or After July 1, 2017
Retirement and Disability			
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5	15 or more years of service, age 55 15 years of credited service, age 52.5*
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of the last 20 years	Highest 60 consecutive months of the last 15 years
Benefit percentage			
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater		
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor Benefit			
Retired Members	80-100% of retired member's pension benefit		
Active Members	80-100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

* With actuarially reduced benefits.

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

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the agent pension plans’ benefit terms:

	PSPRS Firefighters	PSPRS Police
Inactive Employees or Beneficiaries		
Currently Receiving Benefits	2	0
Inactive Employees Entitled to but not yet Receiving Benefits	2	0
Active Employees	50	5
Total	<u>54</u>	<u>5</u>

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Contributions and Annual OPEB Cost – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	PSPRS Firefighters	PSPRS Police
Active Member Contributions:		
Tier One Members	7.65%	7.65%
Tier Two Members	7.65%	11.65%
Tier Three Members	9.94%	9.94%
Town Contributions		
Pension	9.18% - 15.54%	9.97% - 30.68%

The Town’s contribution to the pension plan for the year ended June 30, 2022 was \$2,169,883. 100% of which was paid from the Emergency Services Fund. As discussed in the Management Discussion and Analysis, the Emergency Services Fund is included in the Town’s General fund for financial reporting.

Pension Liability – At June 30, 2022, the Town reported the following net pension asset:

	Net Pension Asset
PSPRS Firefighters	\$ 3,317,404
PSPRS Police	75,489
Total	\$ 3,392,893

The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.3%
Wage Inflation	3.5%
Price Inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality Rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2021, valuation were based on results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.30% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Public Equity	24%	4.08%
International Public Equity	16%	5.20%
Global Private Equity	20%	7.67%
Other Assets (Capital Apprecia	7%	5.43%
Core Bonds	2%	0.42%
Private Credit	20%	5.74%
Diversifying Strategies	10%	3.39%
Cash - Mellon	1%	-0.31%
Total	100%	

Pension Discount Rates – At June 30, 2021, the discount rate was used to measure the total pension liability was 7.3%. The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Agent Plans’ Net Pension Liability – The following table presents changes in the Town’s net pension liability for the PSPRS – Fire plan is as follows:

PSPRS - Firefighters	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance beginning of the year	\$ 15,046,406	\$ 13,294,434	1,751,972
Changes for the Year:			
Service Cost	1,091,569	-	1,091,569
Interest on the Total Pension Liability	1,173,040	-	1,173,040
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	339,123	-	339,123
Contributions - Employer	-	3,106,861	(3,106,861)
Contributions - Employee	-	500,208	(500,208)
Net Investment Income	-	4,084,854	(4,084,854)
Benefit Payments, Including Refunds of Employee Contributions	(137,855)	(137,855)	-
Administrative Expenses	-	(18,815)	18,815
Net Changes	2,465,877	7,535,253	(5,069,376)
Balance end of the year	<u>\$ 17,512,283</u>	<u>\$ 20,829,687</u>	<u>\$ (3,317,404)</u>

Changes in the Agent Plans’ Net Pension Liability – The following table presents changes in the Town’s net pension liability for the PSPRS – Police plan is as follows:

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

PSPRS - Police	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance beginning of the year	\$ -	\$ -	-
Changes for the Year:			
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	158,344	-	158,344
Contributions - Employer	-	180,585	(180,585)
Contributions - Employee	-	6,080	(6,080)
Net Investment Income	-	47,363	(47,363)
Administrative Expenses	-	(195)	195
Net Changes	<u>158,344</u>	<u>233,833</u>	<u>(75,489)</u>
Balance end of the year	<u>\$ 158,344</u>	<u>\$ 233,833</u>	<u>\$ (75,489)</u>

Sensitivity of the Town's Net Pension Liability to Changes in the Discount Rate – The following table presents the Town's net pension liability (asset) calculated using the discount rate of 7.3%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
PSPRS Firefighters			
Net Pension Liability (Asset)	\$ 151,525	\$ (3,317,404)	\$ (6,091,866)
PSPRS Police			
Net Pension Liability (Asset)	\$ (46,654)	\$ (75,489)	\$ (233,833)

Pension Plan Fiduciary Net Position – Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Pension Expense – For the year ended June 30, 2022, the Town recognized the following pension expense:

	Pension Expense
PSPRS Firefighters	\$ 11,100
PSPRS Police	<u>\$ (181,596)</u>
Total	\$ (170,496)

Pension Deferred Outflows/Inflows of Resources – At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Firefighters	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,367,449	\$ 7,708
Changes of assumptions or other inputs	535,762	-
Net difference between projected and actual earnings on pension plan investments	-	1,862,495
Town contributions subsequent to the measurement date	<u>1,047,818</u>	<u>-</u>
	<u>\$ 3,951,029</u>	<u>\$ 1,870,203</u>

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 138,551	\$ -
Net difference between projected and actual earnings on pension plan investments	-	32,444
Town contributions subsequent to the measurement date	1,122,065	-
	\$ 1,260,616	\$ 32,444

The \$1,047,818 for Firefighters and \$1,122,065 for police reported as deferred outflows of resources related to PSPRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	PSPRS Firefighters	PSPRS Police
2023	\$ (103,828)	\$ 11,682
2024	(113,143)	11,682
2025	(151,536)	11,682
2026	(298,916)	11,682
2027	298,768	19,793
Thereafter	1,401,663	39,586

NOTE 12. TAX ABATEMENTS

The Town has entered into agreements that include the abatement of Government Property Lease Excise Tax (GPLET). As of June 30, 2022, two lease agreements exist for the abatement of property taxes. These agreements were entered into pursuant to the following:

- Arizona Revised Statutes (A.R.S.) 9-500.05 provides the Town the authority to enter into development agreements.
- A.R.S. 9-500.11 allows the Town to spend public monies for economic development activities providing assistance in the creation or retention of jobs or otherwise improving the economic welfare of Town inhabitants.
- A.R.S. 42-6209 allows the Town to abate Government Property Lease Excise Tax (GPLET) for up to 8 years after the certificate of occupancy is issued for the lease of property within the Town's central business district.

The Town's agreements abate the GPLET for eight years. For each of these agreements, the property was temporarily given to the Town and leased back by each tenant for a period of eight years, after which time the property will be returned to the tenant. Only properties within the Town's established Central Business District are eligible for this abatement program. These lease arrangements were part of a larger development agreement, the goal of which was to attract private investment and foster job creation. These agreements have abated taxes to the extent that the Town is not collecting any property taxes during the eight-year period.

For the year ended June 30, 2022, the Town abated \$47,644 in property taxes as a result of the GPLET abatement agreements.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 13. REGIONAL PARTNERSHIPS

A. Joint Venture

The Town participates in a joint water reclamation plant with the City of Mesa and the Town of Gilbert. The water reclamation plant began operations in fiscal year 2007. Mesa acts as the lead agency and is responsible for planning, budgeting, construction, operation and maintenance of the plant. Mesa, Gilbert and the Town participate in the ownership of the plant and are financially responsible for operating expenses based on gallons of flow. The Town's investment in the joint venture at June 30, 2022 was \$30,220,866 and is recorded as an asset in the Town's Wastewater Fund. The Town does not anticipate significant changes that would result in a financial burden or benefit. The joint venture does not issue separate financial statements.

B. Jointly Governed Organizations

Phoenix-Mesa Gateway Airport Authority (PMGAA) is a non-profit corporation established and funded by the Towns of Queen Creek and Gilbert, the Cities of Mesa and Phoenix, and the Gila River Indian Community. The purpose of the entity is the redevelopment of Williams Air Force Base, which was closed in September 1993 and became Phoenix-Mesa Gateway Airport. The airport has three runways and a passenger terminal, and is positioned to be a reliever airport to Phoenix's Sky Harbor International Airport. The Board of Directors consists of the mayors of the respective communities and the governor of the tribal community. The Town contributed \$130,000 to PMGAA in fiscal year 2022.

The Regional Public Transportation Authority (RPTA) is a voluntary association of local governments, including Maricopa County, Mesa, Tempe, Scottsdale, Glendale, Phoenix, Gilbert, and Queen Creek. Its purpose is to create a regional public transportation plan for Maricopa County. The Board of Directors consists of the mayors of those municipalities and a member of the County Board of Supervisors.

C. Intergovernmental Agreements (IGAs) for Construction and System Improvements

Frontier Family Park Detention Basin. The Town has an IGA with the Flood Control District of Maricopa County (FCDMC) wherein the District has agreed to fund half of the costs of construction of a Detention Basin at the Frontier Family Park. FCDMC's contribution to the project is estimated to be \$3.5 million of the \$7.0 million total project costs.

Signal Butte Road. The Town has an IGA with the City of Mesa wherein the Town agreed to fund the costs of construction of Signal Butte Road from Germann Road to the future State Road 24 intersection. Mesa will manage the design and construction of the project through completion. The agreement includes a provision for the Town to loan up to \$12 million to the City of Mesa with \$5.5 million for North Signal Butte Improvements and \$7.0 for South Signal Butte Improvements. Mesa secured a separate source of funding for the \$5.0 million needed for the North Signal Butte Improvements and the Town has sent Mesa \$5.5 million for the North Signal Butte Improvements. Mesa has agreed to reimburse the Town by December 31, 2030 up to \$7.0 million. The Town used proceeds from the Series 2020 excise tax and state-shared revenue bonds to finance the payments to Mesa. This project is currently in process and may require additional funding from the Town prior to completion, which is expected to be by the end of 2023.

Meridian Road (from Combs Road to Germann Road). The Town has an IGA with Pinal County wherein the County has agreed to fund 50% of the cost of design and construction of Meridian Road improvements from Combs Road to Germann Road. The County's estimated contribution is \$3.8 million. Construction of the improvements are expected to be finished by mid 2023.

Meridian Road (from Queen Creek Road to Germann Road). The Town has an IGA with Pinal County wherein the County has agreed to fund 50% of the cost of design and construction of Meridian Road improvements from Queen Creek Road to Germann Road. The County's estimated contribution is \$8.0 million. Construction of the improvements is expected to be finished by mid 2023.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Meridian Road (from Germann Road to State Route 24). The Town has an IGA with Pinal County wherein the County has agreed to fund 50% of the cost of design and construction of Meridian Road improvements from Germann Road to the future State Road 24 intersection. The County's estimated contribution is \$6.5 million. Construction of the improvements is expected to be finished by mid 2023.

Ocotillo Road (from Signal Butte to Ironwood). The Town has an IGA with Maricopa County wherein the County has agreed to pay \$1.0 million towards these road improvements.

Chandler Heights Road. The Town has an IGA with Maricopa County and the Town of Gilbert wherein the Town has agreed to design and construct improvements to Chandler Heights Road from Recker Road to Power Road. The County and Gilbert have agreed to fund 100% of the costs of the \$5.7 million project, which is expected to be finished by mid 2023.

Traffic Signal Improvements. The Town has entered into an IGA with the State of Arizona, Department of Transportation (ADOT) in order to upgrade the Town's existing traffic signal detection equipment and software. ADOT will act as the Town's agent for the project and secure Federal Funds totaling \$1.5 million of the estimated \$1.7 million total project costs. This project was finished at the end of FY 22 other than some remaining training on the use of the system.

Queen Creek Wash Trail. The Town has entered into an IGA with the State of Arizona, Department of Transportation (ADOT) for the construction of a multi-use pathway along the Queen Creek Wash. ADOT will act as the Town's agent for the project and secure Federal Funds totaling \$768,152 of the estimated \$1.3 million total project costs. This project has not yet been started.

NOTE 14. RISK MANAGEMENT AND CONTINGENT LIABILITIES

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town carries commercial insurance for certain risks of loss including potential worker-related accidents.

The Town's insurance protection is provided by a private carrier (Arizona Municipal Risk Retention Pool), of which the Town is a participating member. The limit for basic coverage is for \$1,000,000 per occurrence on a claims-made basis. Excess coverage is for an additional \$8,000,000 per occurrence on a follow form, claims-made basis. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the Pool to meet its expected financial obligations. The Pool has the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet the Pool's obligations.

B. Contingent Liabilities

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's legal counsel, the Town has some exposure to loss; however, the Town is vigorously defending these claims and any loss or dollar value of the loss is not determinable.

TOWN OF QUEEN CREEK, ARIZONA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 15. SUBSEQUENT EVENTS

A. EPCOR Customer Service Area Swap

On June 1, 2022, Town Council approved a Utilities Services Exchange Agreement between the Town of Queen Creek, AZ and EPCOR Water Arizona, Inc. EPCOR approved and signed the agreement on August 11, 2022. Under the Agreement, the Town will receive from EPCOR approximately 6,241 current and future customers who are Queen Creek residents and businesses which are currently within Queen Creek's water service area and EPCOR's wastewater service area. EPCOR will receive from the Town approximately 9,841 future customers who are currently within Queen Creek's water service area or are future wastewater customers to whom Queen Creek has provided a "will serve" letter. To effectuate the exchange of service areas under the Exchange Agreement, EPCOR filed an Application with the Arizona Corporation Commission ("ACC") to approve: (1) deletion of EPCOR's Certificate of Convenience and Necessity (CCN) for the wastewater service areas to be served by Queen Creek; and (2) extend EPCOR's CC&N to certain areas currently in the Town's water and wastewater service areas. The ACC does not have jurisdiction over the Town's municipal utility services; the Town is not a party to the ACC proceedings and only participates as necessary in the ACC process to support EPCOR's Application. On September 20, 2022 the Arizona Corporation Commission held a hearing on EPCOR's Application. EPCOR and the Town are waiting for a recommended Opinion and Order ("ROO") to be issued (and possibly amended), after which the ROO will be presented to the ACC Commissioners for consideration, modification and/or approval.

B. Archer Meadows Mainline Agreements Retirement

When the Town acquired the Diversified water company last fiscal year, the Town assumed Diversified's mainline agreements. One of these agreements, with Meritage Homes of Arizona, Inc., provided for a total reimbursement of \$6.4 million of developer-completed water improvements payable from 20% of the annual net revenues the Town receives from customers within the Archer Meadows development. The total payoff period was estimated to be over 70 years. On September 7, 2022, the Town entered into an agreement with Meritage Homes of Arizona, Inc. to pay off the outstanding liability of the Archer Meadows Line Extension Agreement for a discounted amount of \$878,000.

C. Land Purchase for Park

On July 26, 2022, the Town purchased 76.5 acres of land for \$23 million as an area for development of a future park in accordance with its Parks Master Plan. The Town used funding from the *Excise Tax and State-Shared Revenue Bonds, Series 2022*, a \$24 million bank loan that was issued during the current fiscal year to pay for this purchase.

D. WIFA Financing for Colorado River Surface Water Rights

On September 21, 2022, Town Council approved an application with the Water Infrastructure Finance Authority (WIFA) to seek financing of approximately \$27 million to be paid over 30 years at an estimated interest rate of 3.25%. The Town is seeking the loan to fund a purchase agreement between the Town and GSC Farm, LLC to transfer up to 2,088 AF of Colorado River surface water rights. The Town expects the application to be approved and the loan to be finalized by January 2023.

E. Modification of Loan Drawdown Schedule

In November 2022, at the request of U.S. Bank, the Town and U.S. Bank agreed to modify the drawdown schedule of the Town's loan for utility infrastructure projects. The original agreement called for required draws every three months; however, the rate of spending on these infrastructure projects has been slower than expected and therefore has not matched the draw schedule. The Town and U.S. Bank agreed to forgo the \$7.875 million draw that would have been required on December 8, 2022, and the Town will resume its regularly scheduled draws beginning on March 8, 2023. The Town will remain obligated to draw down the full loan amount of \$85 million by December 8, 2023, as required by the original loan agreement. No other terms of the agreement were modified.

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REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
COST SHARING PENSION PLANS
JUNE 30, 2022**

Arizona State Retirement System

	Reporting Year (Measurement Date)		
	2022 (2021)	2021 (2020)	2020 (2019)
Town's Proportion of the Net Pension Liability	0.169040%	0.161980%	0.149770%
Town's Proportionate Share of the Net Pension Liability	\$ 22,211,105	\$ 28,065,497	\$ 21,793,278
Town's Covered Payroll	19,060,515	15,809,849	15,825,893
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	116.53%	177.52%	137.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.58%	69.33%	73.24%

See Notes to Pension Schedules, Required Supplementary Information.

Reporting Year
(Measurement Date)

2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
0.142370%	0.135270%	0.126160%	0.118690%	0.097621%
\$ 19,855,605	\$ 21,072,429	\$ 20,363,491	\$ 18,487,672	\$ 14,444,571
13,843,824	12,555,709	11,783,167	10,732,389	9,043,494
143.43%	167.83%	172.82%	172.26%	159.72%
73.40%	69.92%	67.06%	68.35%	69.49%

**TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2022**

PSPRS Fire

	Reporting Year (Measurement Date)		
	2022	2021	2020
	(2021)	(2020)	(2019)
Total Pension Liability			
Service Cost	\$ 1,091,569	\$ 996,494	\$ 1,012,408
Interest on the Total Pension Liability	1,173,040	937,489	783,592
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	339,123	1,334,175	321,036
Changes of Assumptions or Other Inputs	-	-	285,948
Benefit Payments, Including Refunds of Employee Contributions	(137,855)	(135,152)	(132,502)
Net Change in Total Pension Liability	2,465,877	3,133,006	2,270,482
Total Pension Liability - Beginning	15,046,406	11,913,400	9,642,918
Total Pension Liability - Ending (a)	17,512,283	15,046,406	11,913,400
Plan Fiduciary Net Position			
Contributions - Employer	3,106,861	1,635,722	778,481
Contributions - Employee	500,208	460,110	474,279
Net Investment Income	4,084,854	152,446	556,726
Benefit Payments, Including Refunds of Employee Contributions	(137,855)	(135,152)	(132,502)
Hall/Parker Settlement	-	-	-
Administrative Expenses	(18,815)	(50,794)	(10,665)
Other Changes	-	4,239	(1,111)
Net Change in Plan Fiduciary Net Position	7,535,253	2,066,571	1,665,208
Plan Fiduciary Net Position - Beginning	13,294,434	11,227,863	9,562,655
Plan Fiduciary Net Position - Ending (b)	20,829,687	13,294,434	11,227,863
Town's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (3,317,404)	\$ 1,751,972	\$ 685,537
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	118.94%	88.36%	94.25%
Covered Payroll	\$ 5,425,383	\$ 4,858,290	\$ 4,464,356
Town's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-61.15%	36.06%	15.36%

See Notes to Pension Schedules, Required Supplementary Information.

Note: The Town started a Police Department in FY 22 and as a result there is no pension information available prior to this time.

Reporting Year (Measurement Date)				
2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
\$ 834,829	\$ 751,557	\$ 445,706	\$ 392,089	\$ 353,480
640,918	510,514	393,828	341,882	235,479
-	64,957	606,223	-	12,393
(10,396)	509,418	37,328	67,556	685,945
-	106,791	320,534	-	176,038
<u>(132,132)</u>	<u>(129,228)</u>	<u>(203,984)</u>	<u>(129,228)</u>	<u>(125,141)</u>
1,333,219	1,814,009	1,599,635	672,299	1,338,194
8,309,699	6,495,690	4,896,055	4,223,756	2,885,562
<u>9,642,918</u>	<u>8,309,699</u>	<u>6,495,690</u>	<u>4,896,055</u>	<u>4,223,756</u>
1,763,985	785,199	752,649	1,807,100	318,427
342,056	342,598	284,138	264,558	275,273
560,374	727,913	30,764	110,386	291,024
(132,132)	(129,228)	(203,984)	(129,228)	(125,141)
(364,237)	-	-	-	-
(9,229)	(6,841)	(4,827)	(3,085)	-
83	(50,230)	160,155	(60,116)	38,612
<u>2,160,900</u>	<u>1,669,411</u>	<u>1,018,895</u>	<u>1,989,615</u>	<u>798,195</u>
<u>7,401,755</u>	<u>5,732,344</u>	<u>4,713,449</u>	<u>2,723,834</u>	<u>1,925,639</u>
<u>9,562,655</u>	<u>7,401,755</u>	<u>5,732,344</u>	<u>4,713,449</u>	<u>2,723,834</u>
<u>\$ 80,263</u>	<u>\$ 907,944</u>	<u>\$ 763,346</u>	<u>\$ 182,606</u>	<u>\$ 1,499,922</u>
99.17%	89.07%	88.25%	96.27%	64.49%
\$ 3,838,295	\$ 3,455,435	\$ 2,447,591	\$ 2,354,769	\$ 2,129,345
2.09%	26.28%	31.19%	7.75%	70.44%

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**TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2022**

PSPRS Police

	Reporting Year (Measurement Date)
	2022 (2021)
Total Pension Liability	
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	\$ 158,344
Net Change in Total Pension Liability	158,344
Total Pension Liability - Beginning	-
Total Pension Liability - Ending (a)	158,344
Plan Fiduciary Net Position	
Contributions - Employer	180,585
Contributions - Employee	6,080
Net Investment Income	47,363
Administrative Expenses	(195)
Net Change in Plan Fiduciary Net Position	233,833
Plan Fiduciary Net Position - Beginning	-
Plan Fiduciary Net Position - Ending (b)	233,833
Town's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (75,489)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	147.67%
Covered Payroll	\$ 463,540
Town's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-16.29%

See Notes to Pension Schedules, Required Supplementary Information.

Note: The Town started a Police Department in FY 22 and as a result there is no pension information available prior to this time.

**TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2022**

Arizona State Retirement System

	Reporting Fiscal Year		
	2022	2021	2020
Statutorily Required Contribution	\$ 2,674,293	\$ 2,199,552	\$ 2,018,030
Town's Contribution in Relation to the Statutorily Required Contribution	2,674,293	2,199,552	2,018,030
Town's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 21,610,468	\$ 19,060,515	\$ 15,809,849
Town's Contributions as a Percentage of Covered Payroll	12.37%	11.54%	12.76%

PSPRS Fire

	Reporting Fiscal Year		
	2022	2021	2020
Actuarially Determined Contribution	\$ 958,025	\$ 835,571	\$ 773,803
Town's Contribution in Relation to the Actuarially Determined Contribution	1,047,818	2,587,543	1,473,803
Town's Contribution Deficiency (Excess)	<u>\$ (89,793)</u>	<u>\$ (1,751,972)</u>	<u>\$ (700,000)</u>
Town's Covered Payroll	\$ 7,904,115	\$ 6,731,582	\$ 4,858,290
Town's Contributions as a Percentage of Covered Payroll	13.26%	38.44%	30.34%

PSPRS Police

	Reporting Fiscal Year		
	2022		
Actuarially Determined Contribution	\$ 648,546		
Town's Contribution in Relation to the Actuarially Determined Contribution	1,122,065		
Town's Contribution Deficiency (Excess)	<u>\$ (473,519)</u>		
Town's Covered Payroll	\$ 5,014,544		
Town's Contributions as a Percentage of Covered Payroll	22.38%		

See Notes to Pension Schedules, Required Supplementary Information.

