Mayor	Willow District	Acacia District	Ironwood District	Mesquite District	Palo Verde District	Pine District
Cathy Carlat	Jon Edwards, Vice Mayor	Vicki Hunt	Bill Patena	Bridget Binsbacher	Michael Finn	Carlo Leone

Amendment #1 December 11, 2017

City Council Meeting Notice & Agenda

Tuesday, December 12, 2017
City Council Chamber
8401 West Monroe Street
Peoria, AZ 85345

Special Meeting

4:00 P.M. Convene

Roll Call

Consent Agenda

CONSENT AGENDA: All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

1 C. **Authorization to Hold an Executive Session**

Discussion and possible action to authorize the holding of an Executive Session for the purpose of discussions or consultations with designated representatives of the public body and/or legal counsel in order to consider its position and instruct its representatives regarding:

(a) Employment, assignment, appointment, promotion, or salaries of a public officer or appointee pertaining to the evaluation process and performance reviews of the Municipal Judge and City Attorney pursuant to A.R.S. § 38-431.03.A.1.

Adjournment

Executive Session

Convene immediately following Special City Council Meeting
Executive Room, City Council Chamber

Under the provisions of A.R.S. 38-431.02 there will be a **CLOSED EXECUTIVE SESSION.**

Executive Session Agenda

2. An Executive Session for the purpose of discussions or consultations with designated representatives of the public body and/or legal counsel in order to consider its position and instruct its representatives regarding:

   (a) Employment, assignment, appointment, promotion, or salaries of a public officer or appointee pertaining to the evaluation process and performance reviews of the Municipal Judge and City Attorney pursuant to A.R.S. § 38-431.03.A.1.

The above-named Public Body of the City of Peoria, Arizona will convene into Executive Session pursuant to A.R.S. 38-431.03 for those items listed on the agenda. Only those persons who are:

- Members of the Public Body, or
- Officers of the City that are required to attend, or
- Those individuals whose presence is reasonably necessary for the Public Body to carry out its Executive Session responsibilities as determined by the City Attorney may be present during the Executive Session.

All persons who remain present during the Executive Session are reminded that the business conducted in Executive Session, including all discussion taking place herein, is confidential and may not be disclosed to any person, except as permitted by law.

Arizona Open Meeting Act:

Arizona law requires that persons who are present in an executive session receive instruction regarding the confidentiality requirements of the Arizona Open Meetings Act. Minutes and discussions made during executive sessions are confidential and may not be disclosed to any party, except:

- Members of the Council,
- Appointees or employees who were subject of discussion under the personnel item subsection of the Open Meetings Act,
- County Attorney or Attorney General pursuant to an investigation of a violation of the Open Meetings Act, and
- Arizona Auditor General in connection with an audit authorized by law.

Any person who violates or who knowingly aids, agrees to aid, or attempts to aid another person in violating the Arizona Open Meetings Law may be punished by fine of up to $500.00 per violation and/or by removal from public office.

A reception for the 2017 Peoria Youth Artists will be held beginning at 6:00P.M. in the lobby of City Hall. The Peoria City Council will be in attendance at the reception; no City business will be conducted.

Regular Meeting

7:00 P.M. Convene

Pledge of Allegiance
Roll Call
Final Call to Submit Speaker Request Forms

Presentation

3. **Mayor and Council's Young Artists Program**

4. **Introduction of New Deputy City Manager**

Consent Agenda

CONSENT AGENDA: All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

5 C. **Grant-in-Aid Fiscal Agent Agreement, Tohono O'odham Nation, Peoria Unified School District**

Discussion and possible action to approve the Grant-In-Aid Fiscal Agent Agreement with the Tohono O'odham Nation on behalf of Peoria Unified School District.

6 C. **Grant-in-Aid, Arizona State Library, Archives, and Public Records, Sunrise Mountain Library, Non Fiction Material**

Discussion and possible action to: (a) approve a Grant-in-Aid administered by the State Library, Archives and Public Records to update and expand the non-fiction collection at Sunrise Mountain Library; and (b) approve a budget transfer in the amount of $8,026 from the Proposed Grant Contingency account to the Books Periodicals and Subscription account.

7 C. **Grant, Arizona State Library, Archives, and Public Records, Library Services and Technology Act, Library Hot Spots**

Discussion and possible action to: (a) accept the Library Services and Technology Act Hotspot Subgrant administered by the State Library, Archives and Public Records for hot spots; and (b) approve a budget transfer in the amount of $1,533.45 from the

Proposed Grant Contingency account to the Computer Hardware account.

8 C. **Intergovernmental Agreement, Maricopa County Department of Transportation, Traffic Signals**

Discussion and possible action to approve an Intergovernmental Agreement with Maricopa County for cost sharing on two new traffic signals at the intersection of Happy Valley Road and Vistancia Boulevard and at the intersection of 87th Avenue and Deer Valley Road.

9 C. **Contract, Felix Construction Company, Butler Well Rehabilitation**

Discussion and possible action to approve an individual job order utilizing an existing Job Order Contract with Felix Construction Company for a guaranteed maximum price of $1,295,432 to construct the Butler Well Rehabilitation project.

10 C. **Exemption Request, Requirement to Post Security for Self Insured Workers' Compensation Claims**

Discussion and possible action to authorize the execution of documents necessary to certify the City of Peoria exemption from the Industrial Commission of Arizona requirements to post security for self-insured Workers' Compensation claims.

11 C. **Budget Transfer, Sunrise Mountain Acquisition Payment**

Discussion and possible action to authorize a budget adjustment from the CIP Projects Fund Contingency to the Land Acquisition account for the Sonoran Preservation Program in the CIP Projects Fund in the amount of $108,030.

12 C. **Fiscal Year 2017 Comprehensive Annual Financial Report, Single Audit Report and Auditor Communications**

Discussion and possible action to receive and file the Comprehensive Annual Financial Report, Singe Audit Report, Management Letter, and Auditor Communication to Governance Letter for the fiscal year ended June 30, 2017.

13 C. **Maintenance Improvement District No. 1212, Blackstone at Vistancia, Parcel B13, El Mirage Road and Blackstone Drive**

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2017-130** intention and ordering the formation of proposed Maintenance Improvement District No. 1212, Blackstone at Vistancia, Parcel B13, located at El Mirage Rd. and Blackstone Drive; and adopt **RES. 2017-131** ordering the improvements within the proposed Maintenance Improvement District and declaring an emergency.

14 C. **Final Plat, Riverwalk, 77th Avenue and Pinnacle Peak Road**

Discussion and possible action to approve the Final Plat, Riverwalk, located at 77th Avenue and Pinnacle Peak Road, subject to stipulations.

15 C. **PUBLIC HEARING - Liquor License, Even Stevens Sandwiches, 16955 North**

75th Avenue, Suite 105

Discussion and possible action to recommend approval to the State Liquor Board for a New Restaurant Liquor License (Series 12) for Even Stevens Sandwiches, located at 16955 N. 75th Ave., Suite 105, Marc Goldsen, Applicant, LL#20018613.

Regular Agenda

New Business

16 R. **VOID**

17 R. **PUBLIC HEARING - Rezoning, Metzger Residence, 7423 West Rowel Road**

PUBLIC HEARING: RE: A request to rezone approximately 1 acre of land located at 7423 West Rowel Road from Suburban Ranch 43 (SR-43) to Single Family (R1-35).

Staff Report:
Open Public Hearing:
Public Comment:
Close Public Hearing:

COUNCIL ACTION:

Discussion and possible action to concur with the Planning and Zoning Commission's unanimous recommendation and adopt **ORD. 2017-48** approving the rezoning of approximately 1 acre of property, located at the southeast corner of 75th Avenue and Jomax Road from Suburban Ranch 43 (SR-43) to Single-Family Residential (R1-35).

18 R. **Memorandum of Understanding, American Federation of State, County, and Municipal Employees Local 3282, July 2018 through June 2022**

Discussion and possible action to approve a Memorandum of Understanding with the American Federation of State, County, and Municipal Employees Local 3282 in total for the period July 2018 through June 2022.

19 R. **Public Art, Happy Valley Road and Lake Pleasant Parkway**

Discussion and possible action to: (a) approve the recommended artwork for Happy Valley Road and Lake Pleasant Parkway, Jeff Zischke's "Blooming Spire"; and (b) authorize a contract to Jeff Zischke in the amount of $180,000 to construct and install public art at Happy Valley Road and Lake Pleasant Parkway.

Vistancia Community Facilities District Board Meeting

VCFD Consent Agenda

CONSENT AGENDA: All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

20 C. **Minutes**

Discussion and possible action to approve the November 28, 2017 Vistancia Community Facilities District Meeting minutes.

21 C. **Fiscal Year 2017 Annual Financial Report**

Discussion and possible action to accept and file the Vistancia Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2017.

Vistancia West Community Facilities District Board Meeting

VWCFD Consent Agenda

CONSENT AGENDA: All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

22 C. **Minutes**

Discussion and possible action to approve the November 7, 2017 Vistancia West Community Facilities District Meeting minutes.

23 C. **Fiscal Year 2017 Annual Financial Report**

Discussion and possible action to accept and file the Vistancia West Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2017.

Call To The Public (Non-Agenda Items)
If you wish to address the City Council, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The City Council is not

authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

Reports from City Manager

24. **Council Calendar**

Reports from City Council

Reports from the Mayor

Adjournment

NOTE: Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

Accommodations for Individuals with Disabilities. Alternative format materials, sign language interpretation and assistive listening devices are available upon 72 hours advance notice through the Office of the City Clerk, 8401 West Monroe Street, Peoria, Arizona 85345 - Phone: (623) 773-7340 or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request. The City has a TDD line where accommodations may be requested at: (623) 773-7221.

Public Notice

In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda.

City Council Meetings can be viewed live on Channel 11 (Cox Cable) and are available for viewing on demand at https://www.peoriaaz.gov/government/mayor-and-city-council/city-council-videos.

City Manager
Jeff Tyne

City Clerk
Rhonda Geriminsky

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 3.

Date Prepared: 11/30/2017

Council Meeting Date: 12/12/2017

TO: Council Members

FROM: Mayor Cathy Carlat

SUBJECT: Mayor and Council's Young Artists Program

Purpose:

To recognize and acknowledge the students whose artwork was selected for the Mayor and Council's Young Artists Program to be on display in the Peoria City Hall Pine Room from November 1 - December 12, 2017.

Background/Summary:

I strongly believe that a city is not complete without a strong sense of the arts. Public art displays, performances, and our access to them is one of the many attributes that gives us our outstanding quality of life in Peoria and draws people to our great city. In addition, it's a characteristic that we are able to boast to business leaders who are looking for a new community to open or expand their company. The purpose of this program is to engage Peoria students interested in the arts and incorporate this art into Peoria City Hall. The entries were collected by Peoria Unified School District teachers, who then selected their top entries for submittal to the City of Peoria. We will be recognizing these students tonight for their outstanding submissions. This is an ongoing program; currently my office is working on the next set of student artwork.

Contact Name and Number:

Anthony Alejandro, 623-773-5133

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 4.

Date Prepared: 12/5/2017

Council Meeting Date: 12/12/2017

TO: Honorable Mayor and City Council

FROM: Jeff Tyne, City Manager

SUBJECT: Introduction of New Deputy City Manager

Purpose:

The City Manager will formally introduce new Deputy City Manager Erik Strunk to the Mayor and City Council.

Background/Summary:

Recently, the City held an extensive recruitment process for the vacant Deputy City Manager position. As a result of that process, Erik Strunk has been selected as Peoria's newest Deputy City Manager.

Erik has an extensive background in Arizona local government. He has been a long-time employee at the City of Glendale, serving in various department level positions. Erik was a chief architect of their neighborhood services function, and has overseen parks, recreation, library, housing, and arts functions among others. Moreover, Erik has extensive experience with citizen engagement initiatives, working with public Boards and Commissions, community advocates and business leaders.

Erik has a Bachelor's Degree from the University of Colorado, and a Master's Degree in Public Administration from Bowling Green State University.

We are excited to welcome Erik to the City of Peoria!

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 5C.

Date Prepared: 11/16/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

FROM: Tamara Shreeve, Strategic Management Officer

SUBJECT: Grant-in-Aid Fiscal Agent Agreement, Tohono O'odham Nation, Peoria Unified School District

Purpose:

This is a request for City Council to approve the Grant-In-Aid Fiscal Agent Agreement between the Tohono O'odham Nation and the City of Peoria on behalf of the Peoria Unified School District.

Background/Summary:

The Peoria Unified School District (PUSD) was awarded a $50,000 grant from the Tohono O'odham Nation's 12 percent gaming distribution grant program. The PUSD proposal requested $200,000 to assist with the purchase of laptop computers. They were awarded $50,000 in grant funds.

As stated in the Tohono O'odham Nation's Request for Proposal, a non-government organization must identify a city, town or county located within Arizona that will agree to pass through grant funds. PUSD has recently requested that the City of Peoria act as the fiscal pass-through agent. The Tohono O'odham's Grant-in-Aid Fiscal Agreement identifies the City as the pass-through municipality, and PUSD as the Grantee.

Previous Actions:

No previous action.

Options:

A: Approve the Grant-in-Aid Fiscal Agreement between the Tohono O'odham Nation and the City of Peoria on behalf of Peoria Unified School District.

B: Not approve the Grant-in-Aid Fiscal Agreement between the Tohono O'odham Nation and the City of Peoria on behalf of Peoria Unified School District.

Staff Recommendation:

Discussion and possible action to approve the Grant-In-Aid Fiscal Agent Agreement with the Tohono O'odham Nation on behalf of Peoria Unified School District.

Fiscal Analysis:

There would be no fiscal impact to the City of Peoria, as this is a pass-through grant.

ATTACHMENTS:

Exhibit 1: Award Letter
Grant In Aid Fiscal Agreement Between TON, PUSD and Peoria

Contact Name and Number:

Tamara Shreeve, (623) 773-5143

TOHONO O'ODHAM NATION
OFFICE OF THE
CHAIRMAN AND VICE CHAIRMAN

EDWARD D. MANUEL
CHAIRMAN

VERLON M. JOSE
VICE CHAIRMAN

O'ODHAM HA-WE:HEJED

"For the People"

September 18, 2017

Mr. Robert Keagle
K-12 Administrator
Peoria Unified School District
6330 W Thunderbird Rd
Glendale, AZ 85306

Dear Mr. Keagle,

I am pleased to inform you that your proposal submitted on behalf of Peoria Unified School District was selected by the Tohono O'odham Nation as a recipient of the 12% grant funding in the amount of $50,000.00 for the One to One Computer Laptop Initiative. We are honored to support local communities and hope that this grant will help Peoria Unified School District make positive impacts in Arizona.

As was indicated in the Request for Proposals issued by the Nation, the grant is conditional upon development of a Grant-in-Aid between the Tohono O'odham Nation, a governmental entity, and your organization.