Note: The Town started a Police Department in FY 22 and as a result there is no pension information available prior to this time.

Reporting Fiscal Year

2019	2018	2017	2016	2015	2014
\$ 1,754,889	\$ 1,535,419	\$ 1,422,375	\$ 1,281,699	\$ 1,144,335	\$ 1,013,052
<u>1,754,889</u>	<u>1,535,419</u>	<u>1,422,375</u>	<u>1,281,699</u>	<u>1,144,335</u>	<u>1,013,052</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,825,893	\$ 13,843,824	\$ 12,555,709	\$ 11,783,167	\$ 10,732,389	\$ 9,043,494
11.09%	11.09%	11.33%	10.88%	10.66%	11.20%

Reporting Fiscal Year

2019	2018	2017	2016	2015	2014
\$ 769,406	\$ 727,892	\$ 400,644	\$ 446,372	\$ 322,368	\$ 318,427
<u>1,096,454</u>	<u>1,385,632</u>	<u>785,199</u>	<u>752,649</u>	<u>1,807,100</u>	<u>318,427</u>
<u>\$ (327,048)</u>	<u>\$ (657,740)</u>	<u>\$ (384,555)</u>	<u>\$ (306,277)</u>	<u>\$ (1,484,732)</u>	<u>\$ -</u>
\$ 4,464,356	\$ 3,838,295	\$ 3,455,435	\$ 2,447,591	\$ 2,354,769	\$ 2,129,345
24.56%	36.10%	22.72%	30.75%	76.74%	14.95%

**TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION SCHEDULES
YEAR ENDED JUNE 30, 2022**

NOTE 1. ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial Cost Method	Entry age normal
Amortization Level	PSPRS members with initial membership date before July 1, 2017: Level percent-of-pay, closed PSPRS members with initial membership date on or after July 1, 2017: Level dollar closed
Remaining Amortization Period as of the 2019 Actuarial Valuation	PSPRS members with initial membership date before July 1, 2017: 17 years PSPRS members with initial membership date on or after July 1, 2017: 10 years
Asset Valuation Method	PSPRS members with initial membership date before July 1, 2017: 7-year smoothed market; 80%/120% market corridor PSPRS members with initial membership date on or after July 1, 2017: 5 year smoothed market value; 80%/120% market corridor
Actuarial Assumptions:	
Investment Rate of Return	PSPRS Members with initial membership date before July 1, 2017: In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. PSPRS Members with initial membership on or after July 1, 2017: 7%
Projected Salary Increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5-7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5%.
Wage Growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION SCHEDULES
YEAR ENDED JUNE 30, 2022

NOTE 2. INFORMATION PRIOR TO MEASUREMENT DATE

Information prior to the measurement date of June 30, 2013 was not available. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, requires the Town to present ten years of pension information as required supplementary information. However, until a full ten years of trend data is compiled, the Town will present information for only those years for which information is available.

NOTE 3. FACTORS THAT AFFECT THE IDENTIFICATION OF TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates.

These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Local Sales Tax	\$ 35,849,303	\$ 46,977,875	\$ 50,676,607	\$ 3,698,732
Intergovernmental	14,393,500	15,147,963	16,027,350	879,387
Licenses, Permits and Fees	7,953,100	10,990,500	11,854,605	864,105
Charges for Services	2,293,709	2,293,709	2,684,588	390,879
Investment Income	200,000	200,000	436,597	236,597
Miscellaneous	103,500	103,500	475,679	372,179
Total Revenues	<u>60,793,112</u>	<u>75,713,547</u>	<u>82,155,426</u>	<u>6,441,879</u>
EXPENDITURES				
Current:				
Mayor and Town Council	444,052	444,052	380,553	63,499
Town Manager	1,141,580	1,198,280	1,142,091	56,189
Town Clerk and Legal Services	849,121	988,371	917,035	71,336
Finance	3,308,469	2,994,062	2,750,215	243,847
Economic Development	1,115,287	1,111,163	1,078,591	32,572
Communications, Marketing and Recreation Services	2,389,350	2,434,150	2,428,106	6,044
Workforce and Technology	5,741,668	6,445,935	5,796,251	649,684
Development Services	3,691,598	4,133,307	3,992,504	140,803
Public Works	9,799,601	12,017,646	9,798,564	2,219,082
Centralized Services/Contingency	6,051,050	3,833,249	2,883,755	949,494
Total Expenditures	<u>34,531,776</u>	<u>35,600,215</u>	<u>31,167,665</u>	<u>4,432,550</u>
Excess (Deficiency) of Revenues Over Expenditures	26,261,336	40,113,332	50,987,761	10,874,429
OTHER FINANCING SOURCES (USES)				
Transfers In	-	82,615	80,558	2,057
Transfers Out	<u>(26,149,899)</u>	<u>(32,649,899)</u>	<u>(30,564,497)</u>	<u>2,085,402</u>
Total Other Financing Sources (Uses)	<u>(26,149,899)</u>	<u>(32,567,284)</u>	<u>(30,483,939)</u>	<u>2,087,459</u>
Net Change in Fund Balances	<u>\$ 111,437</u>	<u>\$ 7,546,048</u>	<u>\$ 20,503,822</u>	<u>\$ 12,961,888</u>

See Notes to Budgetary Comparison Schedule, Required Supplementary Information

TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
CONSTRUCTION SALES TAX FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Local Sales Tax	\$ 7,520,485	\$ 14,776,000	\$ 15,607,714	\$ 831,714
Investment Income	-	-	18	18
Total Revenues	7,520,485	14,776,000	15,607,732	831,732
EXPENDITURES				
Current:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	7,520,485	14,776,000	15,607,732	831,732
OTHER FINANCING SOURCES (USES)				
Transfers Out	(8,556,566)	(8,556,566)	(8,111,793)	444,773
Total Other Financing Sources (Uses)	(8,556,566)	(8,556,566)	(8,111,793)	444,773
Net Change in Fund Balances	\$ (1,036,081)	\$ 6,219,434	\$ 7,495,939	\$ 1,276,505

See Notes to Budgetary Comparison Schedule, Required Supplementary Information

**TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2022**

NOTE 1. BASIS OF ACCOUNTING

The adopted budget of the Town is prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America with the following exceptions:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the Town's General Fund in addition to the Town's Emergency Services and HPEC Funds which, while separately budgeted, do not meet the requirement under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for separate presentation. The budgetary comparison schedules for these separate budget funds are presented on pages 132 through 133. The activity from these funds represents a reconciling item between the fund statements and the General Fund budgetary-basis comparison schedule.
- 2) Departmental support costs are charged to the Town's departments for information technology, communications and marketing, finance, budget, human resources, legal and administrative costs incurred in the General Fund for each department. These revenues and expenditures are recognized on a budgetary basis but are eliminated for financial statement reporting, representing a reconciling item.
- 3) Intrafund activity between the General Fund and those funds which are consolidated is eliminated on a consolidated basis for financial reporting and represents a reconciling item between the fund statement and budgetary schedule.
- 4) Unrealized gains (losses) on investments and accrued payroll expenditures that will be paid in the next fiscal period are GAAP adjustments not included in the Town's General Fund Budgetary-basis comparison schedule. Interfund loan transfers are eliminated on a GAAP basis, but represent a resource on a budgetary basis and are added back to the Town's General Fund Budgetary-basis comparison schedule.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the Town's General Fund for budgetary purposes.

	Total Revenues	Total Expenditures	Other Financing Sources and Uses	Fund Balance Beginning of Year	Fund Balance End of Year
Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 97,658,698	\$ (64,264,404)	\$ (14,875,880)	\$ 90,415,169	\$ 108,933,583
Other Funds Included in General Fund - Budgeted as Special Revenue Funds:					
Emergency Services Fund	(23,294,197)	34,094,504	(10,858,868)	(178,603)	(237,164)
Horseshoe Park and Equestrian Center	(1,122,193)	2,169,347	(1,030,541)	(5,410)	11,203
Interdepartmental Support Revenue	5,241,143	(1,727,527)	(3,513,616)	-	-
GAAP Adjustments	3,671,975	(1,439,585)	(205,034)	1,273,996	3,301,352
Budgetary Comparison Schedule - General Fund	<u>\$ 82,155,426</u>	<u>\$ (31,167,665)</u>	<u>\$ (30,483,939)</u>	<u>\$ 91,505,152</u>	<u>\$ 112,008,974</u>

**TOWN OF QUEEN CREEK, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2022**

NOTE 2. BUDGETARY INFORMATION

The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget to the Town Council for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- 2) Public hearings are conducted to obtain taxpayer comment.
- 3) Prior to the third Monday in August, the expenditure limitation for the Town is legally enacted through passage of an ordinance. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the state each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited basic financial statements to total expenditures for reporting in accordance with the state's uniform expenditure reporting system (A.R.S. §41-1279.07).
- 4) Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management and legal purposes, the Town Council adopts a budget by department for the General Fund and in total for other funds. The Town Manager may at any time transfer any unencumbered appropriation balance or portion thereof between a department or activity.
- 5) Formal budgetary integration is employed as a management control device during the year for the funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.
- 6) The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. The law does not permit the Town to spend more than budgeted revenues plus the carryover unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

The Town did not adopt an annual budget for the Housing Rehab Fund. Accordingly, no budgetary comparison schedule is presented for this fund.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Highway Users Revenue Fund (HURF) – accounts for the Town’s share of state taxes on gasoline, diesel fuels, and other transportation related fees to be used solely for street and highway purposes.

Local Transportation Assistance Fund (LTAF) – accounts for the activity of the Town’s lottery proceeds.

Town Center Fund – accounts for land use and economic development of the Town center.

Street Lighting District Fund – accounts for the operation of street lighting in specific areas. Funding is provided by property taxes on the benefited property owners.

Housing Rehab Fund – accounts for housing rehabilitation assistance monies.

Community Events Fund – accounts for donations and contributions for specific community events.

Grants Fund – accounts for Federal funds received by the Town that were distributed as a result of COVID-19.

CAPITAL PROJECTS FUNDS

Town Building Development Fund – accounts for the revenues and expenditures of impact fees received by the Town for acquisition and construction of new Town buildings.

Transportation Development Fund – accounts for the revenues and expenditures of impact fees received by the Town for the acquisition and construction of transportation infrastructure.

Library Development Fund – accounts for the revenues and expenditures of impact fees received by the Town for the acquisition and construction of new library infrastructure.

Park Development Fund – accounts for the revenues and expenditures of impact fees received by the Town for acquisition and construction of parks.

Public Safety Development Fund – accounts for the revenues and expenditures of impact fees received by the Town for the acquisition and construction of new public safety infrastructure.

Fire Development Fund – accounts for the revenues and expenditures of impact fees received by the Town for acquisition and construction of new fire and emergency.

**TOWN OF QUEEN CREEK, ARIZONA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and Investments	\$ 9,114,020	\$ 57,333,907	\$ 66,447,927
Restricted Cash and Investments	-	3,379,488	3,379,488
Receivables:			
Taxes Receivable	187,530	-	187,530
Intergovernmental Receivable	830,866	-	830,866
Leases Receivable	4,601	-	4,601
Prepaid Supplies	252,994	-	252,994
Total Assets	<u>\$ 10,390,011</u>	<u>\$ 60,713,395</u>	<u>\$ 71,103,406</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 454,161	\$ -	\$ 454,161
Accrued Wages and Benefits	30,414	-	30,414
Unearned Revenues	4,843,393	-	4,843,393
Advances from Other Funds	-	3,992,110	3,992,110
Total Liabilities	<u>5,327,968</u>	<u>3,992,110</u>	<u>9,320,078</u>
Deferred Inflows of Resources:			
Unavailable Revenues	240,044	-	240,044
Lease Related	4,601	-	4,601
Total Deferred Inflows of Resources	<u>244,645</u>	<u>-</u>	<u>244,645</u>
Fund Balances:			
Nonspendable	252,994	-	252,994
Restricted	2,485,541	56,721,285	59,206,826
Committed	2,078,863	-	2,078,863
Total Fund Balances	<u>4,817,398</u>	<u>56,721,285</u>	<u>61,538,683</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,390,011</u>	<u>\$ 60,713,395</u>	<u>\$ 71,103,406</u>

**TOWN OF QUEEN CREEK, ARIZONA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds	Capital Project Funds	Totals
REVENUES			
Local Sales Tax	\$ 1,623,051	\$ -	\$ 1,623,051
Intergovernmental	6,535,962	-	6,535,962
Special Assessments	17,866	-	17,866
Charges for Services	94,219	-	94,219
Contributions	114,620	-	114,620
Impact Fees	-	19,847,010	19,847,010
Investment Income	11,988	176,351	188,339
Miscellaneous	29,986	-	29,986
Total Revenues	<u>8,427,692</u>	<u>20,023,361</u>	<u>28,451,053</u>
EXPENDITURES			
Current:			
General Government	-	3,592	3,592
Public Safety	-	14,366	14,366
Highways and Streets	4,858,169	10,775	4,868,944
Culture and Recreation	197,272	14,367	211,639
Economic Development	41,347	-	41,347
Capital Outlay	1,083,584	-	1,083,584
Total Expenditures	<u>6,180,372</u>	<u>43,100</u>	<u>6,223,472</u>
Excess (Deficiency) of Revenues Over Expenditures	2,247,320	19,980,261	22,227,581
OTHER FINANCING SOURCES (USES)			
Transfers Out	(674,823)	(14,657,254)	(15,332,077)
Total Other Financing Sources (Uses)	<u>(674,823)</u>	<u>(14,657,254)</u>	<u>(15,332,077)</u>
Net Change in Fund Balances	1,572,497	5,323,007	6,895,504
FUND BALANCES			
Beginning of Year	3,244,901	51,398,278	54,643,179
End of Year	<u>\$ 4,817,398</u>	<u>\$ 56,721,285</u>	<u>\$ 61,538,683</u>

TOWN OF QUEEN CREEK, ARIZONA
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Highway Users Revenue	Local	
		Transportation Assistance	Town Center
ASSETS			
Cash and Investments	\$ 2,057,213	\$ -	\$ 1,923,276
Receivables:			
Taxes Receivable	-	-	187,115
Intergovernmental Receivable	830,866	-	-
Leases Receivable	-	-	4,601
Prepaid Supplies	252,994	-	-
Total Assets	<u>\$ 3,141,073</u>	<u>\$ -</u>	<u>\$ 2,114,992</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 434,476	\$ -	\$ 4,028
Accrued Wages and Benefits	30,414	-	-
Unearned Revenues	-	-	27,500
Total Liabilities	<u>464,890</u>	<u>-</u>	<u>31,528</u>
Deferred Inflows of Resources:			
Unavailable Revenues	239,740	-	-
Lease Related	-	-	4,601
Total Deferred Inflows of Resources	<u>239,740</u>	<u>-</u>	<u>4,601</u>
Fund Balances:			
Nonspendable	252,994	-	-
Restricted	2,183,449	-	-
Committed	-	-	2,078,863
Total Fund Balances	<u>2,436,443</u>	<u>-</u>	<u>2,078,863</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,141,073</u>	<u>\$ -</u>	<u>\$ 2,114,992</u>

Street Lighting Districts	Housing Rehab	Community Events	Grants	Totals
\$ 236,408	\$ 81,230	\$ -	\$ 4,815,893	\$ 9,114,020
415	-	-	-	187,530
-	-	-	-	830,866
-	-	-	-	4,601
-	-	-	-	252,994
<u>\$ 236,823</u>	<u>\$ 81,230</u>	<u>\$ -</u>	<u>\$ 4,815,893</u>	<u>\$ 10,390,011</u>
\$ 15,657	\$ -	\$ -	\$ -	\$ 454,161
-	-	-	-	30,414
-	-	-	4,815,893	4,843,393
<u>15,657</u>	<u>-</u>	<u>-</u>	<u>4,815,893</u>	<u>5,327,968</u>
304	-	-	-	240,044
-	-	-	-	4,601
<u>304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,645</u>
-	-	-	-	252,994
220,862	81,230	-	-	2,485,541
-	-	-	-	2,078,863
<u>220,862</u>	<u>81,230</u>	<u>-</u>	<u>-</u>	<u>4,817,398</u>
<u>\$ 236,823</u>	<u>\$ 81,230</u>	<u>\$ -</u>	<u>\$ 4,815,893</u>	<u>\$ 10,390,011</u>

TOWN OF QUEEN CREEK, ARIZONA
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Highway Users Revenue	Local Transportation Assistance	Town Center
REVENUES			
Local Sales Tax	\$ -	\$ -	\$ 1,623,051
Intergovernmental	6,535,962	-	-
Special Assessments	-	-	-
Charges for Services	-	-	94,219
Contributions	-	-	-
Investment Income	5,579	-	5,042
Miscellaneous	28,730	-	1,256
Total Revenues	<u>6,570,271</u>	<u>-</u>	<u>1,723,568</u>
EXPENDITURES			
Current:			
Highways and Streets	4,314,713	356,532	-
Culture and Recreation	-	-	-
Economic Development	-	-	41,347
Capital Outlay	584,479	-	499,105
Total Expenditures	<u>4,899,192</u>	<u>356,532</u>	<u>540,452</u>
Excess (Deficiency) of Revenues Over Expenditures	1,671,079	(356,532)	1,183,116
OTHER FINANCING SOURCES (USES)			
Transfers Out	(262,790)	-	(331,475)
Total Other Financing Sources (Uses)	<u>(262,790)</u>	<u>-</u>	<u>(331,475)</u>
Net Change in Fund Balances	1,408,289	(356,532)	851,641
FUND BALANCES			
Beginning of Year	1,028,154	356,532	1,227,222
End of Year	<u>\$ 2,436,443</u>	<u>\$ -</u>	<u>\$ 2,078,863</u>

Street Lighting Districts	Housing Rehab	Community Events	Grants	Totals
\$ -	\$ -	\$ -	\$ -	\$ 1,623,051
-	-	-	-	6,535,962
17,866	-	-	-	17,866
-	-	-	-	94,219
-	-	114,620	-	114,620
1,082	285	-	-	11,988
-	-	-	-	29,986
<u>18,948</u>	<u>285</u>	<u>114,620</u>	<u>-</u>	<u>8,427,692</u>
186,924	-	-	-	4,858,169
-	-	197,272	-	197,272
-	-	-	-	41,347
-	-	-	-	1,083,584
<u>186,924</u>	<u>-</u>	<u>197,272</u>	<u>-</u>	<u>6,180,372</u>
(167,976)	285	(82,652)	-	2,247,320
-	-	(80,558)	-	(674,823)
-	-	(80,558)	-	(674,823)
(167,976)	285	(163,210)	-	1,572,497
<u>388,838</u>	<u>80,945</u>	<u>163,210</u>	<u>-</u>	<u>3,244,901</u>
<u>\$ 220,862</u>	<u>\$ 81,230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,817,398</u>

**TOWN OF QUEEN CREEK, ARIZONA
NONMAJOR CAPITAL PROJECTS GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Town Building Development	Transportation Development	Library Development
ASSETS			
Cash and Investments	\$ 2,797,598	\$ 15,722,290	\$ 2,263,340
Restricted Cash and Investments	-	-	-
Total Assets	<u>\$ 2,797,598</u>	<u>\$ 15,722,290</u>	<u>\$ 2,263,340</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Advances from Other Funds	\$ -	\$ 472,145	\$ -
Total Liabilities	-	472,145	-
Deferred Inflows of Resources:			
Total Deferred Inflows of Resources	-	-	-
Fund Balances:			
Restricted	2,797,598	15,250,145	2,263,340
Total Fund Balances	<u>2,797,598</u>	<u>15,250,145</u>	<u>2,263,340</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,797,598</u>	<u>\$ 15,722,290</u>	<u>\$ 2,263,340</u>

<u>Park Development</u>	<u>Public Safety Development</u>	<u>Fire Development</u>	<u>Totals</u>
\$ 29,363,725	\$ 1,056,948	\$ 6,130,006	\$ 57,333,907
-	-	3,379,488	3,379,488
<u>\$ 29,363,725</u>	<u>\$ 1,056,948</u>	<u>\$ 9,509,494</u>	<u>\$ 60,713,395</u>
\$ 3,519,965	\$ -	\$ -	\$ 3,992,110
3,519,965	-	-	3,992,110
-	-	-	-
25,843,760	1,056,948	9,509,494	56,721,285
<u>25,843,760</u>	<u>1,056,948</u>	<u>9,509,494</u>	<u>56,721,285</u>
<u>\$ 29,363,725</u>	<u>\$ 1,056,948</u>	<u>\$ 9,509,494</u>	<u>\$ 60,713,395</u>

TOWN OF QUEEN CREEK, ARIZONA
NONMAJOR CAPITAL PROJECTS GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Town Building Development	Transportation Development	Library Development
REVENUES			
Impact Fees	\$ 186,583	\$ 6,077,914	\$ 427,443
Investment Income	10,223	48,436	7,698
Total Revenues	<u>196,806</u>	<u>6,126,350</u>	<u>435,141</u>
EXPENDITURES			
Current:			
General Government	3,592	-	-
Public Safety	-	-	-
Highways and Streets	-	10,775	-
Culture and Recreation	-	-	3,592
Total Expenditures	<u>3,592</u>	<u>10,775</u>	<u>3,592</u>
Excess (Deficiency) of Revenues Over Expenditures	193,214	6,115,575	431,549
OTHER FINANCING SOURCES (USES)			
Transfers Out	(287,723)	(4,931,922)	(232,115)
Total Other Financing Sources (Uses)	<u>(287,723)</u>	<u>(4,931,922)</u>	<u>(232,115)</u>
Net Change in Fund Balances	(94,509)	1,183,653	199,434
FUND BALANCES			
Beginning of Year	2,892,107	14,066,492	2,063,906
End of Year	<u>\$ 2,797,598</u>	<u>\$ 15,250,145</u>	<u>\$ 2,263,340</u>

Park Development	Public Safety Development	Fire Development	Totals
\$ 8,159,227	\$ 1,756,920	\$ 3,238,923	\$ 19,847,010
83,652	3,113	23,229	176,351
<u>8,242,879</u>	<u>1,760,033</u>	<u>3,262,152</u>	<u>20,023,361</u>
-	-	-	3,592
-	7,183	7,183	14,366
-	-	-	10,775
10,775	-	-	14,367
<u>10,775</u>	<u>7,183</u>	<u>7,183</u>	<u>43,100</u>
8,232,104	1,752,850	3,254,969	19,980,261
(2,216,724)	(1,334,495)	(5,654,275)	(14,657,254)
<u>(2,216,724)</u>	<u>(1,334,495)</u>	<u>(5,654,275)</u>	<u>(14,657,254)</u>
6,015,380	418,355	(2,399,306)	5,323,007
19,828,380	638,593	11,908,800	51,398,278
<u>\$ 25,843,760</u>	<u>\$ 1,056,948</u>	<u>\$ 9,509,494</u>	<u>\$ 56,721,285</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
DRAINAGE AND TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 14,438,253	\$ -	\$ -	\$ -
Contributions	-	200,000	200,000	-
Investment Income	150,000	150,000	40,028	(109,972)
Miscellaneous	12,500,000	-	-	-
Total Revenues	<u>27,088,253</u>	<u>350,000</u>	<u>240,028</u>	<u>(109,972)</u>
EXPENDITURES				
Current:				
Highways and Streets	1,478,899	2,943,385	2,035,134	908,251
Capital Outlay	130,190,915	141,140,753	44,490,823	96,649,930
Total Expenditures	<u>131,669,814</u>	<u>144,084,138</u>	<u>46,525,957</u>	<u>97,558,181</u>
Excess (Deficiency) of Revenues Over Expenditures	(104,581,561)	(143,734,138)	(46,285,929)	97,448,209
OTHER FINANCING SOURCES (USES)				
Transfers In	22,947,290	23,322,812	14,311,224	(9,011,588)
Total Other Financing Sources (Uses)	<u>22,947,290</u>	<u>23,322,812</u>	<u>14,311,224</u>	<u>(9,011,588)</u>
Net Change in Fund Balances	<u>\$ (81,634,271)</u>	<u>\$ (120,411,326)</u>	<u>\$ (31,974,705)</u>	<u>\$ 88,436,621</u>
RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:				
Pension & Payroll Costs are Recognized when Incurred for GAAP, Paid for Budget			3,322	
Construction Retention is Recognized when Incurred for GAAP, Paid for Budget			(591,970)	
Prepaid Supplies are Recognized when Incurred for GAAP, Paid for Budget			133,711	
Accounts Payable amounts not accrued on a Budgetary Basis			1,515,675	
Net Change in Fund Balance - GAAP Basis			<u>\$ (30,913,967)</u>	

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL CAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 24,127	\$ 24,127	\$ -
Investment Income	-	-	6,992	6,992
Miscellaneous	2,500,000	-	-	-
Total Revenues	<u>2,500,000</u>	<u>24,127</u>	<u>31,119</u>	<u>6,992</u>
EXPENDITURES				
Capital Outlay	53,888,492	46,772,363	15,210,135	31,562,228
Debt Service:				
Debt Issuance Costs	-	765,843	765,843	-
Total Expenditures	<u>53,888,492</u>	<u>47,538,206</u>	<u>15,975,978</u>	<u>31,562,228</u>
Excess (Deficiency) of Revenues Over Expenditures	(51,388,492)	(47,514,079)	(15,944,859)	31,569,220
OTHER FINANCING SOURCES (USES)				
Transfers In	6,475,000	18,755,000	15,048,997	(3,706,003)
Proceeds from Bond Issuance	10,000,000	131,203,000	131,203,000	-
Premium on Bond Issuance	-	7,806,593	7,806,593	-
Total Other Financing Sources (Uses)	<u>16,475,000</u>	<u>157,764,593</u>	<u>154,058,590</u>	<u>(3,706,003)</u>
Net Change in Fund Balances	<u>\$ (34,913,492)</u>	<u>\$ 110,250,514</u>	<u>\$ 138,113,731</u>	<u>\$ 27,863,217</u>

RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:

Construction Retention is Recognized when Incurred for GAAP, Paid for Budget	252,204
Net Change in Fund Balance - GAAP Basis	<u>\$ 138,365,935</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
IMPROVEMENT DISTRICT DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Special Assessments	\$ 1,737,222	\$ 1,890,986	\$ 1,824,012	\$ (66,974)
Total Revenues	<u>1,737,222</u>	<u>1,890,986</u>	<u>1,824,012</u>	<u>(66,974)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	1,421,288	1,575,052	1,575,052	-
Interest on Long-Term Debt	315,934	315,934	296,639	19,295
Total Expenditures	<u>1,737,222</u>	<u>1,890,986</u>	<u>1,871,691</u>	<u>19,295</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,679)</u>	<u>\$ (47,679)</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Debt Service:				
Principal Retirement	\$ 4,985,000	\$ 4,985,000	\$ 4,985,000	\$ -
Interest on Long-Term Debt	8,070,651	8,070,651	8,068,700	1,951
Total Expenditures	<u>13,055,651</u>	<u>13,055,651</u>	<u>13,053,700</u>	<u>1,951</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (13,055,651)	 (13,055,651)	 (13,053,700)	 1,951
OTHER FINANCING SOURCES (USES)				
Transfers In	13,055,652	13,055,652	13,053,700	(1,952)
Total Other Financing Sources (Uses)	<u>13,055,652</u>	<u>13,055,652</u>	<u>13,053,700</u>	<u>(1,952)</u>
Net Change in Fund Balances	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
HIGHWAY USERS REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 7,523,700	\$ 6,878,600	\$ 6,535,962	\$ (342,638)
Investment Income	-	-	5,579	5,579
Miscellaneous	-	-	28,730	28,730
Total Revenues	<u>7,523,700</u>	<u>6,878,600</u>	<u>6,570,271</u>	<u>(308,329)</u>
EXPENDITURES				
Current:				
Highways and Streets	6,169,077	6,892,332	4,610,334	2,281,998
Capital Outlay	858,000	1,022,000	584,479	437,521
Total Expenditures	<u>7,027,077</u>	<u>7,914,332</u>	<u>5,194,813</u>	<u>2,719,519</u>
Excess (Deficiency) of Revenues Over Expenditures	496,623	(1,035,732)	1,375,458	2,411,190
OTHER FINANCING SOURCES (USES)				
Transfers Out	(262,790)	(262,790)	(262,790)	-
Total Other Financing Sources (Uses)	<u>(262,790)</u>	<u>(262,790)</u>	<u>(262,790)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 233,833</u>	<u>\$ (1,298,522)</u>	<u>\$ 1,112,668</u>	<u>\$ 2,411,190</u>

RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:

Pension & Payroll Costs are Recognized when Incurred for GAAP, Paid for Budget	42,627
Prepaid Supplies are Recognized when Incurred for GAAP, Paid for Budget	252,994
Net Change in Fund Balance - GAAP Basis	<u>\$ 1,408,289</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
LOCAL TRANSPORTATION ASSISTANCE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Highways and Streets	-	444,147	356,532	87,615
Total Expenditures	-	444,147	356,532	87,615
Net Change in Fund Balances	\$ -	\$ (444,147)	\$ (356,532)	\$ 87,615

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
TOWN CENTER FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Local Sales Tax	\$ 1,010,719	\$ 1,175,000	\$ 1,623,051	\$ 448,051
Charges for Services	101,426	101,426	94,219	(7,207)
Investment Income	-	-	5,042	5,042
Miscellaneous	-	-	1,256	1,256
Total Revenues	<u>1,112,145</u>	<u>1,276,426</u>	<u>1,723,568</u>	<u>447,142</u>
EXPENDITURES				
Current:				
Economic Development	57,400	100,700	41,025	59,675
Capital Outlay	910,000	867,362	499,105	368,257
Total Expenditures	<u>967,400</u>	<u>968,062</u>	<u>540,130</u>	<u>427,932</u>
Excess (Deficiency) of Revenues Over Expenditures	144,745	308,364	1,183,438	875,074
OTHER FINANCING SOURCES (USES)				
Transfers Out	(331,475)	(331,475)	(331,475)	-
Total Other Financing Sources (Uses)	<u>(331,475)</u>	<u>(331,475)</u>	<u>(331,475)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (186,730)</u>	<u>\$ (23,111)</u>	<u>\$ 851,963</u>	<u>\$ 875,074</u>

RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:

Prepaid Expenses are Recognized when Incurred for GAAP, Paid for Budget	(322)
Net Change in Fund Balance - GAAP Basis	<u>\$ 851,641</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
STREET LIGHTING DISTRICTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Special Assessments	\$ 43,720	\$ 43,720	\$ 17,866	\$ (25,854)
Investment Income	-	-	1,082	1,082
Total Revenues	<u>43,720</u>	<u>43,720</u>	<u>18,948</u>	<u>(24,772)</u>
EXPENDITURES				
Current:				
Highways and Streets	<u>199,360</u>	<u>199,360</u>	<u>186,924</u>	<u>12,436</u>
Total Expenditures	<u>199,360</u>	<u>199,360</u>	<u>186,924</u>	<u>12,436</u>
Net Change in Fund Balances	<u>\$ (155,640)</u>	<u>\$ (155,640)</u>	<u>\$ (167,976)</u>	<u>\$ (12,336)</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY EVENTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Contributions	\$ 75,000	\$ 125,600	\$ 114,620	\$ (10,980)
Total Revenues	75,000	125,600	114,620	(10,980)
EXPENDITURES				
Current:				
Culture and Recreation	165,000	215,600	197,272	18,328
Total Expenditures	165,000	215,600	197,272	18,328
Excess (Deficiency) of Revenues Over Expenditures	(90,000)	(90,000)	(82,652)	7,348
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(82,615)	(80,558)	2,057
Total Other Financing Sources (Uses)	-	(82,615)	(80,558)	2,057
Net Change in Fund Balances	\$ (90,000)	\$ (172,615)	\$ (163,210)	\$ 9,405

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
GRANTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,000,000	\$ 7,407,947	\$ 2,473,648	\$ (4,934,299)
Total Revenues	5,000,000	7,407,947	2,473,648	(4,934,299)
EXPENDITURES				
Current:				
Public Safety	17,000,000	5,388,006	65,701	5,322,305
Total Expenditures	17,000,000	5,388,006	65,701	5,322,305
Net Change in Fund Balances	<u>\$ (12,000,000)</u>	<u>\$ 2,019,941</u>	<u>\$ 2,407,947</u>	<u>\$ 388,006</u>

RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:

Grant Revenues are Unavailable until earned for GAAP	<u>(2,407,947)</u>
Net Change in Fund Balance - GAAP Basis	<u>\$ -</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
TOWN BUILDING DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Impact Fees	\$ 118,316	\$ 155,000	\$ 186,583	\$ 31,583
Investment Income	3,000	3,000	10,223	7,223
Total Revenues	<u>121,316</u>	<u>158,000</u>	<u>196,806</u>	<u>38,806</u>
EXPENDITURES				
Current:				
General Government	20,000	10,375	3,592	6,783
Total Expenditures	<u>20,000</u>	<u>10,375</u>	<u>3,592</u>	<u>6,783</u>
Excess (Deficiency) of Revenues Over Expenditures	101,316	147,625	193,214	45,589
OTHER FINANCING SOURCES (USES)				
Transfers Out	(287,723)	(287,723)	(287,723)	-
Total Other Financing Sources (Uses)	<u>(287,723)</u>	<u>(287,723)</u>	<u>(287,723)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (186,407)</u>	<u>\$ (140,098)</u>	<u>\$ (94,509)</u>	<u>\$ 45,589</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Impact Fees	\$ 3,921,888	\$ 4,813,656	\$ 6,077,914	\$ 1,264,258
Investment Income	5,000	5,000	48,436	43,436
Total Revenues	<u>3,926,888</u>	<u>4,818,656</u>	<u>6,126,350</u>	<u>1,307,694</u>
EXPENDITURES				
Current:				
Highways and Streets	125,000	148,625	10,775	137,850
Total Expenditures	<u>125,000</u>	<u>148,625</u>	<u>10,775</u>	<u>137,850</u>
Excess (Deficiency) of Revenues Over Expenditures	3,801,888	4,670,031	6,115,575	1,445,544
OTHER FINANCING SOURCES (USES)				
Transfers Out	(13,459,355)	(13,459,355)	(4,931,922)	8,527,433
Total Other Financing Sources (Uses)	<u>(13,459,355)</u>	<u>(13,459,355)</u>	<u>(4,931,922)</u>	<u>8,527,433</u>
Net Change in Fund Balances	<u>\$ (9,657,467)</u>	<u>\$ (8,789,324)</u>	<u>\$ 1,183,653</u>	<u>\$ 9,972,977</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Impact Fees	\$ 260,157	\$ 340,747	\$ 427,443	\$ 86,696
Investment Income	3,000	3,000	7,698	4,698
Total Revenues	263,157	343,747	435,141	91,394
EXPENDITURES				
Current:				
Culture and Recreation	20,000	10,375	3,592	6,783
Total Expenditures	20,000	10,375	3,592	6,783
Excess (Deficiency) of Revenues Over Expenditures	243,157	333,372	431,549	98,177
OTHER FINANCING SOURCES (USES)				
Transfers Out	(232,115)	(232,115)	(232,115)	-
Total Other Financing Sources (Uses)	(232,115)	(232,115)	(232,115)	-
Net Change in Fund Balances	\$ 11,042	\$ 101,257	\$ 199,434	\$ 98,177

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
PARK DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Impact Fees	\$ 4,967,809	\$ 6,506,840	\$ 8,159,227	\$ 1,652,387
Investment Income	143,740	143,740	83,652	(60,088)
Total Revenues	<u>5,111,549</u>	<u>6,650,580</u>	<u>8,242,879</u>	<u>1,592,299</u>
EXPENDITURES				
Current:				
Culture and Recreation	80,000	31,125	10,775	20,350
Total Expenditures	<u>80,000</u>	<u>31,125</u>	<u>10,775</u>	<u>20,350</u>
Excess (Deficiency) of Revenues Over Expenditures	5,031,549	6,619,455	8,232,104	1,612,649
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,507,543)	(5,507,543)	(2,216,724)	3,290,819
Total Other Financing Sources (Uses)	<u>(5,507,543)</u>	<u>(5,507,543)</u>	<u>(2,216,724)</u>	<u>3,290,819</u>
Net Change in Fund Balances	<u>\$ (475,994)</u>	<u>\$ 1,111,912</u>	<u>\$ 6,015,380</u>	<u>\$ 4,903,468</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC SAFETY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Impact Fees	\$ 1,054,861	\$ 1,378,563	\$ 1,756,920	\$ 378,357
Investment Income	-	-	3,113	3,113
Total Revenues	<u>1,054,861</u>	<u>1,378,563</u>	<u>1,760,033</u>	<u>381,470</u>
EXPENDITURES				
Current:				
Public Safety	40,000	20,750	7,183	13,567
Total Expenditures	<u>40,000</u>	<u>20,750</u>	<u>7,183</u>	<u>13,567</u>
Excess (Deficiency) of Revenues Over Expenditures	1,014,861	1,357,813	1,752,850	395,037
OTHER FINANCING SOURCES (USES)				
Transfers Out	(140,075)	(1,340,075)	(1,334,495)	5,580
Total Other Financing Sources (Uses)	<u>(140,075)</u>	<u>(1,340,075)</u>	<u>(1,334,495)</u>	<u>5,580</u>
Net Change in Fund Balances	<u>\$ 874,786</u>	<u>\$ 17,738</u>	<u>\$ 418,355</u>	<u>\$ 400,617</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
FIRE DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Impact Fees	\$ 1,959,010	\$ 2,553,268	\$ 3,238,923	\$ 685,655
Investment Income	5,000	5,000	23,229	18,229
Total Revenues	<u>1,964,010</u>	<u>2,558,268</u>	<u>3,262,152</u>	<u>703,884</u>
EXPENDITURES				
Current:				
Public Safety	40,000	20,750	7,183	13,567
Total Expenditures	<u>40,000</u>	<u>20,750</u>	<u>7,183</u>	<u>13,567</u>
Excess (Deficiency) of Revenues Over Expenditures	1,924,010	2,537,518	3,254,969	717,451
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,090,538)	(5,670,538)	(5,654,275)	16,263
Total Other Financing Sources (Uses)	<u>(1,090,538)</u>	<u>(5,670,538)</u>	<u>(5,654,275)</u>	<u>16,263</u>
Net Change in Fund Balances	<u>\$ 833,472</u>	<u>\$ (3,133,020)</u>	<u>\$ (2,399,306)</u>	<u>\$ 733,714</u>

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
EMERGENCY SERVICES FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Local Sales Tax	\$ 4,481,163	\$ 5,872,234	\$ 6,332,823	\$ 460,589
Property Tax	11,045,515	11,045,515	11,111,319	65,804
Intergovernmental	6,170,000	170,000	310,050	140,050
Charges for Services	5,000,160	5,000,160	5,244,631	244,471
Miscellaneous	160,000	160,000	295,374	135,374
Total Revenues	<u>26,856,838</u>	<u>22,247,909</u>	<u>23,294,197</u>	<u>1,046,288</u>
EXPENDITURES				
Current:				
Public Safety	31,960,700	34,560,060	32,353,187	2,206,873
Capital Outlay	1,109,293	5,208,104	1,741,317	3,466,787
Total Expenditures	<u>33,069,993</u>	<u>39,768,164</u>	<u>34,094,504</u>	<u>5,673,660</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,213,155)	(17,520,255)	(10,800,307)	6,719,948
OTHER FINANCING SOURCES (USES)				
Transfers In	14,006,645	14,006,645	12,583,059	(1,423,586)
Transfers Out	(1,752,950)	(1,752,950)	(1,724,191)	28,759
Total Other Financing Sources (Uses)	<u>12,253,695</u>	<u>12,253,695</u>	<u>10,858,868</u>	<u>(1,394,827)</u>
Net Change in Fund Balances	<u>\$ 6,040,540</u>	<u>\$ (5,266,560)</u>	<u>\$ 58,561</u>	<u>\$ 5,325,121</u>

The Emergency Services Fund is presented within the General Fund for the Fund Statements but is budgeted separately.

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
HORSESHOE PARK AND EQUESTRIAN CENTER FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 625,000	\$ 875,000	\$ 911,799	\$ 36,799
Contributions	25,000	63,000	163,390	100,390
Miscellaneous	-	-	47,004	47,004
Total Revenues	<u>650,000</u>	<u>938,000</u>	<u>1,122,193</u>	<u>184,193</u>
EXPENDITURES				
Current:				
Culture and Recreation	1,456,268	1,626,833	1,616,880	9,953
Capital Outlay	480,175	725,448	552,467	172,981
Total Expenditures	<u>1,936,443</u>	<u>2,352,281</u>	<u>2,169,347</u>	<u>182,934</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,286,443)	(1,414,281)	(1,047,154)	367,127
OTHER FINANCING SOURCES (USES)				
Transfers In	1,576,676	1,576,676	1,320,773	(255,903)
Transfers Out	(290,233)	(290,233)	(290,232)	1
Total Other Financing Sources (Uses)	<u>1,286,443</u>	<u>1,286,443</u>	<u>1,030,541</u>	<u>(255,902)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (127,838)</u>	<u>\$ (16,613)</u>	<u>\$ 111,225</u>

The HPEC Fund is presented within the General Fund for the Fund Statements but is budgeted separately.