Please contact the city, town, or county you have chosen to work with immediately so we can begin drafting the Grant-in-Aid and take the steps necessary for final approval of this grant funding. If you have any questions, please contact Matt Smith at 520-321-1111. Congratulations to you and Peoria Unified School District; I look forward to working with you to finalize your grant award.

Sincerely,

[redacted]

Edward D. Manuel
Chairman, Tohono O'odham Nation

P.O. BOX 837, SELLS, ARIZONA 85634 PHONE: 520.383.2028 FAX: 520.383.3379

Grant-in-Aid
Fiscal Agent Agreement
between
the Tohono O'odham Nation
and
City of Peoria
On behalf of
PEORIA UNIFIED SCHOOL DISTRICT

THIS GRANT-IN-AID Fiscal Agent Agreement, ("Grant") is entered into as of the _____ day of _____, 2017, by and between the Tohono O'odham Nation, a federally recognized Indian tribe (the "Nation"), the City of Peoria, a municipality in the State of Arizona, and PEORIA UNIFIED SCHOOL DISTRICT, a political subdivision of the State of Arizona ("Grantee").

RECITALS

A. The Constitution of the Tohono O'odham Nation, Article VI, Section 1(f) provides that the Tohono O'odham Legislative Council is authorized to negotiate and conclude agreements on behalf of the Tohono O'odham Nation with Federal, State and local governments.

B. The Constitution of the Tohono O'odham Nation Article VII, Section 2(f) provides that the Chairman of the Nation is the official representative of the Tohono O'odham Nation; and as such, upon passage of a Resolution by the Legislative Council approving of any agreement with Federal, State and local governments, the Chairman is authorized to sign such agreement on behalf of the Nation.

C. The parties to this agreement are empowered to carry on the activities included in this agreement pursuant to A.R.S. § 11-951, *et seq.*

D. The Peoria Unified School District is authorized to accept grants as outlined in this agreement pursuant to A.R.S. § 15-341(A)(1) and (14).

Now, therefore, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

PROVISIONS

1. **Purpose**. The purpose of this Grant is to set forth the rights and responsibilities of the parties with respect to the payment and distribution of the Contribution, as hereinafter defined.

2. **Acceptance of Duties; Monies Held in Trust.** City of Peoria agrees to perform the duties of fiscal agent, paying agent and registrar for all monies the Nation deposits with City

of Peoria for the benefit of PEORIA UNIFIED SCHOOL DISTRICT. City of Peoria: shall hold this funding separate from all other monies in the possession or control of City of Peoria. City of Peoria shall notify the Nation, at the address set forth in Paragraph 11, that the Contribution monies are provided to PEORIA UNIFIED SCHOOL DISTRICT within five (5) business days after the distribution is made.

3. **Contribution**. The Nation shall make a payment to City of Peoria in the amount described in Exhibit "A" (the "Contribution") on or about November 30, 2017. City of Peoria shall then make this funding available to Grantee as quickly as is feasible. The Grantee may not change the scope of the project or use the funds for a project other than that explained in Exhibit "A" without the written consent of the Nation.

4. **Funding**. The Contribution payment shall be delivered to City of Peoria, without any further notice or invoice required, at the address set forth in Paragraph 11 below, upon the complete execution of this Grant.

5. **Disbursement of Contribution**. In accordance with City of Peoria's policies and procedures and upon satisfactory documentation, as quickly as is feasible City of Peoria will distribute the funds to PEORIA UNIFIED SCHOOL DISTRICT.

6. **Money Unclaimed**. In the event that City of Peoria is unable to distribute the funding to PEORIA UNIFIED SCHOOL DISTRICT on or before January 1, 2018, City of Peoria shall immediately notify the Nation and the Nation will arrange for the funding to be returned. Any interest earnings on the Contribution funding between the time the Nation deposits the Contribution with City of Peoria and the time City of Peoria disburses the Contribution to PEORIA UNIFIED SCHOOL DISTRICT shall be paid to PEORIA UNIFIED SCHOOL DISTRICT.

7. **Consideration and Reliance**. It is acknowledged that City of Peoria's promise to accept and disburse the funds received by City of Peoria pursuant to this Grant is full and adequate consideration and shall render this promise to provide funding irrevocable.

8. **Fees**. City of Peoria shall not charge PEORIA UNIFIED SCHOOL DISTRICT and shall waive any applicable administrative or other fees related to this Grant and shall not deduct any funds from the amount designated for contribution to PEORIA UNIFIED SCHOOL DISTRICT.

9. **Dispute Resolution**. The parties mutually agree that any disputes arising between either 1) the Nation or City of Peoria or 2) PEORIA UNIFIED SCHOOL DISTRICT and City of Peoria to this Grant shall be resolved through informal dispute resolution. Nothing herein is intended to be or shall be construed as a waiver of sovereign immunity by either party. In the event of a dispute between PEORIA UNIFIED SCHOOL DISTRICT and City of Peoria, both PEORIA UNIFIED SCHOOL DISTRICT and City of Peoria must notify the Nation within five business days. Unless prohibited by Arizona law, all disputes that cannot be resolved through informal dispute resolution shall be resolved in the Courts of the Nation, subject to the laws of the Nation.

10. **Reports:** Unless otherwise extended by the Nation upon request of PEORIA UNIFIED SCHOOL DISTRICT, no later than July 31, 2018, PEORIA UNIFIED SCHOOL

DISTRICT shall provide a report to the Nation explaining how and when the funds provided under this Grant were used. This report may be in the form of an affidavit signed by an officer of PEORIA UNIFIED SCHOOL DISTRICT and may be accompanied by supporting documentation. The report shall address: (i) changes in the scope of the project or purchase funded under this grant, (ii) the total expenses under the project or purchase funded by the Grant, (iii) a brief description of who has benefited from this Grant, and (iv) the Grantee's next steps with regard to the project or purchase made under this Grant. The Grantee will submit a final report to the Nation within thirty (30) days of the end of this Agreement.

11. **Notices**. Any notice, consent or other communication required or permitted under this Grant shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to the Nation:

Edward D. Manuel
Chairman
P.O. Box 837
Sells, Arizona 85634
Fax: 520-383-3379

and

Special Counsel
P.O. Box 837
Sells, Arizona 85634
Fax: 520-383-3379

If to City of Peoria:

Tamara A. Shreeve, Strategic Management Officer
8401 W. Monroe, Peoria, AZ 85345
Phone: 623-773-5143
Fax: 623-773-7301
Email:Tammy.Shreeve@peoriaaz.gov

With a copy to:

Steve Burg, City Attorney
8401 W. Monroe, Room 280
Peoria, AZ 85345
Fax: 623-773-7043

If to PEORIA UNIFIED SCHOOL DISTRICT:

Kenneth Hicks, Chief Financial Officer
6330 W Thunderbird Road
Glendale, AZ 85306
Phone: 623-486-6000
Fax: 623-486-6009
Email: khicks@pusd11.net

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

12. **Term of Grant**. The term of this Grant shall begin on the date of execution and shall terminate on the one-year anniversary of this Grant.

13. **Entire Grant, Waivers and Amendments**. This Grant is executed in three (3) duplicate originals, each of which is deemed to be an original. This Grant constitutes the entire understanding and agreement of the parties. This Grant integrates all of the terms and conditions mentioned herein or incident hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Grant and all amendments hereto must be in writing and signed by the appropriate authorities of each of the parties to this Grant.

14. **No Waiver**. Except as otherwise expressly provided in this Grant, any failure or delay by any party in asserting any of its rights or remedies as to any default, shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

15. **Severability**. If any provision of this Grant shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Grant shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

16. **Sovereign Immunity**. Nothing in this Grant shall be deemed a waiver of any party's applicable sovereign immunity in any forum or jurisdiction.