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
WATER FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 32,008,581	\$ 32,008,581	\$ 29,290,967	\$ (2,717,614)
Capacity Fees	3,900,954	3,900,954	5,229,176	1,328,222
Intergovernmental	-	-	75,000	75,000
Investment Income	350,000	350,000	40,363	(309,637)
Miscellaneous	29,345	29,345	337,913	308,568
Total Revenues	<u>36,288,880</u>	<u>36,288,880</u>	<u>34,973,419</u>	<u>(1,315,461)</u>
EXPENDITURES				
Operating Expenditures				
Administration	761,217	761,217	744,203	17,014
Cost of Sales and Services	52,915,424	26,309,318	22,284,313	4,025,005
Capital Outlay	76,975,582	84,024,113	19,624,304	64,399,809
Principal Retirement	7,021,123	26,553,532	24,138,151	2,415,381
Interest and Fiscal Charges	4,236,129	5,981,041	4,315,583	1,665,458
Debt Issuance Costs	-	531,779	480,054	51,725
Total Expenditures	<u>141,909,475</u>	<u>144,161,000</u>	<u>71,586,608</u>	<u>72,574,392</u>
Excess (Deficiency) of Revenues Over Expenditures	(105,620,595)	(107,872,120)	(36,613,189)	71,258,931
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(230,600)	(230,600)	-
Proceeds from Bond Issuance	53,000,000	71,216,763	55,045,815	(16,170,948)
Total Other Financing Sources (Uses)	<u>53,000,000</u>	<u>70,986,163</u>	<u>54,815,215</u>	<u>(16,170,948)</u>
Net Change in Fund Balances	<u>\$ (52,620,595)</u>	<u>\$ (36,885,957)</u>	<u>\$ 18,202,026</u>	<u>\$ 55,087,983</u>
RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:				
Pension & Payroll Costs are Recognized when Incurred for GAAP, Paid for Budget			451,038	
Construction Retention is Recognized when Incurred for GAAP, Paid for Budget			(67,708)	
Prepaid Expenses are Recognized when Incurred for GAAP, Paid for Budget			183,562	
Prepaid Supplies are Recognized when Incurred for GAAP, Paid for Budget			1,234,907	
Depreciation Expense is a GAAP-only Expenditure			(4,467,599)	
Bond Proceeds are an Other Financing Source on a Budgetary Basis			(55,045,815)	
Principal Retirement is an Expense on a Budgetary Basis			24,138,151	
Lease Asset Ammortization Expense is a GAAP-only Expenditure			(1,683)	
Amortization Expense is a GAAP-only Expenditure			190,040	
Cost of Assets is Capitalized on a GAAP Basis, Expensed on a Budget Basis			18,892,636	
Capital Contributions are recognized for Donated Capital Assets on a GAAP Basis			4,823,453	
Mainline Agreement Refunds are an Expense on a Budgetary Basis			147,475	
Unrealized Gain (Loss) on Investments are GAAP-only Expenses			(5,399)	
Gain on Disposal of Capital Assets is Not Considered a Budgetary Resource			76,645	
Net Change in Fund Balance - GAAP Basis			<u>\$ 8,751,729</u>	

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
WASTEWATER FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 9,237,182	\$ 9,237,182	\$ 9,747,448	\$ 510,266
Capacity Fees	3,689,965	3,689,965	4,924,813	1,234,848
Investment Income	100,000	100,000	11,986	(88,014)
Miscellaneous	-	-	419,759	419,759
Total Revenues	<u>13,027,147</u>	<u>13,027,147</u>	<u>15,104,006</u>	<u>2,076,859</u>
EXPENDITURES				
Operating Expenditures				
Administration	115,748	125,748	121,952	3,796
Cost of Sales and Services	27,865,778	7,968,206	4,693,215	3,274,991
Capital Outlay	8,090,859	21,375,897	7,447,265	13,928,632
Principal Retirement	2,566,071	2,505,164	275,000	2,230,164
Interest and Fiscal Charges	113,350	174,257	174,257	-
Debt Issuance Costs	-	183,900	133,125	50,775
Total Expenditures	<u>38,751,806</u>	<u>32,333,172</u>	<u>12,844,814</u>	<u>19,488,358</u>
Excess (Deficiency) of Revenues Over Expenditures	(25,724,659)	(19,306,025)	2,259,192	21,565,217
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(144,922)	(144,922)	-
Proceeds from Bond Issuance	-	30,000,000	19,608,530	10,391,470
Total Other Financing Sources (Uses)	<u>-</u>	<u>29,855,078</u>	<u>19,463,608</u>	<u>10,391,470</u>
Net Change in Fund Balances	<u>\$ (25,724,659)</u>	<u>\$ 10,549,053</u>	<u>\$ 21,722,800</u>	<u>\$ 31,956,687</u>
RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:				
Pension & Payroll Costs are Recognized when Incurred for GAAP, Paid for Budget			52,483	
Construction Retention is Recognized when Incurred for GAAP, Paid for Budget			(19,436)	
Depreciation Expense is a GAAP-only Expenditure			(2,548,972)	
Bond Proceeds are an Other Financing Source on a Budgetary Basis			(19,608,530)	
Principal Retirement is an Expense on a Budgetary Basis			275,000	
Amortization Expense is a GAAP-only Expenditure			36,858	
Cost of Assets is Capitalized on a GAAP Basis, Expensed on a Budget Basis			7,319,849	
Capital Contributions are recognized for Donated Capital Assets on a GAAP Basis			3,003,913	
Changes in Joint Venture Investments and Deposits are GAAP-Only Expenditures			(2,079,451)	
Unrealized Gain (Loss) on Investments are GAAP-only Expenses			(97,532)	
Gain on Disposal of Capital Assets is Not Considered a Budgetary Resource			41,645	
Net Change in Fund Balance - GAAP Basis			<u>\$ 8,098,627</u>	

TOWN OF QUEEN CREEK, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
SOLID WASTE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 4,703,279	\$ 4,703,279	\$ 4,174,040	\$ (529,239)
Investment Income	5,100	5,100	5,872	772
Total Revenues	<u>4,708,379</u>	<u>4,708,379</u>	<u>4,179,912</u>	<u>(528,467)</u>
EXPENDITURES				
Operating Expenditures				
Administration	65,799	65,799	65,231	568
Cost of Sales and Services	4,580,849	4,659,328	3,893,043	766,285
Total Expenditures	<u>4,646,648</u>	<u>4,725,127</u>	<u>3,958,274</u>	<u>766,853</u>
Excess (Deficiency) of Revenues Over Expenditures	61,731	(16,748)	221,638	238,386
Net Change in Fund Balances	<u>\$ 61,731</u>	<u>\$ (16,748)</u>	<u>\$ 221,638</u>	<u>\$ 238,386</u>
RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS:				
Pension & Payroll Costs are Recognized when Incurred for GAAP, Paid for Budget			52,190	
Prepaid Expenses are Recognized when Incurred for GAAP, Paid for Budget			(65)	
Depreciation Expense is a GAAP-only Expenditure			(20,345)	
Net Change in Fund Balance - GAAP Basis			<u>\$ 253,418</u>	

STATISTICAL SECTION (UNAUDITED)

This section of the Town of Queen Creek, Arizona’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government’s most significant local revenue source, sales tax.

Debt Capacity

These schedules present information to help the reader assess affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

See the table of contents for page numbers of the schedules that encompass the above sections.

TOWN OF QUEEN CREEK, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2022	2021	2020	2019
Governmental Activities:				
Net Investment in Capital Assets	\$ 363,427,683	\$ 323,096,888	\$ 306,409,937	\$ 286,226,879
Restricted	87,876,069	62,872,940	41,723,929	37,960,524
Unrestricted	122,973,952	93,764,303	56,558,630	20,716,953
Total Governmental Activities	<u>122,973,952</u>	<u>93,764,303</u>	<u>56,558,630</u>	<u>20,716,953</u>
Net Position	<u>\$ 574,277,704</u>	<u>\$ 479,734,131</u>	<u>\$ 404,692,496</u>	<u>\$ 344,904,356</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 185,308,699	\$ 198,361,711	\$ 171,168,123	\$ 136,216,237
Restricted	2,205,006	59,244	1,077,537	1,396,218
Unrestricted	46,966,214	18,729,012	22,755,022	46,702,453
Total Business-Type Activities	<u>46,966,214</u>	<u>18,729,012</u>	<u>22,755,022</u>	<u>46,702,453</u>
Net Position	<u>\$ 234,479,919</u>	<u>\$ 217,149,967</u>	<u>\$ 195,000,682</u>	<u>\$ 184,314,908</u>
Primary Government:				
Net Investment in Capital Assets	\$ 548,736,382	\$ 521,458,599	\$ 477,578,060	\$ 422,443,116
Restricted	90,081,075	62,932,184	42,801,466	39,356,742
Unrestricted	169,940,166	112,493,315	79,313,652	67,419,406
Total Primary Government	<u>169,940,166</u>	<u>112,493,315</u>	<u>79,313,652</u>	<u>67,419,406</u>
Net Position	<u>\$ 808,757,623</u>	<u>\$ 696,884,098</u>	<u>\$ 599,693,178</u>	<u>\$ 529,219,264</u>

Source: The Town's Finance Department.

Fiscal Year

2018	2017	2016	2015	2014	2013
\$ 279,410,700	\$ 254,327,784	\$ 222,579,325	\$ 184,637,429	\$ 158,473,433	\$ 145,953,396
32,071,290	50,111,910	46,287,642	44,414,227	32,127,295	29,879,867
4,325,428	(13,393,669)	20,840,088	31,606,885	53,862,470	45,518,062
<u>\$ 315,807,418</u>	<u>\$ 291,046,025</u>	<u>\$ 289,707,055</u>	<u>\$ 260,658,541</u>	<u>\$ 244,463,198</u>	<u>\$ 221,351,325</u>
\$ 112,818,415	\$ 107,702,757	\$ 99,502,329	\$ 86,447,625	\$ 74,678,972	\$ 68,348,737
10,553,638	10,108,563	9,506,232	8,222,573	6,828,477	6,466,848
42,588,315	34,146,580	21,903,658	14,296,643	9,587,920	3,678,908
<u>\$ 165,960,368</u>	<u>\$ 151,957,900</u>	<u>\$ 130,912,219</u>	<u>\$ 108,966,841</u>	<u>\$ 91,095,369</u>	<u>\$ 78,494,493</u>
\$ 392,229,115	\$ 362,030,541	\$ 322,081,654	\$ 271,085,054	\$ 233,152,405	\$ 214,302,133
42,624,928	60,220,473	55,793,874	52,636,800	38,955,772	36,346,715
46,913,743	20,752,911	42,743,746	45,903,528	63,450,390	49,196,970
<u>\$ 481,767,786</u>	<u>\$ 443,003,925</u>	<u>\$ 420,619,274</u>	<u>\$ 369,625,382</u>	<u>\$ 335,558,567</u>	<u>\$ 299,845,818</u>

TOWN OF QUEEN CREEK, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2022	2021	2020	2019
EXPENSES				
Governmental Activities:				
General Government	\$ 20,388,951	\$ 19,132,253	\$ 18,753,898	\$ 15,999,204
Public Safety	29,175,388	22,265,636	19,146,704	15,949,495
Highways and Streets	25,265,179	21,264,036	18,877,008	17,800,283
Culture and Recreation	7,234,793	6,428,530	6,283,282	5,899,668
Economic Development	2,000,603	1,503,522	1,636,072	3,127,971
Interest on Long-Term Debt	4,018,538	7,223,334	5,302,492	5,231,600
Total Governmental Activities	<u>88,083,452</u>	<u>77,817,311</u>	<u>69,999,456</u>	<u>64,008,221</u>
Business-Type Activities:				
Water	28,007,330	26,131,375	30,765,746	21,581,128
Wastewater	8,961,967	7,895,586	8,217,565	5,783,358
Solid Waste	3,912,383	3,817,914	3,010,682	2,782,888
Total Business-Type Activities	<u>40,881,680</u>	<u>37,844,875</u>	<u>41,993,993</u>	<u>30,147,374</u>
 Total Primary Government Expenses	 <u>\$ 128,965,132</u>	 <u>\$115,662,186</u>	 <u>\$111,993,449</u>	 <u>\$ 94,155,595</u>
PROGRAM REVENUES				
Governmental Activities:				
Fines, Fees and Charges for Services:				
General Government	\$ 12,579,332	\$ 12,219,262	\$ 9,866,792	\$ 8,879,691
Public Safety	6,748,570	5,414,165	3,372,952	2,797,192
Highways and Streets	6,365,124	5,384,762	3,354,646	2,810,850
Culture and Recreation	9,703,332	8,859,268	7,711,162	6,566,884
Economic Development	-	-	-	-
Interest on Long-Term Debt	-	-	-	-
Operating Grants and Contributions	4,117,273	9,510,005	3,131,688	2,845,028
Capital Grants and Contributions	36,758,401	19,058,817	28,922,848	6,588,158
Total Governmental Activities	<u>76,272,032</u>	<u>60,446,279</u>	<u>56,360,088</u>	<u>30,487,803</u>
Program Revenues	<u>76,272,032</u>	<u>60,446,279</u>	<u>56,360,088</u>	<u>30,487,803</u>
Business-Type Activities:				
Charges for Services:				
Water	34,525,789	34,637,893	29,900,692	29,429,643
Wastewater	14,992,099	14,440,747	12,157,415	13,576,639
Solid Waste	4,174,040	3,906,600	3,249,630	2,949,858
Operating Grants and Contributions	99,920	107,275	-	-
Capital Grants and Contributions	7,931,963	9,224,262	9,840,990	3,526,444
Total Business-Type Activities	<u>61,723,811</u>	<u>62,316,777</u>	<u>55,148,727</u>	<u>49,482,584</u>
Program Revenues	<u>61,723,811</u>	<u>62,316,777</u>	<u>55,148,727</u>	<u>49,482,584</u>
 Total Primary Government	 <u>\$ 137,995,843</u>	 <u>\$122,763,056</u>	 <u>\$111,508,815</u>	 <u>\$ 79,970,387</u>
Program Revenues	<u>\$ 137,995,843</u>	<u>\$122,763,056</u>	<u>\$111,508,815</u>	<u>\$ 79,970,387</u>

Fiscal Year

2018	2017	2016	2015	2014	2013
\$ 13,916,548	\$ 10,919,733	\$ 13,493,976	\$ 12,601,960	\$ 10,560,748	\$ 9,401,213
15,442,454	14,142,386	12,032,441	10,185,703	9,286,805	8,002,986
16,239,980	14,425,928	13,201,760	11,148,019	9,453,285	8,960,506
5,048,854	5,515,631	4,682,823	3,738,132	3,157,249	2,851,292
4,890,477	27,824,042	1,115,722	4,371,932	1,024,067	827,230
5,121,081	2,562,461	3,899,852	4,225,223	4,401,608	4,615,538
<u>60,659,394</u>	<u>75,390,181</u>	<u>48,426,574</u>	<u>46,270,969</u>	<u>37,883,762</u>	<u>34,658,765</u>
17,076,663	15,343,717	14,181,944	13,954,702	9,536,903	6,354,536
6,617,605	6,874,000	6,680,369	5,049,099	5,668,932	5,668,879
2,366,783	2,220,496	2,002,405	1,772,165	1,602,901	1,450,544
<u>26,061,051</u>	<u>24,438,213</u>	<u>22,864,718</u>	<u>20,775,966</u>	<u>16,808,736</u>	<u>13,473,959</u>
<u>\$ 86,720,445</u>	<u>\$ 99,828,394</u>	<u>\$ 71,291,292</u>	<u>\$ 67,046,935</u>	<u>\$ 54,692,498</u>	<u>\$ 48,132,724</u>
\$ 2,957,789	\$ 1,547,398	\$ 2,411,717	\$ 1,677,331	\$ 3,640,706	\$ 3,142,042
1,027,248	940,888	999,854	707,776	1,081,831	1,055,263
1,844,575	1,636,979	1,724,924	1,433,770	548,688	562,990
5,850,006	5,771,742	5,526,053	4,186,177	4,742,607	4,224,982
4,840,790	4,273,410	4,513,393	3,796,650	3,257,299	2,922,436
437,077	1,035,713	943,515	1,079,951	-	-
2,733,724	2,775,472	2,105,900	2,119,240	1,602,019	1,472,370
9,150,396	10,885,524	18,373,422	21,423,446	14,385,675	14,794,654
<u>28,841,605</u>	<u>28,867,126</u>	<u>36,598,778</u>	<u>36,424,341</u>	<u>29,258,825</u>	<u>28,174,737</u>
27,051,829	25,303,198	23,690,390	20,222,869	15,256,028	10,630,175
11,628,862	11,078,023	10,914,249	8,851,008	8,157,240	6,906,017
2,626,079	2,415,192	2,138,537	2,000,008	1,854,726	1,601,759
-	-	-	-	-	-
2,221,177	6,882,565	8,710,353	10,776,216	4,272,051	3,802,082
<u>43,527,947</u>	<u>45,678,978</u>	<u>45,453,529</u>	<u>41,850,101</u>	<u>29,540,045</u>	<u>22,940,033</u>
<u>\$ 72,369,552</u>	<u>\$ 74,546,104</u>	<u>\$ 82,052,307</u>	<u>\$ 78,274,442</u>	<u>\$ 58,798,870</u>	<u>\$ 51,114,770</u>

TOWN OF QUEEN CREEK, ARIZONA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

(Concluded)	Fiscal Year			
	2022	2021	2020	2019
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (11,811,420)	\$ (17,371,032)	\$ (13,239,368)	\$ (33,520,418)
Business-Type Activities	20,842,131	24,471,902	13,154,734	19,335,210
Total Primary Government	\$ 9,030,711	\$ 7,100,870	\$ (84,634)	\$ (14,185,208)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities:				
Taxes:				
Sales Taxes	\$ 74,240,195	\$ 62,207,782	\$ 46,987,495	\$ 38,183,883
Property Taxes	11,081,885	9,909,455	8,326,110	7,055,258
Franchise Taxes	468,643	491,622	444,552	423,428
Unrestricted State Shared Revenue	18,754,450	15,892,593	11,773,273	10,423,150
Investment Income (Loss)	(2,883,010)	92,783	1,885,676	2,583,160
Other	803,693	629,618	703,906	1,809,497
Transfers	3,889,137	3,188,814	2,906,496	2,138,980
Total Governmental Activities	106,354,993	92,412,667	73,027,508	62,617,356
Business-Type Activities:				
Investment Income (Loss)	(44,713)	23,508	340,427	1,151,422
Other	302,671	829,189	64,609	6,888
Special Item	119,000	13,500	32,500	-
Transfers	(3,889,137)	(3,188,814)	(2,906,496)	(2,138,980)
Total Business-Type Activities	(3,512,179)	(2,322,617)	(2,468,960)	(980,670)
Total Primary Government	\$ 102,842,814	\$ 90,090,050	\$ 70,558,548	\$ 61,636,686
CHANGE IN NET POSITION				
Governmental Activities	\$ 94,543,573	\$ 75,041,635	\$ 59,788,140	\$ 29,096,938
Business-Type Activities	17,329,952	22,149,285	10,685,774	18,354,540
Total Primary Government	\$ 111,873,525	\$ 97,190,920	\$ 70,473,914	\$ 47,451,478

Source: The Town's Finance Department.

Fiscal Year

2018	2017	2016	2015	2014	2013
\$(31,817,789)	\$ (46,523,055)	\$(11,827,796)	\$ (9,846,628)	\$ (8,624,937)	\$ (6,484,028)
17,466,896	21,240,765	22,588,811	21,074,135	12,731,309	9,466,074
<u>\$(14,350,893)</u>	<u>\$ (25,282,290)</u>	<u>\$ 10,761,015</u>	<u>\$ 11,227,507</u>	<u>\$ 4,106,372</u>	<u>\$ 2,982,046</u>
\$ 32,799,385	\$ 30,415,947	\$ 24,561,503	\$ 22,190,271	\$ 18,483,484	\$ 16,037,178
8,271,627	7,356,026	6,658,829	5,635,853	5,037,568	4,236,341
388,870	320,847	307,992	284,474	253,553	214,938
9,331,762	8,781,117	6,589,267	6,628,715	6,179,114	5,754,960
619,633	141,113	538,899	1,062,323	1,050,810	(124,209)
1,026,070	442,080	1,431,199	388,111	257,237	156,801
4,141,835	404,895	788,621	343,140	475,044	1,534,530
<u>56,579,182</u>	<u>47,862,025</u>	<u>40,876,310</u>	<u>36,532,887</u>	<u>31,736,810</u>	<u>27,810,539</u>
633,607	164,111	115,188	287,100	344,611	(162,889)
43,800	45,700	-	-	-	-
(4,141,835)	(404,895)	(788,621)	(343,140)	(475,044)	(1,534,530)
<u>(3,464,428)</u>	<u>(195,084)</u>	<u>(673,433)</u>	<u>(56,040)</u>	<u>(130,433)</u>	<u>(1,697,419)</u>
<u>\$ 53,114,754</u>	<u>\$ 47,666,941</u>	<u>\$ 40,202,877</u>	<u>\$ 36,476,847</u>	<u>\$ 31,606,377</u>	<u>\$ 26,113,120</u>
\$ 24,761,393	\$ 1,338,970	\$ 29,048,514	\$ 26,686,259	\$ 23,111,873	\$ 21,326,511
14,002,468	21,045,681	21,915,378	21,018,095	12,600,876	7,768,655
<u>\$ 38,763,861</u>	<u>\$ 22,384,651</u>	<u>\$ 50,963,892</u>	<u>\$ 47,704,354</u>	<u>\$ 35,712,749</u>	<u>\$ 29,095,166</u>

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TOWN OF QUEEN CREEK, ARIZONA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>Fiscal Year</u>	<u>Sales Taxes</u>	<u>Property Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
2022	\$ 74,240,195	\$ 11,081,885	\$ 468,643	\$ 85,790,723
2021	62,207,782	9,909,455	491,622	72,608,859
2020	46,987,495	8,326,110	444,552	55,758,157
2019	38,183,884	7,055,258	423,428	45,662,570
2018	32,799,385	8,271,627	388,870	41,459,882
2017	30,415,947	7,356,026	320,847	38,092,820
2016	24,561,503	6,658,829	307,992	31,528,324
2015	22,190,271	5,635,853	284,474	28,110,598
2014	18,483,484	5,037,568	253,553	23,774,605
2013	16,037,178	4,236,341	214,938	20,488,457

Source: The Town's Finance Department.

TOWN OF QUEEN CREEK, ARIZONA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2022	2021	2020	2019
General Fund:				
Nonspendable	\$ 5,171,249	\$ 265,125	\$ 114,841	\$ 92,282
Restricted	234,854	903,250	208,133	208,072
Committed	42,275,146	45,744,017	23,937,043	23,959,663
Assigned	-	-	-	-
Unassigned	61,252,334	43,502,777	32,263,962	16,703,875
Total General Fund	<u>\$ 108,933,583</u>	<u>\$ 90,415,169</u>	<u>\$ 56,523,979</u>	<u>\$ 40,963,892</u>
All Other Governmental Funds:				
Nonspendable	\$ 386,705	\$ -	\$ -	\$ -
Restricted	233,231,174	123,997,037	127,644,300	53,668,532
Committed	13,848,191	5,500,611	867,346	-
Assigned	11,052,597	7,610,200	9,043,594	220,557
Unassigned	-	(384,913)	(411,446)	(10,998,234)
Total All Other Governmental Funds	<u>\$ 258,518,667</u>	<u>\$ 136,722,935</u>	<u>\$ 137,143,794</u>	<u>\$ 42,890,855</u>

Source: The Town's Finance Department.

Note 1: In fiscal year 2016 the Town implemented a change in accounting policy that reclassified fund balances between the General Fund and Nonmajor Governmental Funds.

Fiscal Year

2018	2017	2016	2015	2014	2013
\$ 70,271	\$ 20,240,348	\$ 1,996,768	\$ 2,096,210	\$ 3,716,570	\$ 3,156,355
-	-	-	12,020,476	8,127,060	5,606,558
22,318,008	-	-	-	-	-
-	-	-	-	-	-
14,168,695	5,555,029	17,737,107	20,293,603	23,025,977	15,848,094
<u>\$ 36,556,974</u>	<u>\$ 25,795,377</u>	<u>\$ 19,733,875</u>	<u>\$ 34,410,289</u>	<u>\$ 34,869,607</u>	<u>\$ 24,611,007</u>
\$ -	\$ 7,217	\$ 631,710	\$ 12,667	\$ 5,391	\$ -
69,474,824	31,715,129	27,177,973	11,958,461	2,725,995	2,265,391
242,657	-	10,543,822	14,366,075	22,134,004	21,366,332
7,064	-	-	732,223	658,917	618,654
(23,313,936)	(31,834,949)	(954,432)	-	-	-
<u>\$ 46,410,609</u>	<u>\$ (112,603)</u>	<u>\$ 37,399,073</u>	<u>\$ 27,069,426</u>	<u>\$ 25,524,307</u>	<u>\$ 24,250,377</u>

TOWN OF QUEEN CREEK, ARIZONA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2022	2021	2020	2019
REVENUES				
Taxes	\$ 85,351,514	\$ 72,089,502	\$ 55,332,460	\$ 45,206,273
Intergovernmental	22,963,190	27,144,571	19,688,006	13,798,781
Licenses and Permits	11,854,605	11,565,749	8,930,927	7,729,877
Charges for Services	2,823,407	2,471,804	2,226,496	2,425,371
Rents and Royalties	870,687	852,651	607,757	636,107
Contributions and Donations	478,010	940,903	472,655	767,492
Impact Fees	19,847,010	17,073,453	12,272,569	9,672,093
Special Assessments	1,841,878	1,838,518	2,278,171	2,112,746
Investment Income (Loss)	(3,065,703)	124,356	1,928,358	2,538,754
Other	848,043	613,266	686,663	2,264,382
Total Revenues	<u>143,812,641</u>	<u>134,714,773</u>	<u>104,424,062</u>	<u>87,151,876</u>
EXPENDITURES				
General Government	19,710,400	17,507,109	17,375,001	15,156,320
Public Safety	31,924,351	24,411,972	18,393,629	15,480,647
Highways and Streets	7,498,943	8,119,795	7,627,389	7,672,804
Culture and Recreation	5,751,208	4,567,122	4,552,706	4,397,321
Economic Development	2,021,780	1,552,695	1,759,342	2,677,207
Capital Outlay	63,954,615	35,842,119	31,347,088	32,674,194
Debt Service:				
Principal Retirement	6,607,064	5,237,663	5,073,938	4,439,744
Interest on Long-Term Debt	8,368,055	7,194,781	5,610,931	5,905,455
Issuance Costs	765,843	-	532,602	
Total Expenditures	<u>146,602,259</u>	<u>104,433,256</u>	<u>92,272,626</u>	<u>88,403,692</u>
Excess of Revenues				
Over (Under) Expenditures	(2,789,618)	30,281,517	12,151,436	(1,251,816)
OTHER FINANCING SOURCES				
(USES)				
Transfers In	46,008,095	36,222,188	26,889,447	30,762,515
Transfers Out	(42,118,958)	(33,033,374)	(23,982,951)	(28,623,535)
Proceeds from Sale of Assets	-	-	-	-
Issuance of Long-Term Debt	131,203,000	-	78,605,000	-
Premium on Long-Term Debt	7,806,593	-	16,150,094	-
Payment to Refunding Agent	-	-	-	-
Financing of Leases	205,034	-	-	-
Total Other Financing				
Sources (Uses)	<u>143,103,764</u>	<u>3,188,814</u>	<u>97,661,590</u>	<u>2,138,980</u>
Net Change in Fund Balances	<u>\$ 140,314,146</u>	<u>\$ 33,470,331</u>	<u>\$ 109,813,026</u>	<u>\$ 887,164</u>
Debt Service as a Percentage of Noncapital Expenditures	18.02%	18.66%	17.64%	18.44%

Source: The Town's Finance Department.

Fiscal Year

2018	2017	2016	2015	2014	2013
\$ 41,447,945	\$ 38,100,073	\$ 31,558,534	\$ 27,720,663	\$ 23,485,195	\$ 20,231,535
15,527,547	11,760,640	10,257,129	8,950,773	8,030,414	7,227,330
6,312,580	5,174,695	5,278,475	4,555,012	4,563,955	3,818,206
886,814	836,257	787,038	874,110	796,902	817,815
590,448	570,999	514,259	381,016	333,464	288,404
284,732	463,796	553,825	258,243	716,623	3,442,997
8,400,874	8,041,757	7,925,947	5,974,801	6,478,349	5,877,743
1,856,055	1,756,552	2,273,392	2,324,857	2,207,345	2,139,002
556,443	141,112	538,901	1,258,858	981,010	(188,481)
1,027,363	457,741	4,124,450	399,722	226,965	140,421
<u>76,890,801</u>	<u>67,303,622</u>	<u>63,811,950</u>	<u>52,698,055</u>	<u>47,820,222</u>	<u>43,794,972</u>
12,494,465	10,728,669	13,351,992	11,586,257	10,291,860	8,405,607
15,830,392	13,496,827	12,055,558	11,602,383	9,059,429	7,713,176
8,051,533	6,285,005	5,202,276	3,742,931	2,930,716	2,837,392
3,842,562	4,015,698	3,651,867	3,074,017	2,595,664	2,318,345
3,866,160	30,028,572	1,000,103	3,729,446	967,116	809,841
46,428,341	31,192,034	20,214,290	10,513,269	3,774,743	1,383,628
4,195,530	53,627,744	9,473,374	3,385,313	3,164,560	3,161,506
3,048,348	2,578,030	3,997,878	4,321,778	4,497,544	4,711,032
662,341	787,207	-	-	-	-
<u>98,419,672</u>	<u>152,739,786</u>	<u>68,947,338</u>	<u>51,955,394</u>	<u>37,281,632</u>	<u>31,340,527</u>
(21,528,871)	(85,436,164)	(5,135,388)	742,661	10,538,590	12,454,445
39,699,516	15,283,200	24,394,743	18,592,762	7,089,715	6,654,872
(35,557,681)	(14,878,305)	(23,606,122)	(18,249,622)	(6,614,671)	(5,120,342)
-	600,860	-	-	-	-
65,960,000	66,435,000	-	-	-	-
8,711,845	9,313,830	-	-	-	-
-	(22,768,595)	-	-	-	-
-	-	-	-	518,696	130,234
<u>78,813,680</u>	<u>53,985,990</u>	<u>788,621</u>	<u>343,140</u>	<u>993,740</u>	<u>1,664,764</u>
<u>\$ 57,284,809</u>	<u>\$ (31,450,174)</u>	<u>\$ (4,346,767)</u>	<u>\$ 1,085,801</u>	<u>\$ 11,532,330</u>	<u>\$ 14,119,209</u>
14.17%	46.18%	18.56%	23.82%	26.28%	26.57%

TOWN OF QUEEN CREEK, ARIZONA
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2022	2021	2020	2019
Sales Category:				
Construction	\$ 780,385,718	\$ 652,641,365	\$ 478,593,529	\$ 374,847,787
Manufacturing	-	-	-	-
Communications and Utilities	97,089,022	91,973,333	86,056,400	74,261,200
Transportation	660,044	770,400	176,356	13,778
Wholesale Trade	-	-	-	-
Retail Trade	1,239,520,800	1,027,147,378	782,722,978	617,563,022
Restaurants and Bars	234,963,022	203,862,178	159,554,267	143,301,733
Real Estate, Rental and Lease	117,723,289	100,031,156	86,789,111	83,299,733
Services	10,975,644	8,085,556	549,467	627,956
Arts and Entertainment	29,616,622	18,116,978	15,205,467	19,456,356
Accomodations	6,250,362	2,499,048	834,019	355,486
Other	79,748,667	76,049,600	51,322,978	44,162,000
Total	<u>\$ 2,481,317,539</u>	<u>\$ 2,084,511,366</u>	<u>\$ 1,594,442,108</u>	<u>\$ 1,293,915,209</u>
Town Sales Tax Rate	2.25%	2.25%	2.25%	2.25%
Town Construction Sales Tax	4.25%	4.25%	4.25%	4.25%
Town Hotel Tax Rate	5.25%	5.25%	5.25%	5.25%

Source: Arizona Department of Revenue.

Note 1: Beginning in 2017, Arts and Entertainment was presented seperately. For 2010 through 2016 Arts and Entertainment was included as a component of "Other".

Fiscal Year

2018	2017	2016	2015	2014	2013
\$ 323,918,004	\$ 325,054,724	\$ 228,148,702	\$ 182,451,846	\$ 147,042,520	\$ 183,507,187
14,918,272	13,631,003	13,073,403	17,401,290	15,409,198	15,678,705
88,593,670	76,501,236	73,370,881	54,934,415	50,234,076	46,342,729
-	-	-	-	-	-
7,038,680	7,252,396	5,669,397	6,323,860	6,152,793	5,271,396
498,084,872	408,652,224	334,352,378	315,017,361	300,884,544	281,513,741
117,446,518	98,632,807	79,263,734	64,732,627	59,267,692	51,553,181
69,186,776	63,920,930	54,099,196	89,116,960	72,465,796	67,570,269
30,931,997	23,415,231	17,197,640	22,427,818	17,782,422	15,347,314
19,266,437	15,479,300	-	-	-	-
7,067	-	-	-	-	-
634,624	2,332,793	14,273,352	22,829,027	18,477,390	17,420,404
<u>\$ 1,170,026,917</u>	<u>\$ 1,034,872,644</u>	<u>\$ 819,448,683</u>	<u>\$ 775,235,204</u>	<u>\$ 687,716,431</u>	<u>\$ 684,204,926</u>
2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
5.25%	5.25%	5.25%	5.25%	5.25%	5.25%

TOWN OF QUEEN CREEK, ARIZONA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Town Direct Rate</u>	<u>Maricopa County</u>	<u>Pinal County</u>	<u>Arizona State</u>
2022	2.25	0.70	1.10	5.60
2021	2.25	0.70	1.60	5.60
2020	2.25	0.70	1.60	5.60
2019	2.25	0.70	1.60	5.60
2018	2.25	0.70	1.60	5.60
2017	2.25	0.70	1.10	5.60
2016	2.25	0.70	1.10	5.60
2015	2.25	0.70	1.10	5.60
2014	2.25	0.70	1.10	5.60
2013	2.25	0.70	1.10	5.60

Source: Arizona Department of Revenue.

TOWN OF QUEEN CREEK, ARIZONA
ASSESSED VALUE AND
ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Assessed Value				
	Residential Property Value	Agricultural and Commercial Property Value	Total Assessed Value	Less: Exemptions	Total Taxable Assessed Value
2022	\$489,793,520	\$ 208,740,627	\$698,534,147	\$ (93,532,505)	\$605,001,642
2021	427,260,257	195,876,100	623,136,357	(87,456,329)	535,680,028
2020	335,008,748	173,053,328	508,062,076	(80,205,820)	427,856,256
2019	275,078,122	148,565,289	423,643,411	(66,629,736)	357,013,675
2018	238,748,449	132,364,532	371,112,981	(53,704,580)	317,408,401
2017	207,525,362	131,058,174	338,583,536	(62,727,585)	275,855,951
2016	181,409,687	119,278,199	300,687,886	(56,143,242)	244,544,644
2015	158,768,582	120,273,244	279,041,826	(53,194,486)	225,847,340
2014	134,117,267	106,201,619	240,318,886	(54,222,364)	186,096,522
2013	136,523,850	107,847,792	244,371,642	(50,514,410)	193,857,232

Fiscal Year	Assessed Value as a Percentage of Actual Value		
	Total Direct Tax Rate	Estimated Actual Value	Percentage of Actual Value
2022	1.83	\$ 6,215,010,751	9.73%
2021	1.83	5,511,925,712	9.72%
2020	1.95	4,420,596,026	9.68%
2019	1.95	3,706,741,360	9.63%
2018	1.95	3,253,625,483	9.76%
2017	1.95	2,912,993,411	9.47%
2016	1.95	2,533,360,285	9.65%
2015	1.95	2,291,037,519	9.86%
2014	1.95	1,951,331,647	9.54%
2013	1.95	1,978,537,284	9.80%

Source: Arizona Department of Revenue *Abstract of the Assessment Roll*

**TOWN OF QUEEN CREEK, ARIZONA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Direct Rate	Overlapping Rates		
	Town of Queen Creek	Queen Creek Unified School District	Community College District	Maricopa County
2022	1.83	7.30	1.23	1.58
2021	1.83	7.40	1.29	1.40
2020	1.95	7.45	1.33	1.40
2019	1.95	7.61	1.38	1.40
2018	1.95	7.61	1.38	1.40
2017	1.95	7.57	1.41	1.40
2016	1.95	8.05	1.47	1.40
2015	1.95	6.55	1.52	1.32
2014	1.95	8.16	1.53	1.28
2013	1.95	4.55	1.16	1.24

Source: The Maricopa County Treasurer and Pinal County Treasurer.

Note 1: In 2020, the Queen Creek Town Council reduced the 2021 property tax rate to offset rising property values and keep revenues consistent.

**TOWN OF QUEEN CREEK, ARIZONA
PRINCIPAL PROPERTY TAX PAYERS
JUNE 30, 2022 AND 2013
(UNAUDITED)**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
QCM Partners, LLC	\$ 9,132,325	1	1.51			
MSA Multifamily Dst	3,578,807	2	0.59			
Fulton Homes Corporation	3,257,691	3	0.54			
HSL Encantada Queen Creek Delaware LLC	2,608,927	4	0.43			
Wal-Mart Stores, Inc	2,490,051	5	0.41	\$ 11,673,900	3	6.02
Target Corporation	2,439,387	6	0.40			
Sunbelt Land Holdings L P	2,311,568	7	0.38			
Southwest Gas Corporation (T&D)	2,104,568	8	0.35			
William Lyon Homes, Inc	1,987,627	9	0.33			
Power Marketplace LP	1,820,869	10	0.30			
Broadstone Queen Creek LLC				17,747,000	1	9.15
WDP Town Center LLP				11,797,443	2	6.09
Grace Power and Chandler Heights LLC				9,876,451	4	5.09
K & M Development #1 LLC				9,689,700	5	5.00
Home Depot USA Inc.				7,646,076	6	3.94
DTD Devco 2 LLC				7,612,086	7	3.93
Vestar QCM LLC				6,254,905	8	3.23
Union Pacific Railroad				5,535,500	9	2.86
LDR Sossaman Estates Q C LLC				5,293,915	10	2.73
	<u>\$ 31,731,820</u>		5.24 %	<u>\$ 93,126,976</u>		48.04 %

Source: The Maricopa County Assessor's Office

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TOWN OF QUEEN CREEK, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2022	\$ 9,462,264	\$9,335,143	98.66	\$ (1,529)	\$9,333,615	99.01	\$ 142,546	(0.00)
2021	9,764,961	9,645,113	98.77	45,706	9,690,819	99.01	141,188	0.00
2020	8,200,139	8,076,704	98.49	72,846	8,149,550	99.01	134,259	0.01
2019	6,851,961	6,807,946	98.33	14,815	6,809,393	99.02	125,571	0.00
2018	6,125,160	6,072,022	99.13	52,138	6,124,160	99.00	785	0.01
2017	5,222,121	5,156,916	98.75	58,141	5,215,057	99.00	754	0.01
2016	4,703,428	4,613,919	98.10	88,319	4,702,238	99.00	830	0.02
2015	4,311,798	4,230,606	98.12	78,460	4,309,066	99.00	906	0.02
2014	3,567,724	3,473,119	97.35	93,749	3,566,868	99.00	662	0.03
2013	3,712,376	3,620,118	97.51	91,403	3,711,521	99.00	633	0.02

Source: The Maricopa County & Pinal County Treasurer.

Delinquent taxes are net of adjustments and 2022 there was a larger than usual adjustment to prior year assessments.

TOWN OF QUEEN CREEK, ARIZONA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Governmental Activities

Fiscal Year	Governmental Activities					Total
	Revenue Bonds	Special Assessment Bonds	Notes and Loans Payable	Long-Term Contract	Leases	
2022	\$ 314,610,726	\$ 11,320,177	\$ 24,223,000	\$ -	\$ 158,023	\$ 350,311,926
2021	210,133,906	12,895,229	-	-	-	223,029,135
2020	215,196,838	14,281,972	-	-	80,920	229,559,730
2019	124,837,829	15,634,170	-	-	163,413	140,635,412
2018	128,453,493	17,117,758	-	-	259,569	145,830,820
2017	56,954,561	18,445,000	-	-	517,857	75,917,418
2016	21,600,000	36,530,000	17,025,000	188,354	765,601	76,108,955
2015	22,415,000	45,338,311	18,085,902	376,708	1,008,975	87,224,896
2014	23,195,000	47,036,153	18,825,803	753,415	1,259,288	91,069,659
2013	24,322,262	48,271,732	19,535,705	-	915,152	93,044,851

Business-Type Activities

Fiscal Year	Business-Type Activities				
	Advances in Aid of Construction	Loans Payable	Revenue Obligation	Leases	Total
2022	\$ 7,016,950	\$ 98,040,486	\$ 93,804,463	\$ 11,780	\$ 198,873,679
2021	7,181,760	112,819,931	29,405,950	-	149,407,641
2020	326,239	102,390,626	30,311,136	-	133,028,001
2019	538,507	39,859,342	80,640,235	-	121,038,084
2018	561,434	60,883,127	31,922,893	-	93,367,454
2017	806,310	65,688,234	32,727,457	-	99,222,001
2016	1,023,036	70,331,716	33,440,053	-	104,794,805
2015	2,069,797	74,574,006	34,064,465	-	110,708,268
2014	2,629,297	78,287,581	34,602,247	-	115,519,125
2013	847,232	67,092,551	-	-	67,939,783

TOWN OF QUEEN CREEK, ARIZONA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Outstanding Debt - Primary Government	Percentage of Estimated Actual Value	Percentage of Personal Income	Per Capita
2022	\$ 549,185,605	8.84%	17.64%	\$ 7,738
2021	372,436,776	6.76%	14.65%	5,437
2020	362,587,731	8.20%	17.23%	6,033
2019	261,673,496	7.06%	15.13%	5,052
2018	239,198,274	7.35%	14.36%	4,752
2017	175,139,419	6.01%	15.23%	4,178
2016	180,903,760	7.14%	16.33%	5,012
2015	197,933,164	8.64%	18.81%	5,718
2014	206,588,784	10.59%	23.34%	6,962
2013	160,984,634	8.14%	20.09%	5,757

Source: The Town's Finance Department.

Note 1: N/A indicates that the information is not available.

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TOWN OF QUEEN CREEK, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022
(UNAUDITED)

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Maricopa County Community College District	\$ 135,585,000	1.20%	\$ 1,627,020
Maricopa County Special Healthcare District	600,335,000	1.20%	7,204,020
Pinal County Community College District	44,975,000	3.70%	1,664,075
Higley Unified School District	78,470,000	8.49%	6,662,103
Chandler Unified School District	359,168,333	3.87%	13,881,856
Queen Creek Unified School District No. 95	121,045,000	58.86%	71,247,087
Subtotal, Overlapping Debt			<u>102,286,161</u>
Town of Queen Creek, Arizona	350,311,926	100.00%	350,311,926
Total Direct and Overlapping Debt			<u><u>\$ 452,598,087</u></u>

Source: State of Arizona Department of Revenue and Arizona Tax Research Association.

(1) Proportion applicable to the Town of Queen Creek, Arizona is computed on the ratio of limited property valuation for 2021/22.

**TOWN OF QUEEN CREEK, ARIZONA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year			
	2022	2021	2020	2019
Total Debt Limit	\$ 221,945,403	\$ 177,801,568	\$ 139,934,214	\$ 121,308,659
Total Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 221,945,403</u>	<u>\$ 177,801,568</u>	<u>\$ 139,934,214</u>	<u>\$ 121,308,659</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	-	-	-	-

Source: The Town's Finance Department and the Maricopa County Assessor's Office.

Fiscal Year

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 106,363,881	\$ 94,898,553	\$ 80,918,543	\$ 63,475,102	\$ 48,939,723	\$ 50,580,944
-	-	-	-	-	-
<u>\$ 106,363,881</u>	<u>\$ 94,898,553</u>	<u>\$ 80,918,543</u>	<u>\$ 63,475,102</u>	<u>\$ 48,939,723</u>	<u>\$ 50,580,944</u>

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TOWN OF QUEEN CREEK, ARIZONA
CALCULATION OF LEGAL DEBT MARGIN
JUNE 30, 2022
(UNAUDITED)

Net Secondary Assessed Value		<u>\$ 853,636,164</u>
<u>Water, Sewer, Light, Parks, Open Space and Recreational Facility Bonds</u>		
Debt Limit - 20% of Net Secondary Assessed Value		\$ 170,727,233
Debt Applicable to Limit		
General Obligation Bonds Outstanding	\$ -	
Less: Amount Set Aside for Repayment of Debt	-	
Net Debt Applicable to Limit	<u>-</u>	<u>-</u>
20% Legal Debt Margin		<u>\$ 170,727,233</u>
<u>All Other General Obligation Bonds</u>		
Debt Limit - 6% of Net Secondary Assessed Value		\$ 51,218,170
Debt Applicable to Limit		
General Obligation Bonds Outstanding	\$ -	
Less: Amount Set Aside for Repayment of Debt	-	
Net Debt Applicable to Limit	<u>-</u>	<u>-</u>
All Other General Obligation Bonds debt Margin		<u>\$ 51,218,170</u>
Total Legal Debt Margin		<u>\$ 221,945,403</u>

Source: Maricopa County Assessor's Office.

Note: The Town did not have any debt subject to the debt limits.

**TOWN OF QUEEN CREEK, ARIZONA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Excise Tax and State Shared Revenue Bonds

<u>Fiscal Year</u>	<u>Excise Tax and State Shared Revenue (1)</u>	<u>Senior Lien Debt Service (2)</u>	<u>Senior Lien Coverage</u>
2022	\$ 112,599,123	\$ 13,434,003	8.38
2021	96,743,539	11,012,277	8.79
2020	74,129,990	9,036,901	8.20
2019	62,297,991	8,231,362	6.09
2018	42,253,040	4,719,850	8.92
2017	38,270,649	4,732,218	8.04
2016	32,687,982	3,695,744	8.88
2015	29,844,518	3,671,509	8.04
2014	27,019,509	3,891,348	6.87
2013	24,213,405	3,898,102	6.17

Special Assessment Bonds

<u>Fiscal Year</u>	<u>Special Assessment</u>	<u>Total Debt Service</u>	<u>Coverage</u>
2022	\$ 1,824,012	\$ 1,871,691	0.97
2021	1,782,814	1,719,664	1.04
2020	1,720,217	1,718,671	1.00
2019	1,707,070	1,884,799	0.91
2018	1,856,055	1,764,737	1.05
2017	1,756,552	1,664,244	1.06
2016	9,199,238	9,672,875	0.95
2015	3,945,777	3,880,125	1.02
2014	3,901,550	3,880,251	1.01
2013	3,877,849	3,880,349	1.00

Source: The Town's Annual Comprehensive Financial Report's debt service schedules on applicable debt.

(1) Excise Tax and State Shared Revenues include Sales Tax, Charges for Services, Franchise Fees and Licenses and Permits as well as State Shared Income Tax, State Shared Sales Tax and Vehicle License Tax.

(2) Includes debt service payments for senior-lien debt including the series 2016, 2018, 2020 and 2022 Excise Tax Bonds, the 2016 Refunding Bond and the 2014 GADA Loan.