TOHONO O'ODHAM NATION

_____
Edward D. Manuel, Chairman
Tohono O'odham Nation

Date_____

City of Peoria:

_____
Cathy Carlat, Mayor
City of Peoria

Date _____

PEORIA UNIFIED SCHOOL DISTRICT

_____
Kenneth Hicks, Chief Financial Officer

Date_____

Approved as to form and found to be within the power and authority of the City of Peoria under the laws of the State of Arizona.

_____
Stephen Burg, City Attorney

Additional Signature Required:

_____
Rhonda Geriminsky, City Clerk

_____
Date

Approved as to form:

_____
Laura Berglan, Acting Attorney General
Tohono O'odham Nation

Approved as to form:

[redacted]
Clyde Dangerfield, Esq. of Cantelme & Brown, P.L.C.
Legal Counsel to the District

EXHIBIT "A"

Program	**Contribution**
One to One Computer Laptop Initiative	$50,000
TOTAL	$50,000

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 6C.

Date Prepared: 11/16/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: John R. Sefton, Jr., Director

SUBJECT: Grant-in-Aid, Arizona State Library, Archives, and Public Records, Sunrise Mountain Library, Non Fiction Material

Purpose:

This is a request for City Council to accept a State grant for $8,026 to update and expand the non-fiction collection at Sunrise Mountain Library and to authorize the appropriate amendment.

Background/Summary:

The State grants-in-aid program was developed in 1981 through legislative appropriations to help Arizona libraries meet the information needs of Arizona residents.

Arizona county library districts and cities with populations of 100,000 or more qualify for an annual award from the State Library System. These grants are used to improve library collections, provide education and training opportunities, improve programming for children and adults, and to acquire computers and automation of library procedures.

The grant funds, along with an equal number of matching funds, will be used to purchase adult non-fiction at Sunrise Mountain Library. A final report is required at the end of the grant period, which requires a narrative, budget and certification.

Previous Actions:

There has been no previous action on this item.

Options:

The following options are possible for the City Council to recommend:

A: The Council can accept the approved grant and approve the associated budget amendment.

B: The Council cannot accept the approved grant and the associated budget amendment.

Staff Recommendation:

Discussion and possible action to: (a) approve a Grant-in-Aid administered by the State Library, Archives and Public Records to update and expand the non-fiction collection at Sunrise Mountain Library; and (b) approve a budget transfer in the amount of $8,026 from the Proposed Grant Contingency account to the Books Periodicals and Subscription account.

Fiscal Analysis:

The equal match requirement is available in the current operating budget. Staff requests a budget amendment for $8,026 from Proposed Grant Contingency account 7990-7990-57000 to the books, periodicals and subscription program account 1000-1550-53002 to authorize use of the funds.

ATTACHMENTS:

Award Notification for State Grants-in Aid

Contact Name and Number:

Nathaniel Washburn, 623-773-7557

MICHELE REAGAN
Secretary of State
State of Arizona

ARIZONA STATE
LIBRARY, ARCHIVES AND PUBLIC RECORDS
A DIVISION OF THE ARIZONA SECRETARY OF STATE

Holly Henley
State Librarian & Director of Library Services

Arizona State Library,
Archives and Public Records

Award Notification for State Grants-in-Aid

Library Name & Address: Peoria Public Library 8463 W. Monroe St. Peoria, AZ 85345		**State Project Number:** SGIA 18-A-19
Project Name: SGIA 2018		**Project Manager:** Nathaniel Washburn
Program Information: http://www.azlibrary.gov/libdev/funding/sgia		**Amount Awarded:** $8,026
Period of Performance: July 1, 2017 to June 30, 2018		**Final Report Due:** July 31, 2018
Contact for SGIA grant questions: Janet "Jaime" Ball, Library Development Administrator	**Phone:** 602-542-6266	**Email:** jball@azlibrary.gov

When possible, please acknowledge SGIA as follows:

This project is supported by the Arizona State Library, Archives & Public Records, a division of the Secretary of State, with funds appropriated by the Arizona State Legislature.

[redacted] 8/7/17

Holly Henley, State Librarian & Director of Library Services — Date

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 7C.

Date Prepared: 11/16/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: John R. Sefton, Jr., Director

SUBJECT: Grant, Arizona State Library, Archives, and Public Records, Library Services and Technology Act, Library Hot Spots

Purpose:

This is a request for City Council to accept a grant in the amount of $1,533.45 from the Library Services and Technology Act (LSTA) administered by the State Library, Archives and Public Records for hot spots. Additionally, this request is to authorize the appropriate budget amendment.

Background/Summary:

The Peoria Public Library is the recipient of a sub-grant for a "Hotspot Lending Program" provided by the Digital Inclusion Corps, a pilot cooperative project of the National Digital Inclusion Alliance a program of the PAST Foundation, and the Institute of Museum and Library Services Grant #MG-00-17-0002-17. The sub-grant for $1,533.45 will provide the library with ten hotspot devices and wireless Internet service for one year through Mobil Beacon.

This program is a pilot program aimed at bridging the digital divide and enable individuals who may not have Internet service to check out a hotspot and bring library services and "connectivity" to the digital age into the comfort of their home. Allowing homework, job applications, research and entertainment to be accessible online and after hours when the library is closed.

Previous Actions:

There has been no previous action on this item.

Options:

The following options are possible for the City Council to recommend:

A: The Council can accept the approved grant and approve the associated budget amendment.

B: The Council cannot accept the approved grant and the associated budget amendment.

Staff Recommendation:

Discussion and possible action to: (a) accept the Library Services and Technology Act Hotspot Subgrant administered by the State Library, Archives and Public Records for hot spots; and (b) approve a budget transfer in the amount of $1,533.45 from the Proposed Grant Contingency account to the Computer Hardware account.

Fiscal Analysis:

Staff requests a budget amendment in the amount of $1,533.45 from Proposed Grant Contingency account 7990-7990-57000 to the computer hardware program account 1000-1540-53003 to authorize use of the funds.

ATTACHMENTS:

Award Notification for LSTA subgrants

Contact Name and Number:

Nathaniel Washburn, 623-773-7557

Award Notification for Hotspot Subgrant

Library Name & Address: Peoria Main Library 8463 W Monroe St. Peoria, AZ 85345	**State Project Number:** 2017-HOTSPOT-01	
Project Name: NDIA Mobile Hotspot Lending Pilot	**Project Manager:** Jill Thomsen	
CFDA Number: 45.312	**Amount Awarded:** $1,533.45	
DUNS:	**Indirect Cost Rate:** 0.00	
Contact for LSTA grant questions: Nicole Umayam, Library Development Technology Outreach Specialist	**Phone:** 602-542-6271	**Email:** numayam@azlibrary.gov

Enclosures:

- General Assurances and Certifications
- Internet Safety Certification
- Non-Construction Assurances

_____ _____

Holly Henley, State Librarian & Director of Library Services Date

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 8C.

Date Prepared: 11/2/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: Adina Lund, P.E., Development and Engineering Director

SUBJECT: Intergovernmental Agreement, Maricopa County Department of Transportation, Traffic Signals

Purpose:

This is a request for City Council to approve an Intergovernmental Agreement (IGA) between Maricopa County and the City of Peoria for cost sharing on two new traffic signals. The agreement allows the parties to design, acquire land and construct two new traffic signals; (1) Happy Valley Road and Vistancia Boulevard and; (2) 87th Avenue and Deer Valley Road.