TOWN OF QUEEN CREEK, ARIZONA
PLEGGED-REVENUE COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Water Loans

Fiscal Year	Water Charges and Other (1)	Less: Adjusted Operating Expenses (2)	Net Available Revenue	Senior Lien Debt Service (3)	Senior Lien Coverage	Total Debt Service (4)	Total Coverage
2022	\$ 34,893,019	\$ 18,822,965	\$ 16,070,054	\$ 5,591,847	2.87	\$ 7,482,174	2.15
2021	34,677,013	17,566,092	17,110,921	2,944,219	5.81	4,748,693	3.60
2020	30,254,320	17,623,449	12,630,871	3,938,223	3.21	5,743,687	2.20
2019	30,142,004	15,452,191	14,689,813	3,941,545	3.73	5,624,751	2.61
2018	27,397,322	11,624,418	15,772,904	3,945,176	4.00	5,724,883	2.76
2017	25,400,540	10,208,623	15,191,917	3,951,151	3.84	5,661,389	2.68
2016	23,734,654	9,091,466	14,643,188	3,946,920	3.71	5,588,668	2.62
2015	20,346,168	8,592,373	11,753,795	3,949,265	2.98	5,521,316	2.13
2014	15,402,862	5,324,275	10,078,587	3,209,949	3.14	4,159,270	2.42
2013	10,566,874	3,773,546	6,793,328	2,892,217	2.35	2,892,217	2.35

Wastewater Loans

Fiscal Year	Wastewater Charges and Other (1)	Less: Adjusted Operating Expenses (2)	Net Available Revenue	Senior Lien Debt Service (5)	Senior Lien Coverage	Total Debt Service	Total Coverage
2022	\$ 15,006,473	\$ 3,967,275	\$ 11,039,198	\$ -	N/A	\$ 60,907	181.25
2021	15,345,908	3,435,977	11,909,931	-	N/A	-	N/A
2020	12,599,224	2,100,503	10,498,721	-	N/A	-	N/A
2019	14,010,567	2,883,226	11,127,341	1,691,723	6.58	1,691,723	6.58
2018	11,901,732	2,901,310	9,000,422	2,795,629	3.22	2,795,629	3.22
2017	11,143,065	2,971,087	8,171,978	2,797,790	2.92	2,797,790	2.92
2016	10,983,033	2,773,658	8,209,375	2,799,873	2.93	2,799,873	2.93
2015	9,012,855	1,963,292	7,049,563	2,801,881	2.52	2,801,881	2.52
2014	8,351,751	1,849,295	6,502,456	2,803,818	2.32	2,803,818	2.32
2013	6,806,429	2,011,178	4,795,251	1,445,789	3.32	1,445,789	3.32

Source: The Town's Annual Comprehensive Financial Report's debt service schedules on applicable debt.

(1) Water and Wastewater Charges and Other includes charges for services, capacity fees, investment income and miscellaneous revenues.

(2) Operating Expenses from the Statement of Revenues, Expenses and Change in Net Position are adjusted for certain capital-related purchases and GAAP-only expenses.

(3) Includes debt service payments for senior-lien debt including the 2008, 2014, 2020, 2021 and 2022 WIFA loans.

(4) Includes debt service payments for senior-lien debt and the Series 2013 Subordinate Lien Water System Revenue Direct Placement Obligation.

(5) Includes debt service payments for senior-lien debt including the 2005 and 1998 WIFA Loans. The 1998 WIFA Loan was paid off in FY 2018 and the 2005 WIFA loan was paid off in FY 2019 leaving no coverage ratio requirement.

**TOWN OF QUEEN CREEK, ARIZONA
 PLEDGED-REVENUE COVERAGE (CONCLUDED)
 LAST THREE FISCAL YEARS
 (UNAUDITED)**

Utility System Loans Combined (6)

Fiscal Year	Utility System Revenue (7)	Less: Adjusted Operating Expenses (8)	Utility System Net Revenue	Senior Lien Debt Service (9)	Senior Lien Coverage	Total Debt Service (10)	Total Coverage
2022	\$ 49,899,492	\$ 22,790,240	\$ 27,109,252	\$ 5,591,847	4.85	\$ 7,543,081	3.59
2021	50,022,921	21,002,069	29,020,852	2,944,219	9.86	4,748,693	6.11
2020	42,853,544	19,723,952	23,129,592	3,938,223	5.87	5,743,687	4.03

Source: The Town's Annual Comprehensive Financial Report's debt service schedules on applicable debt.

(6) In fiscal year 2020, the WIFA Board replaced the separate water and wastewater revenue pledges with a single utility system combined revenue pledge for all of the Town's WIFA loans. All of the Town's WIFA loans are now secured by a pledge of the net revenues of both water and wastewater system activities combined.

(7) Includes revenue from both Water and Wastewater activities including charges for services, capacity fees, investment income and miscellaneous revenues.

(8) Operating Expenses from the Statement of Revenues, Expenses and Change in Net Position are adjusted for certain capital-related purchases and GAAP-only expenses.

(9) Includes debt service payments for senior-lien debt including the 2008, 2014, 2020, 2021 and 2022 WIFA loans.

(10) Includes debt service payments for senior-lien debt and the Series 2013 Subordinate Lien Water System Revenue Direct Placement Obligation.

TOWN OF QUEEN CREEK, ARIZONA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Arizona Unemployment Rate</u>	<u>Maricopa County Unemployment Rate</u>	<u>Town of Queen Creek Unemployment Rate</u>
2022	70,975	\$ 3,112,821,550	\$ 43,858	3.8 %	3.2 %	2.7 %
2021	68,500	2,543,062,500	37,125	7.1	6.8	5.3
2020	60,100	2,104,942,400	35,024	6.7	5.9	4.9
2019	51,800	1,729,394,800	33,386	4.9	4.2	3.4
2018	50,340	1,665,599,580	33,087	4.9	4.2	3.5
2017	41,919	1,149,613,561	27,425	4.7	3.9	3.9
2016	36,096	1,108,002,816	30,696	5.8	5.3	4.0
2015	34,614 *	1,052,265,600	30,400	5.9	5.3	4.4
2014	29,673	885,086,244	29,828	6.9	6.4	4.8
2013	27,963	801,503,469	28,663	8.0	7.1	7.3

Sources:

Per Capita Personal Income - United States Department of Commerce, U.S. Census Bureau, 2017 American Community Survey

Unemployment Rates - Arizona Department of Administration, Office of Employment and Population Statistics.

Population - Maricopa Association of Governments (MAG) for estimates through 2016. Beginning in 2017, MAG estimates are not available until after publication of the CAFR. Estimates will now come from the Town's Planning Area updates.

* 2015 estimate reflects a special census report provided by the U.S. Census Bureau for the Town of Queen Creek

**TOWN OF QUEEN CREEK, ARIZONA
PRINCIPAL EMPLOYERS
JUNE 30, 2022 AND 2013
(UNAUDITED)**

Employer	2022			2013		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Queen Creek Unified School District	830	1	7.61%	901	1	37.70%
Walmart	500	2	4.58%	331	2	13.85%
Town of Queen Creek	436	3	4.00%	154	5	6.44%
Banner Health	424	4	3.89%			
Chandler Unified School District	338	5	3.10%			
Home Depot (tie)	220	6	2.02%	132	6	5.52%
Safeway (tie)	220	6	2.02%	60	9	2.51%
VP Nurseries	200	7	1.83%			
American Leadership Academy	187	8	1.71%			
Target	180	9	1.65%	182	4	7.62%
Benjamin Franklin Charter Schools	150	10	1.37%			
Canyon State Academy				300	3	12.55%
Kohl's				92	7	3.85%
Bashas				62	8	2.59%
Paradise Bakery				30	10	1.26%
	3,535		37.85%	2,244		93.89%

Source: The Town of Queen Creek Economic Development Department
Maricopa Association of Governments

TOWN OF QUEEN CREEK, ARIZONA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Full-Time Equivalent Employees									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government	76	70	67	63	60	56	51	47	44	43
Public Safety	144	89	79	72	63	60	60	45	44	37
Highways and Streets*	35	22	21	20	16	16	16	16	14	16
Culture and Recreation	41	42	43	36	32	34	34	31	24	22
Economic Development*	8	17	17	16	13	13	12	11	9	9
Solid Waste	4	3	6	6	5	5	6	5	4	**
Wastewater	6	6	6	5	4	5	5	5	4	5
Water	62	62	58	51	46	40	38	37	32	22
Total	376	311	297	270	239	229	222	197	175	154

Source: The Town's Human Resources Department.

* Project Managers were grouped with Economic Development rather than Highways and Streets in FY's 2021 and prior.

** 2013 Solid Waste staff were grouped with Wastewater

TOWN OF QUEEN CREEK, ARIZONA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Fiscal Year			
	2022	2021	2020	2019
Planning and Building Safety				
Building Permits Issued	4,932	5,230	3,967	2,992
Residential Permit Total Valuations	854,141,066	946,061,935	651,372,314	545,106,431
Commercial Permit Total Valuations	173,621,612	62,993,556	59,760,864	65,392,382
Highways and Streets				
Street Resurfacing (Miles)	81	37	72	34
Street Striped (Miles)	12	14	6	12
Culture and Recreation				
Athletic Field Permits Issued	201	284	175	180
Recreation Center Program Hits	9,503	9,623	6,249	12,786
Special Interest Class Participants	7,262	8,891	3,826	9,062
Special Event Attendance	28,500	-	22,000	25,500
Fire & Medical				
Emergency Calls for Service	6,423	5,036	4,341	4,169
Water				
Total Connections	39,336	35,173	32,838	29,968

Source: The Town of Queen Creek, Arizona

* 2010-2013 Information not available

** 2010-2014 Information not available

Fiscal Year

2018	2017	2016	2015	2014	2013
2,606	3,343	3,265	2,817	2,486	1,946
423,959,635	413,586,201	399,870,271	304,641,623	266,826,440	-
62,069,893	30,000,451	14,290,919	500,000	1,648,171	-
25	35	35	10	10	43
7	28	28	22	15	38
121	124	124	114	115	128
10,907	13,862	13,862	15,374	18,435	17,805
7,780	5,130	4,566	4,290	2,637	- *
28,000	24,500	19,500	15,500	11,000	- *
3,382	3,168	3,030	2,420	2,485	128
28,431	25,997	24,332	22,647	- **	- **

TOWN OF QUEEN CREEK, ARIZONA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Fiscal Year			
	2022	2021	2020	2019
Highways and Streets				
Streets (Miles)	710	680	645	565
Streetlights	4,198	4,115	3,881	3,500
Traffic Signals	70	68	66	61
Culture and Recreation				
Developed Park Acreage	89	89	89	89
Undeveloped Parks Acreage	**	246	171	171
Developed Wash Trail Acreage	**	286	286	286
Undeveloped Wash Trail Acreage	**	65	65	65
Number of Parks	4	4	4	4
Community Centers	1	1	1	1
Fire Department				
Fire Apparatus	***	8	6	5
Fire Stations	***	5	5	4
Water				
Number of Potable Water Wells	***	41	25	21
Potable Water Pipe (Miles)	***	670	609	550
Sewer				
Sanitary Sewer (Miles)		265	249	216
Storm Sewers (Miles)	*		7	7
Maximum Daily Treatment Capacity (Thousands of Gallons)		4,000	4,000	4,000

Source: The Town of Queen Creek's Facility Records

* 2010-2018 included Storm Sewers less than 18"

** 2010-2015 acreage was not broken out by Parks and Wash Trail

*** 2010-2016 information not previously tracked

Fiscal Year

2018	2017	2016	2015	2014	2013
556	529	522	492	461	440
3,335	3,282	2,982	2,827	2,355	1,082
50	48	48	45	42	38
79	82	82	200	200	419
219	204	204	344	344	-
262	262	262	-	-	-
51	51	22	-	-	-
5	5	4	4	4	3
3	3	3	3	3	1
4	4	-	-	-	-
3	2	-	-	-	-
18	15	-	-	-	-
491	474	-	-	-	-
171	167	153	134	128	110
10	10	10	9	9	9
4,000	4,000	4,000	4,000	4,000	4,000

TOWN OF QUEEN CREEK, ARIZONA
WIFA ANNUAL MONITORING SCHEDULE
LAST FIVE CALENDAR YEARS
(UNAUDITED)

GWEC Reconciliation (1)	Calendar Year				
	2017	2018	2019	2020	2021
Total GWEC Beginning Balance - 1/1					
Cash / Other GWECs	297	297	175,339	201,447	2,423
WIFA Financed GWECs	0	0	0	0	204,047
Total GWEC Balance	297	297	175,339	201,447	206,470
GWEC Activity					
Cash / Other GWECs Acquired	0	174,174	31,330	7,207	0
Cash / Other GWECs Refinanced	0	0	0	(204,047)	0
Cash / Other GWECs (Pledged) (2)	0	(132)	(5,222)	(2,184)	(2,070)
Net Cash GWEC Activity	0	174,042	26,108	(199,024)	(2,070)
WIFA Financed GWECs Acquired	0	0	0	204,047	0
WIFA Financed GWECs (Pledged) (2)	0	0	0	0	(2,853)
Net WIFA Financed GWEC Activity	0	0	0	204,047	(2,853)
Subtotal GWECs Activity	0	174,042	26,108	5,023	(4,923)
Total GWEC Ending Balance - 12/31					
Cash / Other GWECs	297	175,339	201,447	2,423	353
WIFA Financed GWECs	0	0	0	204,047	201,194
	297	175,339	201,447	206,470	201,547
Year					
	(2)	(1)	0	1	2
WIFA Financed GWECs Beginning Balance	0	0	0	0	197,245
WIFA Financed GWECs Acquired	0	0	0	204,047	0
1/30Th WIFA GWEC Amortization	0	0	0	(6,802)	(6,802)
WIFA Financed GWEC Ending Balance	0	0	0	197,245	190,443
Excess GWECs Available (3)	297	175,339	201,447	9,225	11,104
Pledged And Unused GWECs From Prior Year	0	0	0	3,007	1,644
Total Unused GWECs Available (4)	297	175,339	201,447	12,232	12,748

Source: Town of Queen Creek Utility Department

(1) This schedule is provided to demonstrate compliance with the Town's WIFA loan requirements to report the amount of Ground Water Extinguishment Credits (GWECs) acquired, pledged, and used.

(2) Includes Pledged But Unused GWECs

(3) Excludes Pledged But Unused GWECs

(4) Includes Unpledged and Pledged But Unused GWECs



TOWN OF
QUEEN CREEK
ARIZONA

12.B

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS ICMA-CM, TOWN MANAGER
FROM: SCOTT MCCARTY, FINANCE DIRECTOR
RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 1509-22
ACCEPTING THE TOWN'S FISCAL YEAR 2021-22 DEVELOPMENT IMPACT FEE AND
CAPACITY FEE REPORTS.
DATE: December 21, 2022

Suggested Action:

To approve Resolution No. 1509-22 as presented.

Relevant Council Goal(s):

- Effective Government: KRA Financial Management

Discussion:

See attached staff report.

Attachment(s):

1. [Staff Report](#)
2. [Resolution No. 1509-22](#)
3. [Presentation: Acceptance of the FY 2021-22 Impact and Capacity Fee Reports](#)
4. [Final FY 2021-22 Development Impact Fee Annual Report](#)
5. [Final FY 2021-22 Capacity Fee Annual Report](#)



Requesting Department

Finance

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: JOHN KROSS, TOWN MANAGER, ICMA-CM
FROM: SCOTT MCCARTY, FINANCE DIRECTOR
RE: Consideration and possible approval of Resolution No. 1509-22 accepting the Town's Fiscal Year 2021-22 Development Impact Fee and Capacity Fee reports
DATE: December 21, 2022

Staff Recommendation:

Staff recommends the Town Council approve Resolution No. 1509-22 accepting the Town's Fiscal Year 2021-22 Development Impact Fee and Capacity Fee reports.

Relevant Council Goal(s):



Effective Government: KRA Financial Management

Proposed Motion:

Motion to approve Resolution No. 1509-22 as presented.

Discussion:

Development impact fees and capacity fees are one-time fees paid by new development to mitigate the cost of infrastructure installed to maintain the adopted service levels. They are assessed on both residential and nonresidential construction. These fees are critical to the Town's ability to build new infrastructure caused by new development.

The Town's development impact fees use a single, town-wide service area (not zones) and are collected at the time a building permit is issued for all residential and non-residential development. The Town collects the following six development impact fees:

- Parks and Recreation Facilities
- Town Facilities
- Transportation Facilities
- Library Facilities
- Police Facilities
- Fire Facilities

In addition, the Town collects two capacity fees: water and wastewater. Because these two service areas are larger than the Town boundaries, they are capacity fees, not development impact fees, but serve the same purpose of helping to pay for new infrastructure caused by new development. Water capacity fees are collected at the time a new water meter is installed. Wastewater capacity fees are collected at the time a building permit is issued.

Arizona Revised Statutes (A.R.S.) 9-463.05 and 9-511.01 govern the process and criteria to assess impact fees and capacity fees. The fees must be based on an adopted Infrastructure Improvement Plan (IIP) and calculated based on a development impact fee study. The amount of the fee must bear a reasonable relationship to the burden imposed upon the Town to provide additional necessary public services to serve new development.

The Town Council approved and adopted the most recent capacity fee study on June 5, 2019, and the new capacity fees became effective July 1, 2019. The Town Council approved and adopted the most recent impact fee study on November 19, 2019, and the new impact fees became effective February 10, 2020.

Annual Reporting Requirements

A.R.S. 9-463.05 requires an annual report be prepared to account for the collection and use of development impact fees. The initial report is due within 90 days of the end of each fiscal year and is required to be submitted to the Town Clerk's Office and posted to the Town's website. Because the report's due date is 90 days after the end of the fiscal year, the law allows for this initial impact fee report to contain financial information that has not yet been audited. For the FY 2021-22 reporting period, the report was filed by the due date as required by statute.

State laws governing capacity fees do not require an annual report. However, the Town prepares a capacity fee report similar to the development impact fee report to provide additional transparency into all of the Town's development-related fees.

Now that the Town's FY 2021-22 audited Annual Comprehensive Financial Report (ACFR) is complete, the final impact fee and capacity fee reports are being issued based on the audited financial statements.

On June 17, 2020, the Town Council adopted a policy to annually review and approve the impact fee and capacity fee reports. The intent of this policy is to improve disclosure to the public and the development community related to impact fees and capacity fees collected and expended by the Town.

Financial Highlights: FY 2021-22 Permit and Financial Activity

Results reflect strong development activity in the Town and the Town’s water and wastewater service areas. The following are highlights of key data points:

	FY 2021-22 Activity
Impact Fees:	
Single-Family Residential Units	1,759
Multi-Family Units	963
Non-Residential Square Feet	~431K
Capacity Fees:	
Water-Equivalent Residential Units	2,226
Wastewater-Equivalent Residential Units	1,769

For fiscal year 2021-22, the Town collected a total of \$29.9 million; \$19.8 million in impact fees and \$10.1 million in capacity fees. The financial results for the year are summarized below:

	Beginning Balance	Plus Fees/ Interest	Minus Expenses (Project Costs/Debt Payments)	Ending Balance	Change
1. Parks	\$19.8M	\$8.2M	\$2.2M	\$25.8M	\$6.0M
2. Town Facilities	\$2.9	\$0.2	\$0.3	\$2.8	(\$0.1)
3. Transportation	\$14.0	\$6.1	\$4.9	\$15.2	\$1.2
4. Library	\$2.1	\$0.4	\$0.2	\$2.3	\$0.2
5. Police	\$0.6	\$1.7	\$1.3	\$1.0	\$0.4
6. Fire	\$11.9	\$3.2	\$5.6	\$9.5	(\$2.4)
7. Water	(\$1.0)	\$5.2	\$3.5	\$0.7	\$1.7
8. Wastewater	(\$3.4)	<u>\$4.9</u>	<u>\$1.2</u>	\$0.3	\$3.7
Totals		<u>\$29.9</u>	<u>\$19.2</u>		

Fiscal Impact:

Not applicable.

Alternatives:

Not applicable.

Attachment(s):

1. Resolution No. 1509-22
2. Presentation: Acceptance of the FY 2021-22 Impact and Capacity Fee Reports
3. Final FY 2021-22 Development Impact Fee Annual Report
4. Final FY 2021-22 Capacity Fee Annual Report

RESOLUTION 1509-22

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA ACCEPTING THE FY 2021-22 IMPACT FEE AND CAPACITY FEE ANNUAL REPORTS

WHEREAS, development impact fees and capacity fees are one-time fees paid by new development to mitigate the cost of infrastructure installed to maintain the Town's adopted service levels; and

WHEREAS, Arizona Revised Statutes (A.R.S.) 9-463.05 and 9-511.01 establish the requirements a city or town must follow to assess and collect development impact fees and capacity fees; and

WHEREAS, during FY 21-22 the Town collected six impact fees (Police, Fire, Transportation, Parks, Library, and Town Facilities) and two capacity fees (Water and Wastewater) based on studies and approved Infrastructure Improvement Plans (IIP) that were prepared in accordance with state law; and

WHEREAS, state law requires the Town to prepare an annual report to account for the collection and use of development impact fees; and

WHEREAS, the Town also prepares a capacity fee report similar to the development impact fee report in terms of content and scope; and

WHEREAS, to improve transparency to the public and the development community regarding the collection and use of development impact fees and capacity fees, the Town Council adopted a financial policy on June 17, 2020 requiring that both the development impact fee report and capacity fee report will be adopted by the Town Council following the Town's annual financial audit; and

WHEREAS, the development impact fee and capacity fee reports for Fiscal Year 2021-22 were presented to the Town Council for its review and consideration on December 21, 2022;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the Town of Queen Creek, Arizona, as follows.

Section 1. The Town Council does hereby accept the development impact fee report and the capacity fee report for the fiscal year ending June 30, 2022 as presented.

PASSED, ADOPTED AND APPROVED by the Town Council of the Town of Queen Creek
this 21st day of December, 2022.