Background/Summary:

The City's FY2017-FY2026 Capital Improvement Program (CIP) includes two separate projects to signalize two intersections.

1. EN00586-Signalize Vistancia Boulevard and Happy Valley Road.
2. EN00590-Signalize 87th Avenue and Deer Valley Road.

The two intersections listed above meet warrants for signalization and staff is recommending that signalizing the intersections is the type of traffic control to address the safety concerns.

While the intersections are in the City of Peoria there is one leg of each intersection that is in Maricopa County. Staff has met with officials at Maricopa County and have come to the agreement that one quarter of the design and construction will be paid for by Maricopa County and three quarters of the costs will be paid for by the City of Peoria. The ongoing operation and maintenance of the signals will remain completely with the City of Peoria.

The attached IGA between Maricopa County and the City of Peoria allows for the cost sharing of the design and construction of the two intersections. A summary of the agreement is as follows:

- The City of Peoria will act as the lead agency in the design and construction
- The County will issue a "no cost" permit
- The intersection/signal improvements will be designed and built to City standards

- The County will participate with the City in inspection and acceptance of the signals
- The City of Peoria will provide the funding up front for both projects
- The City will invoice the County for one quarter of funds actually expended
- The County will reimburse the City in a future fiscal year for one quarter of the costs
- The City will operate and maintain both signals

The City has already hired the design consultants for both projects. The current estimated costs of the project are reflected in the IGA. The amount of financial participation is estimated at:

Design	$132,000
Right-of-way acquisition	$ 5,000
Construction	$640,000
Total	$777,000

The County's share (25%) of the total costs will not exceed $195,000.00 for both signals.

Construction of this project is expected to be completed by the end of Summer, 2018.

Previous Actions:

- November 2003 - City of Peoria and Maricopa County entered into an IGA for the Operations and Maintenance of Vistancia Blvd between Loop 303 and the County limits. This IGA also discussed the requirement for signalization of the intersection Vistancia Blvd and Happy Valley Rd.

- The City Attorney's Office, Materials Management Division, and the Engineering Department administratively approved all previous contractual items.

Options:

A: Approve the IGA with Maricopa County for the cost sharing of the two intersections.

B: Deny approval of the IGA. This will result in both intersections being constructed without financial contribution from Maricopa County and will increase the permit fees as Maricopa County will not waive the permit fee for the signal installations.

Staff Recommendation:

Discussion and possible action to approve an Intergovernmental Agreement with Maricopa County for cost sharing on two new traffic signals at the intersection of Happy Valley Road and Vistancia Boulevard and at the intersection of 87th Avenue and Deer Valley Road.

Fiscal Analysis:

These intersections are budgeted as two separate projects in the adopted Capital Improvement Program. The FY2018 budgets for the two projects are sufficient to meet the City's obligations under the terms of the proposed intergovernmental agreement.

Narrative:

Approval of the IGA with Maricopa County will allow for the reimbursement of 25% of the costs of the signals and the waiver of the County permit fees.

ATTACHMENTS:

HVR&VistanciaBlvd_VicinityMap
HVR&VistanciaBlvd_Location Map
DVR&87thAve_VicinityMap
DVR&87thAve_Location Map
IntergovernmentalAgreement_2TrafficSignals

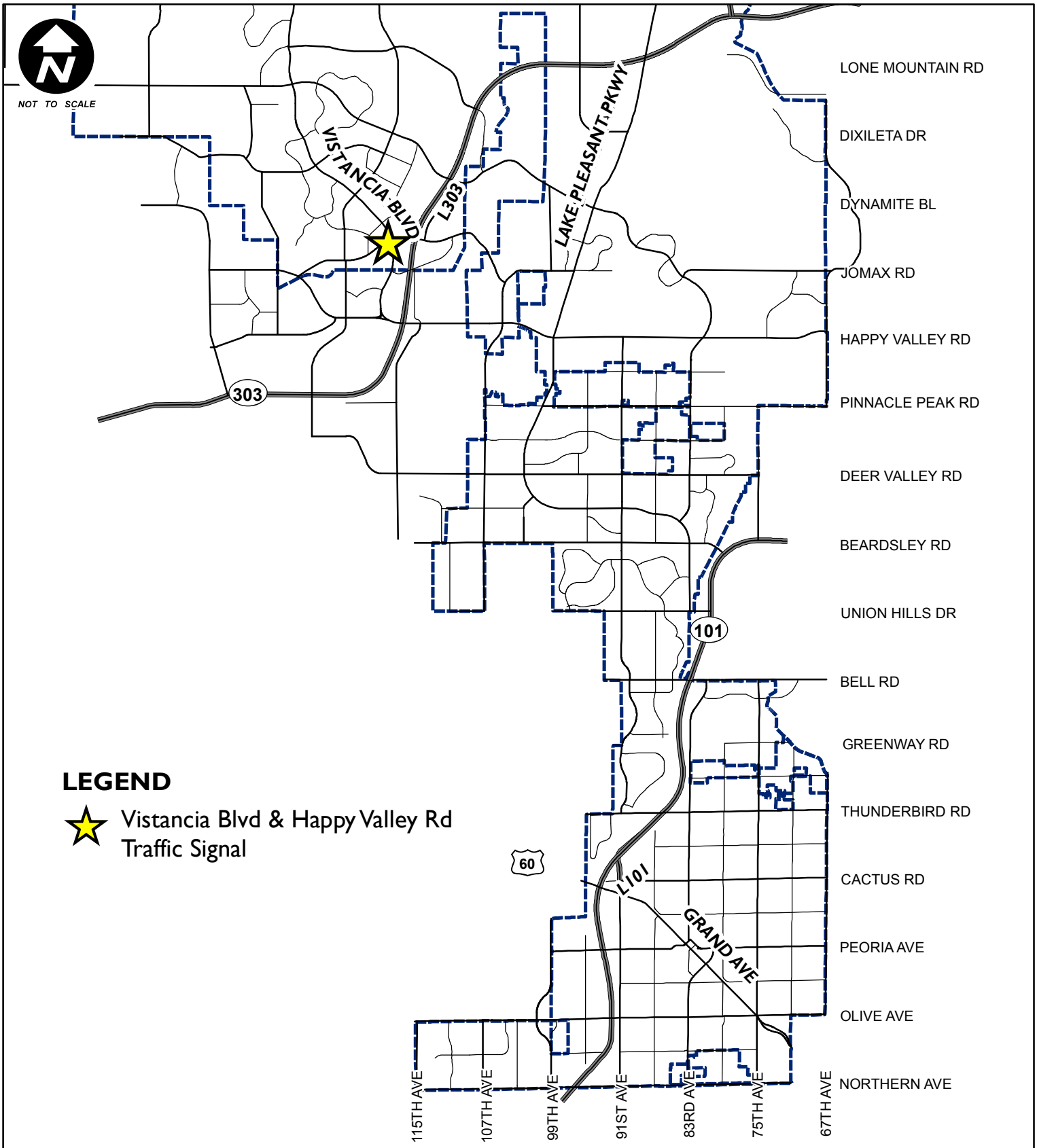
Contact Name and Number:

Geoffrey Zinnecker, P.E., Civil Engineer, (623) 773-7237

City of Peoria
DEVELOPMENT AND ENGINEERING

EN00586 - Traffic Signal
Vistancia Blvd & Happy Valley Rd

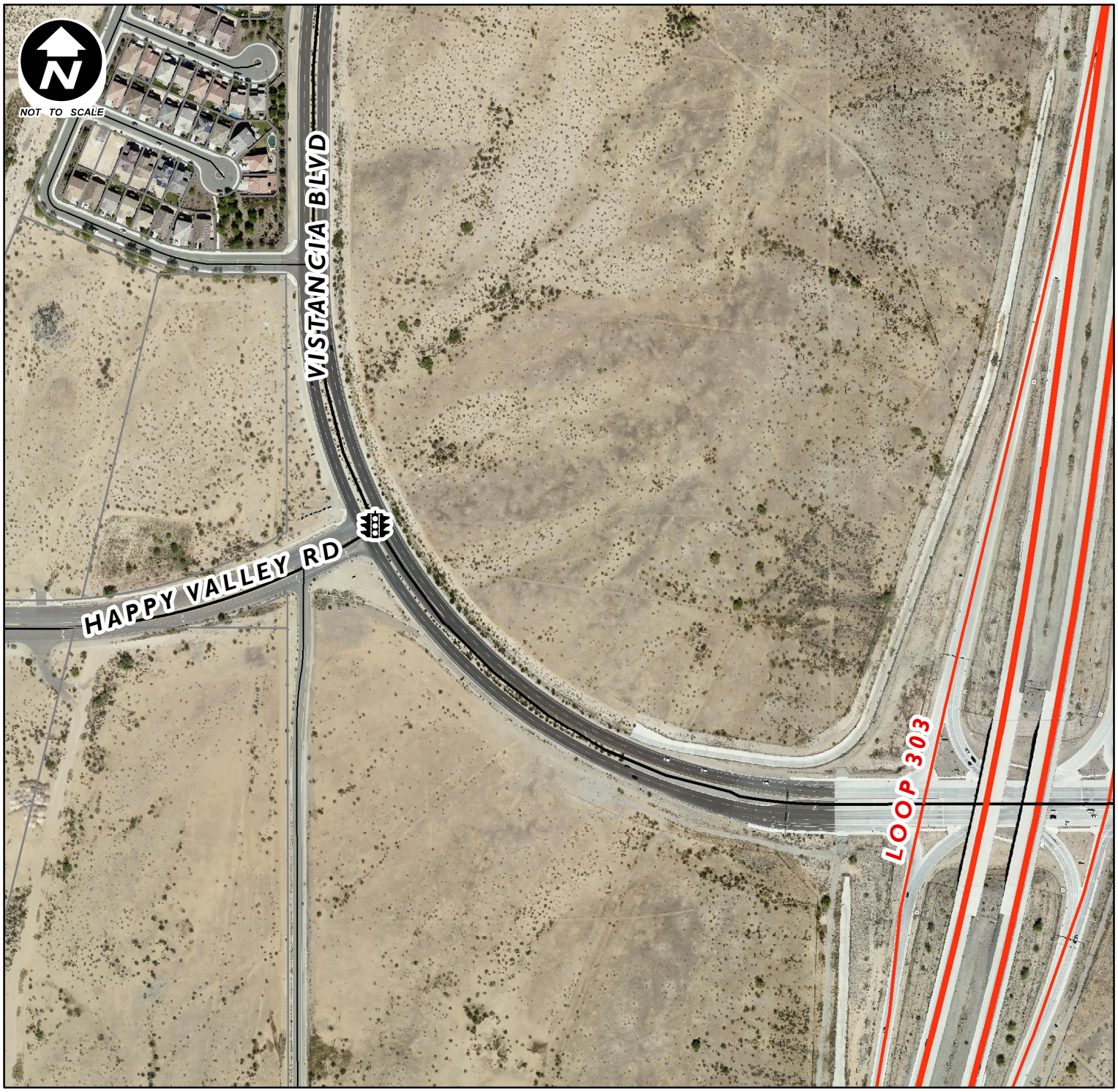
Vicinity Map



City of Peoria
DEVELOPMENT & ENGINEERING

EN00586 - Traffic Signal
Vistancia Blvd & Happy Valley Rd

Location Map



LEGEND

Traffic Signal

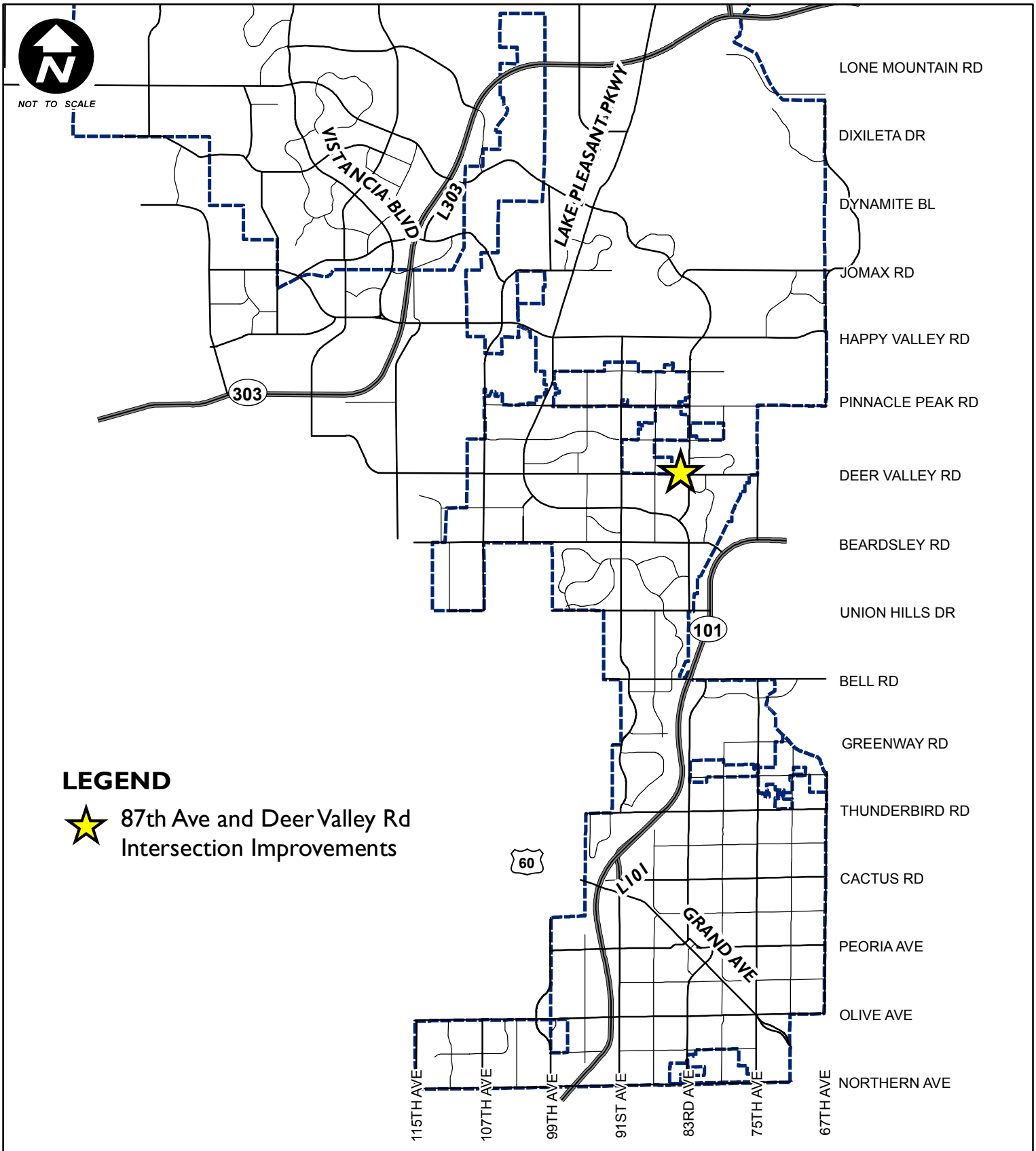
GIS
GEOGRAPHIC INFORMATION SYSTEMS
City of Peoria Arizona

NOTE
Map based on imprecise source Information, subject to change and FOR GENERAL REFERENCE ONLY.

City of Peoria
DEVELOPMENT AND ENGINEERING

EN00586 - Intersection Improvements
87th Ave & Deer Valley Rd

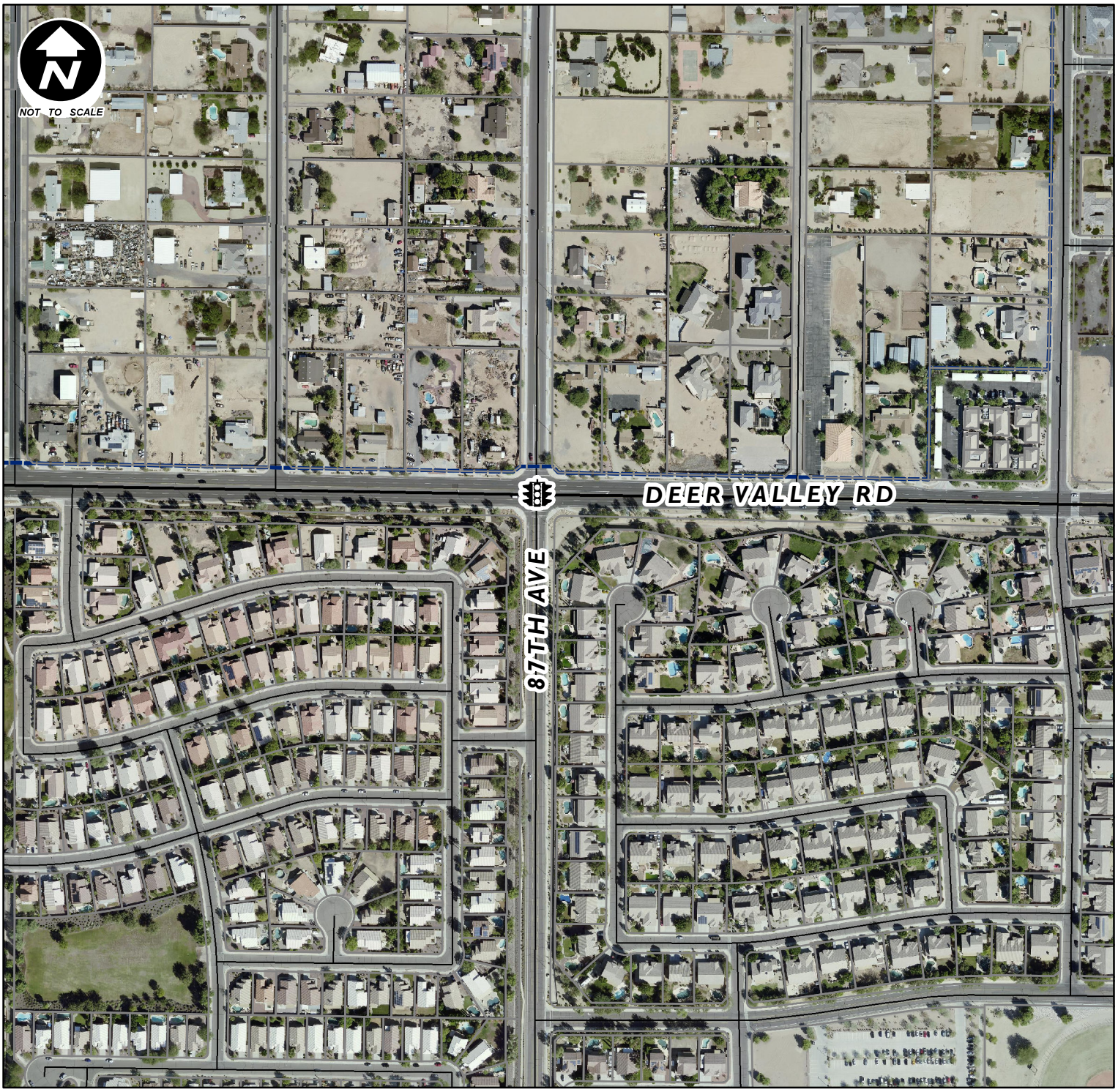
Vicinity Map



City of Peoria
DEVELOPMENT & ENGINEERING

EN00590 - Intersection Improvements
87th Ave & Deer Valley Rd

Location Map



LEGEND

Intersection Improvements

GIS
GEOGRAPHIC INFORMATION SYSTEMS
City of Peoria Arizona

NOTE
Map based on imprecise source Information, subject to change and FOR GENERAL REFERENCE ONLY.

INTERGOVERNMENTAL AGREEMENT

BETWEEN MARICOPA COUNTY

AND THE CITY OF PEORIA

FOR INSTALLATION OF TRAFFIC SIGNALS AT

HAPPY VALLEY ROAD AND VISTANCIA BOULEVARD

AND

DEER VALLEY ROAD AND 87TH AVENUE

(TT0589)

(C-64-18-_____-M-00)

This Intergovernmental Agreement (**Agreement**) is between the County of Maricopa, a political subdivision of the State of Arizona (**County**), and the City of Peoria, a municipal corporation (**City**). The County and City are collectively referred to as the **Parties** or individually as a **Party**.

STATUTORY AUTHORIZATION

1. A.R.S. Section 11-251 and Sections 28-6701 *et. seq.* authorize the County to lay out, maintain, control and manage public roads within the County.

2. A.R.S. Section 11-951 *et. seq.* authorizes public agencies to enter into Intergovernmental Agreements for the provision of services or for joint or cooperative action.

3. A.R.S. Section 9-240 and Sections 9-276 *et. seq.* authorize the City to lay out and establish, regulate and improve streets within the City and to enter into this Agreement.

BACKGROUND

4. The intersection of Happy Valley Road with Vistancia Boulevard is an existing unsignalized three-leg T-intersection with stop control for eastbound Happy Valley Road. Happy Valley Road is operated by the County. Vistancia Boulevard is operated by the City.

5. The intersection of Deer Valley Road with 87th Avenue is an existing unsignalized four-leg intersection with stop sign control on 87th Avenue. Deer Valley Road and the south leg of 87th Avenue are operated by the City. The north leg of 87th Avenue is operated by the County.

6. Traffic signal warrant analyses indicated both intersections meet signal warrants. The proposed project is to install new traffic signals at the Deer Valley Road and 87th Avenue and at Happy Valley Road and Vistancia Boulevard intersections (**Project**).

7. The Project is anticipated to be designed and constructed in Fiscal Year 2018.

8. **Project Costs.** The anticipated Project costs are as follows:

8.1	Design:	$132,000
8.2	Right-of-way Acquisition:	$ 5,000
8.3	Construction:	$640,000
8.4	Total Cost of the Project:	$777,000

9. The County has agreed to financially participate in the Project to fund twenty-five percent (25%) of the cost of the project. The County's financial contribution is not to exceed $195,000.

10. The County will not financially participate in Project enhancements, including but not limited to landscaping, irrigation, street lighting, visual mitigation, decorative pavers, street furniture and any other items inconsistent with the County's Roadway Design Manual, unless otherwise specifically identified in this Agreement.

PURPOSE OF THE AGREEMENT

11. The purpose of this Agreement is to identify and define the responsibilities of the County and City for the Project, including but not limited to cost sharing, design, permitting, environmental clearance, right-of-way acquisition, utility relocation, construction and construction management, and annexation of the roadway.