FOR THE TOWN OF QUEEN CREEK:

Jeff Brown, Vice Mayor

REVIEW BY:

John Kross, Town Manager

ATTESTED TO:

Maria Gonzalez, Town Clerk

APPROVED AS TO FORM:

Dickinson Wright PLLC
Attorneys for the Town



Acceptance of the FY 21-22 Impact and Capacity Fee Reports

Town Council Meeting
December 21, 2022



Purpose of Presentation

- Summarize the FY 21-22 Impact and Capacity Fee Activity
- Identify Action Items
- Recommendation to Approve Resolution 1509-22 Accepting the FY 21-22 Impact Fee Report and Capacity Fee Reports



Background

- Impact and Capacity Fees are One-Time Fees Paid by New Development to Mitigate the Cost of New Infrastructure Installed to Maintain the Adopted Service Levels
 - Impact Fees (6): Police, Fire, Transportation, Parks, Library, and Town Facilities*
 - Applies to New Construction Within the Town Boundary
 - Capacity Fees (2): Water and Wastewater
 - Applies to New Construction Within Each, Unique Service Area

* Town Facility Fee Eliminated May 23, 2022



Background (continued)

- Fee Amounts
 - State Law Provides Guidance RE. Fee Calculations
 - Fee Effective Dates:
 - Capacity Fees: July 1, 2019
 - Impact Fees: February 10, 2020
 - Example: Single-Family House Fee: \$12,572



Background (concluded)

- Reporting Requirements
 - Impact Fees: Annual Report Required by State Law
 - Capacity Fees: Annual Report Required by Town Council Financial Policy
 - Town Council Acceptance of Both Reports: Required per Town Council Financial Policy to Improve Communication to the Public and the Development Community



FY 21-22 Summary of Results

- Represented the 5th Year of the Current 10-Year Study
- Revenues
 - Exceeded Projections
 - Record Level of Revenues: \$29.9M
 - Impact Fees: \$19.8M
 - Capacity Fees: \$10.1M
- Prior Year Corrections
 - Used for Projects In Excess of Fee Studies: \$10.2M
 - Used for Projects Not Included in Capacity Fee Study: \$23.2M

FY 21-22 Activity Summary

Exceeded Projections

Impact Fees:	
Single-Family Residential Units	1,759
Multi-Family Units	963
Non-Residential Square Feet	~431K
Capacity Fees:	
Equivalent Residential Units - Water	2,226
Equivalent Residential Units - Wastewater	1,769

Note: Units and Equivalent Residential Units vary because there are three distinct and different size service areas.

FY 21-22 Financial Summary

	Beginning Balance	Plus Fees/Interest	Minus Expenses (Project Costs/Debt Payments)	Ending Balance	Change
1. Parks	\$19.8M	\$8.2M	\$2.2M	\$25.8M	\$6.0M
2. Town Facilities*	\$2.9M	\$0.2M	\$0.3M	\$2.8M	(\$0.1M)
3. Transportation	\$14.0M	\$6.1M	\$4.9M	\$15.2M	\$1.2M
4. Library	\$2.1M	\$0.4M	\$0.2M	\$2.3M	\$0.2M
5. Police	\$0.6M	\$1.7M	\$1.3M	\$1.0M	\$0.4M
6. Fire	\$11.9M	\$3.2M	\$5.6M	\$9.5M	(\$2.4M)
7. Water	(\$1.0M)	\$5.2M	\$3.5M	\$0.7M	\$1.7M
8. Wastewater	(\$3.4M)	\$4.9M	\$1.2M	\$0.3M	\$3.7M
Totals		<u>\$29.9M</u>	<u>\$19.2M</u>		

* Town Facility Fee Eliminated May 23, 2022

Cumulative Impact Fee Analysis (5th Year)

Exceeding Projections by 12%

	5-Year Projections	5-Year Actuals	Variance	% Variance
<u>Units</u>				
Single Family	6,262	8,120	1,858	30%
Multi-Family	1,327	1,141	(186)	-14%
<u>Square Feet</u>				
Commercial	714,000	1,101,885	387,885	54%
Office & Other	807,000	660,430	(146,570)	-18%
Industrial	352,000	0	(352,000)	-100%
Revenue	\$60.1M	\$67.3M	\$7.2M	+12%

10-Year Projections	% of 10-Year Projections
11,863	68%
1,857	61%
925,000	119%
1,287,000	51%
502,000	0%
\$107.1M	63%

Cumulative Capacity Fee Analysis (5th Year)

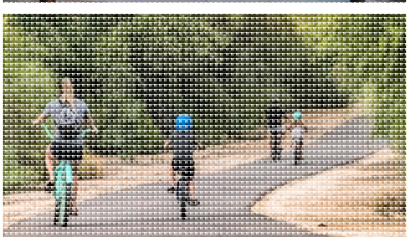
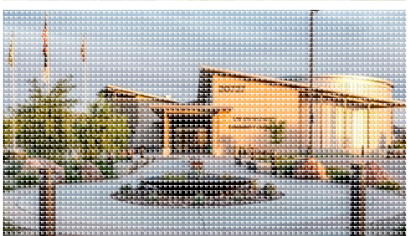
Exceeding Projections

	%-Year Projections	5-Year Actuals	Variance	% Variance	10-Year Projections	% of 10-Year Actual
<u>Water</u>						
Equivalent Residential Units	9,159	9,364	205	2%	17,933	52%
Revenue	\$26.0M	\$26.1M	\$0.1M	1%	\$46.8M	56%
<u>Wastewater</u>						
Equivalent Residential Units	5,017	7,726	2,709	54%	10,245	75%
Revenue	\$18.6M	\$26.6M	\$8.0M	43%	\$33.8M	79%

Note: Water service area is larger than Wastewater Service and was projected to exceed Wastewater units by 75% over 10 years. Actual results are only 21% greater.

Action Items

1. Next Year's Annual Report Enhancement
 - Cumulative Project Expense Comparison: Actual to Fee Study
2. Legally Required Biennial Audit for the Period Ending June 30, 2022
3. Termination of Library Fee Expected in 2023
4. Analysis of Possible Debt Reduction / Payoff Associated with the Transportation Fee
5. Fee Updates



Recommended Motion

Approve Resolution 1509-22 Accepting the
FY 21-22 Annual Impact Fee and Capacity Fee
Reports



**Town of Queen Creek
Development Impact Fee
FY 2021-22
Annual Report**

Audited



Date: December 22, 2022

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BACKGROUND

Development Impact Fees

Development impact fees are one-time payments used to construct improvements needed to accommodate new development. They are assessed on both residential and nonresidential development. The Town's development impact fees are based on one town-wide service area. The fees are collected at the time a building permit is issued. The Town collects the following six development impact fees:

- Parks and Recreation
- Town Facilities
- Transportation Facilities
- Library Facilities
- Police Facilities
- Fire Facilities

Authorization and Purpose

Under Authority of Arizona Revised Statutes (A.R.S.) 9-463.05, municipalities in Arizona may assess development fees to offset infrastructure costs of a municipality associated with providing necessary public services to development. The development impact fees must be based on an Infrastructure Improvement Plan (IIP). The amount of the development impact fee must bear a reasonable relationship to the burden imposed upon the municipality to provide additional necessary public services to serve new development. Development impact fees are calculated based on a development fee study, which was prepared in accordance with state law and is available [here](#).

Annual Reporting Requirements

Legislation adopted and signed into law in 2005, and then amended in 2011, requires an annual report be prepared to account for the collection and use of development impact fees. The report is prepared on a cash basis. The report is due within 90 days of the end of each fiscal year and is required to be maintained in the Town Clerk's Office. For the FY 2021-22 reporting period, the report is required to be filed by September 28, 2022.

Because of the due date 90 days after the end of the fiscal year, the law allows for the initial report to contain financial information that has not yet been audited. As a result, when the Town's FY 2021-22 audited Annual Comprehensive Financial Report (ACFR) is complete, a final report will be issued, based on audited financial statements.

The Town is not permitted to collect development impact fees if the report is not posted as required.

The information provided in this report includes development impact fee revenues and expenses for FY 2021-22 and beginning and ending balances. The Town Council adopted a policy on June 17, 2020, to annually review and approve the impact fee report. The intention of this policy is to improve disclosure to the public and the development community related to the development impact fees collected and expended.

The report required by A.R.S. § 9-463.05(N) is detailed below.

N. Each municipality that assesses development impact fees shall submit an annual report accounting for the collection and use of the fees for each service area. The annual report shall include the following:

1. The amount assessed by the municipality for each type of development impact fee.
2. The balance of each fund maintained for each type of development impact fee assessed as of the beginning and end of the fiscal year.
3. The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year.
4. The amount of development impact fee monies used to repay:
 - (a) Bonds issued by the municipality to pay the cost of a capital improvement project that is the subject of a development impact fee assessment, including the amount needed to repay the debt service obligations on each facility for which development impact fees have been identified as the source of funding and the time frames in which the debt service will be repaid
 - (b) Monies advanced by the municipality from funds other than the funds established for development impact fees in order to pay the cost of a capital improvement project that is the subject of a development impact fee assessment, the total amount advanced by the municipality for each facility, the source of the monies advanced and the terms under which the monies will be repaid to the municipality
5. The amount of development impact fee monies spent on each capital improvement project that is the subject of a development impact fee assessment and the physical location of each capital improvement project
6. The amount of development impact fee monies spent for each purpose other than a capital improvement project that is the subject of a development impact fee assessment

DEVELOPMENT IMPACT FEE FUND SUMMARIES

PARKS AND RECREATION

Beginning Balance	\$19,828,380
Revenues	
Development Impact Fees	\$8,159,227
Interest Income	\$83,653
Expenses	
Professional and Technical Services	\$10,775
Projects	\$1,709,181
2007 Excise Tax Bond - Debt Service	\$426,929
2008B GADA Bond - Debt Service	\$80,614
Ending Balance	\$25,843,761

Note:

On November 16, 2022 Town Council approved a \$3.5 million interfund loan for prior year park project expenses which exceeded the growth amount identified in the current 2019 study.

TOWN FACILITIES

Beginning Balance	\$2,892,107
Revenues	
Development Impact Fees ¹	\$186,583
Interest Income	\$10,223
Expenses	
Professional and Technical Services	\$3,592
2007 Excise Tax Bond - Debt Service	\$65,681
2004B GADA Bond - Debt Service	\$222,042
Ending Balance	\$2,797,598

Note:

¹Town Facilities impact fee was discontinued effective May 23, 2022 because sufficient revenues have been collected to defease the outstanding debt.

TRANSPORTATION FACILITIES

Beginning Balance	\$14,066,493
Revenues	
Development Impact Fees	\$6,077,914
Interest Income	\$48,436
Expenses	
Professional and Technical Services	\$10,775
Projects	\$4,021,999
2018 B Excise Tax Bond - Debt Service	\$583,688
2020 Excise Tax Bond - Debt Service	\$326,236
Ending Balance	\$15,250,145

Note:

On November 16, 2022 Town Council approved a \$0.5M loan for Transportation for the amount of debt service on the 2020 bonds that was incorrectly applied to impact fees.

LIBRARY FACILITIES

Beginning Balance	\$2,063,906
Revenues	
Development Impact Fees	\$427,443
Interest Income	\$7,698
Expenses	
Professional and Technical Services	\$3,592
2007 Excise Tax Bond - Debt Service	\$26,601
2005B GADA Bond - Debt Service	\$40,069
2006A GADA Bond - Debt Service	\$165,446
Ending Balance	\$2,263,339

POLICE FACILITIES

Beginning Balance	\$638,593
Revenues	
Development Impact Fees	\$1,756,920
Interest Income	\$3,114
Expenses	
Professional and Technical Services	\$7,183
Projects	\$1,194,420
2018 B Excise Tax Bond - Debt Service	\$140,075
Ending Balance	\$1,056,949

FIRE FACILITIES

Beginning Balance	\$11,908,800
Revenues	
Development Impact Fees	\$3,238,923
Interest Income	\$23,228
Expenses	
Professional and Technical Services	\$7,183
Projects	\$4,583,188
2018 B Excise Tax Bond - Debt Service	\$494,738
2020 Excise Tax Bond - Debt Service	\$576,349
Ending Balance	\$9,509,493

DEVELOPMENT IMPACT FEES PAID BY THE TOWN ASSOCIATED WITH DEVELOPMENT AGREEMENTS

	<u>Parks</u>	<u>Town</u>	<u>Streets</u>	<u>Library</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
July	\$0	\$0	\$0	\$0	\$0	\$0	\$0
August ¹	\$3,189	\$76	\$2,118	\$167	\$640	\$1,175	\$7,365
September	\$0	\$0	\$0	\$0	\$0	\$0	\$0
October	\$0	\$0	\$0	\$0	\$0	\$0	\$0
November	\$0	\$0	\$0	\$0	\$0	\$0	\$0
December	\$0	\$0	\$0	\$0	\$0	\$0	\$0
January ²	\$114,778	\$2,784	\$406,827	\$6,033	\$94,050	\$172,476	\$796,948
February ²	\$8,648	\$210	\$30,653	\$455	\$7,086	\$12,995	\$60,047
March	\$0	\$0	\$0	\$0	\$0	\$0	\$0
April	\$0	\$0	\$0	\$0	\$0	\$0	\$0
May	\$0	\$0	\$0	\$0	\$0	\$0	\$0
June	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$126,615	\$3,070	\$439,598	\$6,654	\$101,776	\$186,646	\$864,359

Notes:

¹Fulton Homes Development Agreement

²Costco Development Agreement

AMOUNT ASSESSED FOR EACH TYPE OF DEVELOPMENT IMPACT FEE

An impact fee study was adopted by the Town Council on November 20, 2019 and, as a result, a new impact fee schedule took effect on February 10, 2020. The information that follows contains a summary of the amount assessed for each type of development impact fee.

Developments that were issued their first building permit prior to February 10, 2020, are eligible for the reduced fee structure below for a grandfathering period of 24 months from the date of their first permit issuance. For example, the new single-family development fee for Town Facilities prior to February 10, 2020 was \$470, while the new single-family development fee for Town Facilities under the new fee schedule effective February 10, 2020 is \$76. Therefore, the reduced fee would be the lesser of the two, or \$76.

For more details, please see the November 2019 Land Use Assumptions, Infrastructure Improvement Plan and Impact Fee Report [here](#)

DEVELOPMENT FEE SCHEDULE (EFFECTIVE AUGUST 1, 2014 - FEBRUARY 9, 2020)

	Parks & Recreation	Town Facilities	Transportation	Library Facilities	Police Facilities	Fire Facilities
Residential						
(per unit)						
Single Family Detached	\$3,681	\$470	\$1,263	\$723	\$167	\$490
2+ Multi-Family	\$2,710	\$346	\$882	\$532	\$123	\$361
Nonresidential						
(per 1,000 sq. ft.)						
Industrial	\$650	\$338	\$429	\$128	\$56	\$335
Commercial	\$563	\$292	\$1,569	\$111	\$229	\$290
Office & Other Services	\$552	\$286	\$679	\$109	\$90	\$285

DEVELOPMENT FEE SCHEDULE (EFFECTIVE FEBRUARY 10, 2020)

	Parks & Recreation	Town Facilities	Transportation	Library Facilities	Police Facilities	Fire Facilities
Residential						
(per unit)						
Single Family Detached	\$3,189	\$76	\$2,118	\$167	\$640	\$1,175
2+ Multi-Family	\$2,293	\$54	\$1,479	\$120	\$460	\$845
Nonresidential						
(per 1,000 sq. ft.)						
Industrial	\$1,115	\$26	\$720	\$58	\$245	\$450
Commercial	\$742	\$18	\$2,630	\$39	\$608	\$1,115
Office & Other Services	\$1,099	\$26	\$1,139	\$57	\$310	\$569

**AMOUNT ASSESSED FOR EACH TYPE OF DEVELOPMENT IMPACT FEE
 (CONCLUDED)**

REDUCED DEVELOPMENT IMPACT FEES - EFFECTIVE FEBRUARY 10, 2020

	<u>Parks & Recreation</u>	<u>Town Facilities</u>	<u>Transporta tion</u>	<u>Library Facilities</u>	<u>Police Facilities</u>	<u>Fire Facilities</u>
<u>Residential</u>						
(per unit)						
Single Family Detached	\$3,189	\$76	\$1,263	\$167	\$167	\$490
2+ Multi-Family	\$2,293	\$54	\$882	\$120	\$123	\$361
<u>Nonresidential</u>						
(per 1,000 sq. ft.)						
Industrial	\$650	\$26	\$429	\$58	\$56	\$335
Commercial	\$563	\$18	\$1,569	\$39	\$229	\$290
Office & Other Services	\$552	\$26	\$679	\$57	\$90	\$285

DEVELOPMENT IMPACT FEE PERMIT ACTIVITY AND REVENUES

<u>Single Family</u>	<u>TOWN</u>					
	<u>PARKS</u>	<u>FACILITIES¹</u>	<u>TRANSPORTATION²</u>	<u>LIBRARY</u>	<u>POLICE</u>	<u>FIRE</u>
JULY	202	202	202	202	202	202
AUGUST	143	143	143	143	143	143
SEPTEMBER	99	99	99	99	99	99
OCTOBER	97	97	97	97	97	97
NOVEMBER	131	131	131	131	131	131
DECEMBER	113	113	113	113	113	113
JANUARY	131	131	131	131	131	131
FEBRUARY	167	167	167	167	167	167
MARCH	220	220	220	220	220	220
APRIL	219	219	219	219	219	219
MAY	112	112	112	112	112	112
JUNE	133	35	133	133	133	133
Subtotal	1,767	1,669	1,767	1,767	1,767	1,767
Less Refunded Permits	(8)	(8)	(8)	(8)	(8)	(8)
Total Single Family Permits	<u>1,759</u>	<u>1,661</u>	<u>1,759</u>	<u>1,759</u>	<u>1,759</u>	<u>1,759</u>
2+Multi-Family Units	963	963	963	963	963	963

Notes:

¹Town Facilities impact fee discontinued effective May 23, 2022 because sufficient revenues have been collected to defease the outstanding debt.

²As stated in A.R.S. 9-500.18, a city or town shall not assess or collect any fees or costs from a school district or charter school for fees pursuant to section 9-463.05. This prohibition does not include fees assessed or collected for streets and water and wastewater utility functions. As such, the square footage for transportation may be higher than the other fees because the others are not paid by school districts.

DEVELOPMENT IMPACT FEE PERMIT ACTIVITY AND REVENUES (CONCLUDED)

	<u>PARKS</u>	<u>TOWN FACILITIES¹</u>	<u>TRANSPORTATION</u>	<u>LIBRARY</u>	<u>POLICE</u>	<u>FIRE</u>
Single Family	\$5,634,963	\$126,844	\$3,665,556	\$295,089	\$1,088,310	\$2,014,575
2+ Multi-Family	\$2,208,159	\$52,002	\$1,424,277	\$115,560	\$442,980	\$813,735
Non-Residential	\$341,617	\$8,345	\$1,005,025	\$18,130	\$230,750	\$420,013
Subtotal	\$8,184,739	\$187,191	\$6,094,858	\$428,779	\$1,762,040	\$3,248,323
Less Refunds/Corrections	(\$25,512)	(\$608)	(\$16,944)	(\$1,336)	(\$5,120)	(\$9,400)
Total Development Impact Fee Revenue	\$8,159,227	\$186,583	\$6,077,914	\$427,443	\$1,756,920	\$3,238,923
Projected Revenue Per Study	\$5,426,624	\$128,571	\$3,687,428	\$283,952	\$1,113,476	\$2,043,871
\$ Variance	\$2,732,603	\$58,012	\$2,390,486	\$143,491	\$643,444	\$1,195,052
% Variance²	50%	45%	65%	51%	58%	58%

Non-Residential Permits (Square Feet)

	<u>PARKS</u>	<u>TOWN FACILITIES¹</u>	<u>TRANSPORTATION</u>	<u>LIBRARY</u>	<u>POLICE</u>	<u>FIRE</u>
Industrial	-	-	-	-	-	-
Commercial	357,292	357,292	360,162	357,292	357,292	357,292
Office & Other Services	73,613	73,613	73,613	73,613	73,613	73,613
Total Square Feet	430,905	430,905	433,775	430,905	430,905	430,905
Projected Square Feet Per Study	145,000	145,000	145,000	145,000	145,000	145,000
SF Variance	285,905	285,905	288,775	285,905	285,905	285,905
% Variance	197%	197%	199%	197%	197%	197%

Notes:

- 1) Town Facilities impact fee discontinued effective May 23, 2022 because sufficient revenues have been collected to defease the outstanding debt.
- 2) Variances differ amongst the fees because of the grandfathering provisions under state law.

CUMULATIVE IMPACT FEE ANALYSIS – 5 YEARS

	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>% Variance</u>	<u>10-Year Totals Per Impact Fee Study</u>	<u>% of 10-Year Totals Per Impact Fee Study</u>
Units						
Single-Family	6,262	8,120	1,858	30%	11,863	68%
Multi-Family	1,327	1,141	(186)	-14%	1,857	61%
Square Feet						
Commercial	714,000	1,101,885	387,885	54%	925,000	119%
Office & Other Services	807,000	660,430	(146,570)	-18%	1,287,000	51%
Industrial	352,000	0	(352,000)	-100%	502,000	0%
Revenue	\$60,083,901	\$67,266,552	\$7,182,651	12%	\$107,128,730	63%

BEGINNING AND ENDING FUND BALANCES

	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Change</u>
	<u>7/1/2021</u>	<u>6/30/2022</u>	
Parks and Recreation	\$19,828,380	\$25,843,760	\$6,015,380
Town Facilities	\$2,892,107	\$2,797,598	(\$94,509)
Transportation Facilities	\$14,066,493	\$15,250,145	\$1,183,652
Library Facilities	\$2,063,906	\$2,263,340	\$199,434
Police Facilities	\$638,593	\$1,056,948	\$418,355
Fire Facilities	\$11,908,800	\$9,509,494	(\$2,399,306)

INTEREST INCOME

	<u>Interest Income</u>
Parks and Recreation	\$83,653
Town Facilities	\$10,223
Transportation Facilities	\$48,436
Library Facilities	\$7,698
Police Facilities	\$3,114
Fire Facilities	\$23,228

DEVELOPMENT IMPACT FEES EXPENDED ON DEBT SERVICE

	2007	2004B	2005B	2006A	2008B	2018 B	2018 B	2018 B	2020 Excise	Total Debt
	Excise Bond	GADA* Bond	GADA* Bond	GADA* Bond	GADA* Bond	Excise Tax Bond	Excise Tax Bond	Excise Tax Bond	Tax Bond	Service
Parks and Recreation	\$426,929	\$0	\$0	\$0	\$80,614	\$0	\$0	\$0	\$0	\$507,543
Town Facilities	\$65,681	\$222,042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$287,723
Transportation Facilitie	\$0	\$0	\$0	\$0	\$0	\$583,688	\$0	\$0	\$326,236	\$909,924
Library Facilities	\$26,601	\$0	\$40,069	\$165,446	\$0	\$0	\$0	\$0	\$0	\$232,116
Police Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$140,075	\$0	\$0	\$140,075
Fire Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$494,738	\$576,349	\$1,071,087
	\$519,211	\$222,042	\$40,069	\$165,446	\$80,614	\$583,688	\$140,075	\$494,738	\$902,585	\$3,148,468

*Greater Arizona Development Authority; these loans were refinanced by the Series 2016 Bonds. The amounts represent the relative amount of debt service paid from each of the development impact fee funds attributable to the original loan issuances.

DEVELOPMENT IMPACT FEES EXPENDED ON PROJECTS

Parks and Trails Development Impact Fee

<u>Project Number</u>	<u>Status</u>	<u>Project Description</u>	<u>Project Location</u>	<u>Amount</u>
P0620	Active	Frontier Family Park	NW Corner of Queen Creek Rd/!	\$188,512
TE100	Active	QC Wash - Crismon - Rittenhouse	Same as Project Description	\$81,453
TE101	Active	QC Wash - Rittenhouse - Meridian	Same as Project Description	\$11,385
TE102	Complete	Signal Butte Rd. Trail Alignment	Same as Project Description	\$13,600
TE201	Active	Sonqui Wash - Hawes - Crismon	Same as Project Description	\$1,414,230
				<u>\$1,709,181</u>

Transportation Development Impact Fee

<u>Project Number</u>	<u>Status</u>	<u>Project Description</u>	<u>Project Location</u>	<u>Amount</u>
A0115	Active	Ocotillo - 226th to Ironwood	Same as Project Description	\$950,633
A0116	Active	Ocotillo - Sossaman to Hawes	Same as Project Description	\$15,467
A0306	Active	Rittenhouse - Village LP to Alliance	Same as Project Description	\$198,139
A0401	Active	Hawes Rd. Rittenhouse to Ocotillo	Same as Project Description	\$32,733
A0510	Complete	Riggs - Ellsworth to Meridian	Same as Project Description	\$2,349
A0602	Active	Chandler HGTS - Hawes to Sossaman	Same as Project Description	\$29,515
A0603	Active	Chandler HGTS - Sossaman to Power	Same as Project Description	\$943,562
A0801	Active	Signal Butte - Octotillo to QC Rd.	Same as Project Description	\$35,322
A1001	Active	Queen Creek Rd. - Ellsworth to Crismc	Same as Project Description	\$602,229
A1002	Active	Queen Creek Rd. - Ellsworth to Signal	Same as Project Description	\$672,937
A1404	Active	Power - Brooks Farm to Chandler HGT!	Same as Project Description	\$451,930
A1405	Active	Power - Chandler HGTS to Riggs	Same as Project Description	\$20,946
A1406	Active	Power - Riggs to Hunt Highway	Same as Project Description	\$749
A1505	Active	Meridian - Combs to QC Wash	Same as Project Description	\$35,479
PRJMG	Operating	Project Management Overhead	Same as Project Description	\$30,009
				<u>\$4,021,999</u>

DEVELOPMENT IMPACT FEES EXPENDED ON PROJECTS (CONCLUDED)

Police Development Impact Fee

<u>Project Number</u>		<u>Project Description</u>	<u>Project Location</u>	<u>Amount</u>
MF007	Complete	Fire Station #4	20155 S. Signal Butte Rd.	\$1,310
MF009	Active	Fire Station #5	245 W. Combs Rd.	\$625,760
MF010	Active	Fire Station #2	24787 S. Sossaman Rd.	\$567,350
				<hr/>
				\$1,194,420

Fire Development Impact Fee

<u>Project Number</u>		<u>Project Description</u>	<u>Project Location</u>	<u>Amount</u>
MF007	Complete	Fire Station #4	20155 S. Signal Butte Rd.	\$4,977
MF009	Active	Fire Station #5	245 W. Combs Rd.	\$2,381,181
MF010	Active	Fire Station #2	24787 S. Sossaman Rd.	\$2,155,930
MF011	Active	Fire Resource Center	Ryan Rd/220th St.	\$41,100
				<hr/>
				\$4,583,188

Note:

Town Facilities and Library Facilities development impact fee funds were not used to pay for any projects during FY 2021-22, only debt payments and professional and technical services.

Additional Resources*

Town of Queen Creek FY 2021-22 Annual Budget – Capital Improvement Plan and Infrastructure Improvement Plan

Infrastructure Improvement Plan/Impact Fee Study – November 2019

*Available on Town's Website: <http://www.queencreek.org/departments/finance>

**Town of Queen Creek
Capacity Fee
FY 2021-22
Annual Report**

Audited



Date Issued: December 22, 2022

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BACKGROUND

Capacity Fees

Capacity fees are one-time charges used to pay the proportionate share of costs for the utility infrastructure needed to support new growth. Wastewater capacity fees are assessed at the time of building permit issuance whereas water capacity fees are assessed when the water meter is purchased. Capacity fees are assessed on all residential and non-residential development.

State law permits the Town to charge fees for utility infrastructure by either imposing development impact fees pursuant to Arizona Revised Statutes (“A.R.S.”) Section 9-463.05 (the “Development Fee Statute”) or capacity fees pursuant to A.R.S. § 9-511.01 (the “Utility Statute”). Because development impact fees may only be charged within municipal boundaries according to the Development Fee Statute, and the Town’s water and wastewater service areas extend beyond Town limits, the Town uses water and wastewater capacity fees in lieu of water and wastewater development fees.

Authorization and Purpose

Under the Utility Statute, municipalities in Arizona may assess capacity fees to offset the costs associated with providing additional water and wastewater capacity to new development. The amount of the capacity fee must correspond to the financial burden imposed upon the municipality. Further, Arizona law requires that “any proposed water or wastewater rate or rate component; fee or service charge adjustment or increase shall be just and reasonable.”

The Town based its capacity fees on an Infrastructure Improvement Plan (IIP) and an associated fee study. The study that produced the fees can be found [here](#).

Annual Reporting Requirements

While the Utility Statute does not require an annual report regarding the collection and use of capacity fees, such reporting requirements do exist for development impact fees under the Development Fee Statute. As such, the Town currently produces an annual development impact fee report per A.R.S. §9-463.05(N). This Statute, adopted and signed into law in 2005 and amended in 2011, requires an annual report be prepared to account for the collection and use of development fees.

In order to improve transparency to the public and the development community regarding the collection and use of capacity fees, the Town Council adopted a financial policy on June 17, 2020, requiring that both the development impact fee report and capacity fee report be adopted by Council annually following the Town’s financial audit. As such, staff has prepared this capacity fee report, which is similar to the development impact fee report in terms of its content and scope.

The report is prepared on a cash basis. The information provided includes capacity fee revenues and expenses for FY 2021-22 and beginning and ending balances.

CAPACITY FEE FUND SUMMARIES

WATER

Beginning Balance as Previously Recorded	(\$7,420,975)
Reconciliation Adjustment ¹	\$6,348,892
Adjusted Beginning Balance	(\$1,072,083)
Revenues	
Revenue	\$5,229,176
Interest Income	\$13,546
Expenses	
Professional and Technical Services	\$14,367
Projects ²	\$3,487,637
Ending Balance	\$668,635

Notes:

¹Corrections related to project expenses prior to June 30, 2021 which were not in the current 2019 Study.

²Includes prior year project expense corrections.

³On November 16, 2022, Town Council approved a \$4.1 million interfund loan for water project expenses which exceeded the growth amount identified in the current 2019 study.

WASTEWATER

Beginning Balance as Previously Reported	(\$14,684,984)
Reconciliation Adjustment ¹	\$11,240,483
Adjusted Beginning Balance	(\$3,444,501)
Revenues	
Revenue	\$4,924,813
Expenses	
Professional and Technical Services	\$14,367
Projects ²	\$1,201,514
Ending Balance	\$264,431

Notes:

¹Corrections related to project expenses prior to June 30, 2021 which were not in the current 2019 Study.

²Includes prior year project expense corrections.

³On November 16, 2022, Town Council approved a \$2.1 million interfund loan for wastewater project expenses which exceeded the growth amount identified in the current 2019 study.

AMOUNT ASSESSED FOR EACH TYPE OF CAPACITY FEE

The information that follows is a summary of the amount assessed for each type of capacity fee in FY 2021-22. Following a rate and capacity fee study, new water and wastewater capacity charges were adopted on June 5, 2019, and became effective on July 1, 2019. Per the new study, the water capacity fee was reduced by \$1,632 and the wastewater capacity fee was reduced by \$2,181, which equates to a savings of more than 40% for a standard 3/4" meter.

Water

Meter Size (inches)	Meter Type	Water Capacity Fee
3/4"	Displacement	\$2,382
1"	Displacement	\$3,978
1.5"	Displacement	\$7,933
2"	Compound	\$12,697
3"	Compound	\$23,822
4"	Compound	\$39,711

Wastewater

Meter Size (inches)	Meter Type	Wastewater Capacity Fee	
		Residential	Fee Non-Residential
3/4"	Displacement	\$2,901	\$2,901
1"	Displacement	\$2,901	\$4,845
1.5"	Displacement	\$9,660	\$9,660
2"	Compound	\$15,462	\$15,462
3"	Compound	\$29,009	\$29,009
4"	Compound	\$48,358	\$48,358

CAPACITY FEES PAID BY THE TOWN ASSOCIATED WITH DEVELOPMENT AGREEMENTS

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
July	\$0	\$0	\$0
August	\$0	\$0	\$0
September	\$0	\$0	\$0
October	\$0	\$0	\$0
November	\$0	\$0	\$0
December	\$0	\$0	\$0
January ¹	\$0	\$15,462	\$15,462
February	\$0	\$0	\$0
March	\$0	\$0	\$0
April	\$0	\$0	\$0
May	\$0	\$0	\$0
June ¹	\$38,091	\$0	\$38,091
	<u>\$38,091</u>	<u>\$15,462</u>	<u>\$53,553</u>

¹Costco Development Agreement

CAPACITY FEE PERMIT ACTIVITY

WATER

	3/4"	1"	1.5"	2"	3"	4"	TOTAL WATER CAPACITY
JULY	179	32	2	2	0	0	215
AUGUST	191	22	2	10	0	0	225
SEPTEMBER	129	10	0	2	0	0	141
OCTOBER	71	12	1	0	0	0	84
NOVEMBER	102	16	2	0	0	0	120
DECEMBER	91	22	3	1	0	0	117
JANUARY	112	28	1	1	1	2	145
FEBRUARY	160	24	1	1	1	0	187
MARCH	111	32	3	0	0	0	146
APRIL	110	19	0	1	0	0	130
MAY	95	26	1	5	0	1	128
JUNE	144	15	2	9	0	0	170
Total Water Capacity Fees	1,495	258	18	32	2	3	1,808

WASTEWATER

	3/4"	1"	1.5"	2"	3"	4"	TOTAL WASTEWATER CAPACITY
JULY	180	8	0	2	0	0	190
AUGUST	116	7	0	0	0	0	123
SEPTEMBER	74	9	1	1	0	2	87
OCTOBER	92	2	0	0	0	0	94
NOVEMBER	93	10	0	0	0	0	103
DECEMBER	83	15	0	1	2	0	101
JANUARY	114	10	1	2	0	0	127
FEBRUARY	135	10	0	1	0	0	146
MARCH	182	14	2	2	0	0	200
APRIL	170	8	0	2	0	0	180
MAY	92	10	0	2	0	1	105
JUNE	98	7	1	0	0	0	106
Total Wastewater Capacity Fees	1,429	110	5	13	2	3	1,562

Note:

The Town collects wastewater capacity fees at the time of building permit issuance whereas water capacity fees are assessed when the water meter is purchased. Additionally, the size of the service area is different for the water utility and the wastewater utility. The water service area is larger. As a result, the number of water fee activity will not equal the number of wastewater fees assessed.

CAPACITY FEE EQUIVALENT RESIDENTIAL UNITS (ERUs)

WATER

	<u>3/4"</u>	<u>1"</u>	<u>1.5"</u>	<u>2"</u>	<u>3"</u>	<u>4"</u>	TOTAL WATER CAPACITY
JULY	179	53	7	11	0	0	250
AUGUST	191	37	7	53	0	0	288
SEPTEMBER	129	17	0	11	0	0	156
OCTOBER	71	20	3	0	0	0	94
NOVEMBER	102	27	7	0	0	0	135
DECEMBER	91	37	10	5	0	0	143
JANUARY	112	47	3	5	10	33	211
FEBRUARY	160	40	3	5	10	0	219
MARCH	111	53	10	0	0	0	174
APRIL	110	32	0	5	0	0	147
MAY	95	43	3	27	0	17	185
JUNE	144	25	7	48	0	0	224
Total ERUs	1,495	431	60	171	20	50	2,226
Total Projected ERUs							2,364
Percent Received							94%

WASTEWATER

	<u>3/4"</u>	<u>1"</u>	<u>1.5"</u>	<u>2"</u>	<u>3"</u>	<u>4"</u>	TOTAL WASTEWATER CAPACITY
JULY	180	13	0	11	0	0	204
AUGUST	116	12	0	0	0	0	128
SEPTEMBER	74	15	3	5	0	33	131
OCTOBER	92	3	0	0	0	0	95
NOVEMBER	93	17	0	0	0	0	110
DECEMBER	83	25	0	5	20	0	133
JANUARY	114	17	3	11	0	0	145
FEBRUARY	135	17	0	5	0	0	157
MARCH	182	23	7	11	0	0	223
APRIL	170	13	0	11	0	0	194
MAY	92	17	0	11	0	17	136
JUNE	98	12	3	0	0	0	113
Total ERUs	1,429	184	17	69	20	50	1,769
Total Projected ERUs							1,120
Percent Received							158%

**Town of Queen Creek
Capacity Fee Annual Report**

FY 2021-22

CAPACITY FEE REVENUES

WATER CAPACITY FEE REVENUE BY PERIOD

	3/4"	1"	1.5"	2"	3"	4"	Subtotal	Less Refunds	Monthly Total
JULY	\$417,850	\$98,568	\$15,866	\$25,394	\$0	\$0	\$557,678	\$0	\$557,678
AUGUST	\$448,367	\$79,862	\$15,866	\$126,970	\$0	\$0	\$671,065	\$0	\$671,065
SEPTEMBER	\$307,278	\$34,992	\$15,866	\$25,394	\$0	\$0	\$383,530	(\$774)	\$382,756
OCTOBER	\$169,122	\$44,544	\$7,933	\$0	\$0	\$0	\$221,599	\$0	\$221,599
NOVEMBER	\$244,560	\$62,052	\$15,866	\$0	\$0	\$0	\$322,478	\$0	\$322,478
DECEMBER	\$212,784	\$85,920	\$23,799	\$12,697	\$0	\$0	\$335,200	\$0	\$335,200
JANUARY	\$263,379	\$106,596	\$7,933	\$12,697	\$23,822	\$79,422	\$493,849	\$0	\$493,849
FEBRUARY	\$381,120	\$92,074	\$7,933	\$12,697	\$23,822	\$0	\$517,646	\$0	\$517,646
MARCH	\$267,807	\$117,720	\$23,799	\$0	\$0	\$0	\$409,326	\$0	\$409,326
APRIL	\$262,020	\$69,198	\$0	\$12,697	\$0	\$0	\$343,915	\$0	\$343,915
MAY	\$226,290	\$103,428	\$7,933	\$63,485	\$0	\$39,711	\$440,847	\$0	\$440,847
JUNE	\$343,008	\$59,670	\$15,866	\$114,273	\$0	\$0	\$532,817	\$0	\$532,817
Annual Total	\$3,543,585	\$954,624	\$158,660	\$406,304	\$47,644	\$119,133	\$5,229,950	(\$774)	\$5,229,176

Total Water Capacity Fee Revenue	\$5,229,176
Projected Revenue Per Study	\$5,631,188
\$ Variance	(\$402,012)
% Variance	-7%

WASTEWATER CAPACITY FEE REVENUE BY PERIOD

	3/4"	1"	1.5"	2"	3"	4"	Subtotal	Less Refunds	Monthly Total
JULY	\$525,081	\$23,208	\$0	\$30,924	\$0	\$0	\$579,213	(\$2,901)	\$576,312
AUGUST	\$336,516	\$20,307	\$0	\$0	\$0	\$0	\$356,823	\$0	\$356,823
SEPTEMBER	\$214,674	\$26,109	\$9,660	\$15,462	\$0	\$96,716	\$362,621	\$0	\$362,621
OCTOBER	\$266,892	\$5,802	\$0	\$0	\$0	\$0	\$272,694	\$0	\$272,694
NOVEMBER	\$269,793	\$29,010	\$0	\$0	\$0	\$0	\$298,803	\$0	\$298,803
DECEMBER	\$240,783	\$45,459	\$0	\$15,462	\$58,018	\$0	\$359,722	\$0	\$359,722
JANUARY	\$330,714	\$32,898	\$9,660	\$30,924	\$0	\$0	\$404,196	\$0	\$404,196
FEBRUARY	\$397,437	\$30,954	\$0	\$15,462	\$0	\$0	\$443,853	(\$5,802)	\$438,051
MARCH	\$527,982	\$40,614	\$19,320	\$30,924	\$0	\$0	\$618,840	\$0	\$618,840
APRIL	\$493,170	\$23,208	\$0	\$30,924	\$0	\$0	\$547,302	\$0	\$547,302
MAY	\$266,892	\$29,010	\$0	\$30,924	\$0	\$48,358	\$375,184	\$0	\$375,184
JUNE	\$290,100	\$20,307	\$9,660	\$0	\$0	\$0	\$320,067	(\$5,802)	\$314,265
Annual Total	\$4,160,034	\$326,886	\$48,300	\$201,006	\$58,018	\$145,074	\$4,939,318	(\$14,505)	\$4,924,813

Wastewater Capacity Fee Revenue	\$4,924,813
Projected Revenue Per Study	\$3,250,079
\$ Variance	\$1,674,734
% Variance	52%

BEGINNING AND ENDING FUND BALANCES

	<u>Beginning Balance</u>	<u>Ending Balance</u>	
	<u>7/1/2021</u>	<u>6/30/2022</u>	<u>Change</u>
Water	(\$1,072,083)	\$668,635	\$1,740,718
Wastewater	(\$3,444,501)	\$264,431	\$3,708,932

INTEREST INCOME

	<u>Interest Income</u>
WW - Capacity	\$0
Water - Capacity	\$13,546

CUMULATIVE CAPACITY FEE ANALYSIS – 5 YEARS

Water

	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>% Variance</u>	<u>10-Year Totals Per</u>	<u>% of 10-Year Totals</u>
					<u>Capacity Fee</u>	<u>Per Capacity Fee</u>
					<u>Study</u>	<u>Study</u>
Equivalent Dwelling Units	9,159	9,364	205	2%	17,933	52%
Revenue	\$25,931,673	\$26,084,821	\$153,148	1%	\$46,831,703	56%

Wastewater

	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>% Variance</u>		
Equivalent Dwelling Units	5,017	7,726	2,709	54%	10,245	75%
Revenue	\$18,636,938	\$26,582,268	\$7,945,330	43%	\$33,802,510	79%

Note:

The water and wastewater service area differ in size. The water service area is larger. As a result, the cumulative performance relative to projections varies.

CAPACITY FEES EXPENDED ON PROJECTS

Water

<u>Project</u>	<u>Status</u>	<u>Project Name</u>	<u>Location</u>	<u>Amount</u>
WA020	Active	BARNEY WELL, RESERVOIR, BOOSTER	MERIDIAN & REINS RD.	\$1,944,540
WA049	Operating	FIRE HYDRANT - INSTALLATIONS - SYS WIDE	SYS WIDE	\$5,031
			OCOTILLO RD: 186TH TO	
WA062	Complete	OCOTILLO TRANSMISSION	SOSSAMAN	\$263,068
WA078	Active	CHURCH FARMS EAST WELL	MERIDIAN & VIA DEL JARDIN	\$235,602
WA099	Complete	ENCANTERRA/ SHEA LINE INSTALL	SAME AS DESCRIPTION	(\$236)
WA119	Complete	RITTENHOUSE RD: COMBS TO CLOUD	SAME AS DESCRIPTION	\$10,856
			RITTENHOUSE & CHERRYWOOD	
WA157	Complete	VILLAGES WELL REPLACEMENT	DR.	\$37
			SIGNAL BUTTE & LAWNSDALE	
WA158	Complete	JORDE WELL SIGNAL BUTTE	PL.	\$1,858
WA178	Complete	SIGNAL BUTTE: OCOTILLO TO QC RD	SAME AS DESCRIPTION	(\$24,167)
WA189	Active	GARY EAST WELL - MERIDIAN CROSSING	GARY & TWILIGHT DR.	\$1,582
WA193	Active	BARNEY FARMS LAKE WELL	BARNEY FARMS SUBDIVISION	\$3,893
WA200	Complete	SOSSAMAN WTRLN: APPLEBY TO OCOTILLO	SAME AS DESCRIPTION	\$842
WA202	Active	HARVEST TANK AND SITE	SIGNAL BUTTE & MEWES RD.	\$983,583
WA250	Active	SCHNEPF: QC WASH PAST COMBS	SAME AS DESCRIPTION	\$7,357
			DIVERSIFIED. WELL ZERO-	
WA252	Operating	NEW WELL INVESTIGATION	SKYLINE & QUAIL RUN.	\$9,756
WA270	Active	SCHNEPF: COMBS TO HASHKNIFE	SAME AS DESCRIPTION	\$2,469
PROJMGT	Operating	PROJECT MANAGEMENT	N/A	\$41,565
Grand Total				\$3,487,637

CAPACITY FEES EXPENDED ON PROJECTS (CONTINUED)

Wastewater

<u>Project</u>	<u>Status</u>	<u>Project Name</u>	<u>Location</u>	<u>Amount</u>
WW058	Active	GWRP CAPITAL CONSTRUCTION	RECLAMATION PLANT	\$15,884
WW070	Complete	POWER ROAD T LOCK SLEEVING	POWER: RITTENHOUSE TO PECOS	\$1,087,890
WW073	Active	OCOTILLO: SIGNAL BUTTE TO MERIDIAN	SAME AS DESCRIPTION	\$12,694
WW083	Active	QUEEN CREEK: 228TH TO MERIDIAN	SAME AS DESCRIPTION	\$3,847
WWT07	Active	GRWP EXPANSION 2018 FUTURE BUILDOUT	GREENFIELD WATER	\$56,043
PROJMGT	Operating	PROJECT MGT OVERHEAD COSTS	N/A	\$27,496
WW086	Complete	QUEEN CREEK: ELLSWORTH TO SIG BUTTE	SAME AS DESCRIPTION	(\$2,339)
Grand Total				\$1,201,515

ADDITIONAL RESOURCES

- 1) [Town of Queen Creek FY2020/2021 Annual Budget](#) – Capital Improvement Plan and Infrastructure Improvement Plan
- 2) [Water and Wastewater Capacity Fee Study 2019](#)