TERMS OF THE AGREEMENT

12. This Agreement does not alter the ownership, operation, or maintenance responsibilities of the Parties for the Project roadways.

13. **Responsibilities of the County:**

13.1 The County shall provide comments to the City within fifteen (15) working days of receipt of the design plans from the City.

13.2 Except as provided in Paragraph 10 of this Agreement, the County shall be responsible for twenty-five percent (25%) of the total cost of the Project. The total cost of the Project is currently estimated at $777,000, with the County responsibility not to exceed $195,000.

13.3 The County shall remit payment within thirty (30) days of the receipt of an invoice from the City.

13.4 The County shall issue no-cost permits to the City for any necessary Project related work performed within the County.

13.5 The County shall participate with the City in the substantial completion, final inspection and acceptance of the Project.

13.6 The County shall conduct right-of-way related activities that include the following:

13.6.1 The County shall assist with the acquisition of property rights (fee simple and/or easements) within the County's jurisdiction necessary for the Project, as requested by the City, and shall, as needed, authorize the County's Legal Representative (which may be the County Attorney's Office or outside counsel, depending upon availability of resources within the County Attorney's Office) to initiate, file and perform all acts in the manner required by law to condemn property in the County's jurisdiction and obtain an Order of Immediate Possession in the County that is deemed necessary for the Project ("Real Estate Support"). When a property to be acquired extends into both municipal and county jurisdiction, the County and the City shall confer and attempt to develop a plan whereby all the needed property can be acquired in a single action, rather than have two litigations proceed at the same time against an owner.

13.6.2 The County shall provide Real Estate Support within a realistic timeframe as determined by the accessibility of available agents and timely delivery by the City of right-of-way plans, parcel plat(s), legal description(s), and a complete copy of the City's acquisition file(s) for the parcels to be condemned.

13.6.3 The County shall determine whether the method of compensation by the City for the costs that is prescribed in Paragraphs 14.10.8.1 through 14.10.8.5 of this Agreement shall be direct

payment by the City to the County's vendor or shall be a reimbursement to the County.

13.6.4 The County shall invoice the City on a monthly basis for any right-of-way assistance expenses that are not subject to direct payment. The County shall provide invoice notification that includes an itemization of expenses being requested for payment.

13.6.5 At the time of the City's request pursuant to Paragraph 14.10.3 of this Agreement, the County shall assume all responsibility for the management of the acquisition, in accordance with the statutes, policies, and procedures that govern the County's ability to acquire the land rights. The County shall, ten days prior to concluding any settlement or purchase of property or property rights necessary for the Project, seek and duly consider the City Engineer's written comments with regards to such proposed settlement or purchase; provided, however, that the County shall retain final decision-making authority with regard to same.

14. **Responsibilities of the City:**

14.1 The City shall act as the lead agency for all aspects of the Project, including but not limited to design, environmental clearance, right-of-way acquisition, and construction.

14.2 The City shall design and construct the Project to City standards.

14.3 The City shall provide the County with copies of design plans for review and comment.

14.4 The City shall apply to the County for no-cost permits for any necessary Project related work performed within County jurisdiction.

14.5 The City shall be responsible for seventy-five percent (75%) of the total cost of the Project. The total cost of the Project is currently estimated at $777,000, with the City's responsibility currently estimated at $582,000.

14.6 The City shall also be solely financially responsible for the cost of all Project enhancements, as described in Paragraph 10 of this Agreement that have been requested by the City.

14.7 Upon the substantial completion of each intersection in the Project, the City shall invoice the County for the County's estimated total cost share contribution for each intersection. The City shall not invoice the County prior to July 1, 2018. The County's cost share is not to exceed $195,000.

i. The estimated total cost share for the signal at Happy Valley Road and Vistancia Boulevard is $98,000.

ii. The estimated total cost share for the signal at Deer Valley Road and 87th Avenue is $97,000

14.8 The City shall assume full responsibility for the operation and maintenance of the traffic signals installed as part of the Project.

14.9 The City shall assume all costs associated with the operation of the signalized intersections, including electrical power to the traffic signal and any associated luminaries.

14.10 The City shall conduct right-of-way related activities that include, but are not limited to, the following:

14.10.1 The City shall identify required right-of-way, parcel numbers and property owners.

14.10.2 The City shall be responsible for contacting property owners, submitting an offer to property owners for the acquisition of the right-of-way, negotiating with property owners for the acquisition of right-of-way and paying property owners for the right-of-way. If the City's negotiations result in the successful acquisition of all or a portion of the needed right-of-way, the City shall also be responsible for all escrow fees and related costs. The City shall conduct all activities required pursuant to this Paragraph in a timely manner in order for it to comply with the requirements of Paragraph 14.10.4 of this Section.

14.10.3 If the City is unsuccessful in acquiring all required right-of-way from property owners within County jurisdiction, the City shall request the County commence condemnation proceedings to acquire the right-of-way and related easements within the County's jurisdiction needed for the Project as soon as it appears that condemnation will be necessary. The City acknowledges that, due to statutory requirements, time needed to complete necessary tasks and potential staff constraints, the County needs a minimum of five (5) months prior to construction to file condemnation proceedings and obtain an Order for Immediate Possession. The five (5) month timeline is contingent upon adequate staffing for County Real Estate Department, Maricopa County Attorney's Office and receipt of all relevant information and documentation from the City that is sufficient to proceed on with acquisition and/or condemnation.

14.10.4 At the time of the City's request pursuant to Paragraph 14.10.3 of this Agreement, the City shall provide to the County recordable

legal descriptions, maps, and exhibits required by the County to complete right-of-way acquisitions.

14.10.5 At the time of the City's request pursuant to Paragraph 14.10.3 of this Agreement, the City shall cease and desist all contact with the property owners, and shall confer to the County all responsibility for the management of the necessary right-of-way acquisitions or condemnation for the Project.

14.10.6 The City shall refer any and all escalation of questions and concerns with the acquisition of the Project to the management of the County Real Estate Department.

14.10.7 The City shall provide any information requested by the County as to its proposed construction or related issues in order to assist in the County's acquisition of the property.

14.10.8 The City shall pay directly to the County's vendor or reimburse the County as determined pursuant to Paragraph 13.6.3 of the this Agreement for all expenses incurred by the County for Real Estate Support, including, but not limited to:

14.10.8.1 Title Examinations and Reports
14.10.8.2 Property Appraisals
14.10.8.3 Cost of acquisition of property and/or easements, including escrow and closing costs
14.10.8.4 Cost of condemnation proceedings if needed
14.10.8.5 All related attorney's fees and costs provided by Maricopa County

14.10.9 Notwithstanding the provisions of Paragraph 14.10.8 above, reimbursement to the County for the stipulated cost of acquisition of property and/or easements in excess of 30% of the County's most current appraised fair market value shall require authorization by the City Council.

14.10.10 Notwithstanding the provisions of Paragraph 14.10.8 above, the City, at the County discretion and pursuant to Paragraph 13.6.3 of this Agreement, shall pay directly to the County's vendor or reimburse the County directly for the full cost of acquisition as determined by any non-stipulated judgment entered in a condemnation case filed by Maricopa County pursuant to the terms of this Agreement.

GENERAL TERMS AND CONDITIONS

15. By entering into this Agreement, the Parties agree that to the extent permitted by law, each Party will indemnify, defend and save the other Parties harmless, including any of the Parties' departments, agencies, officers, employees, elected officials or agents, from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the negligent performance or nonperformance by the indemnifying Party of any of the provisions of this Agreement. By entering into this Agreement, each Party indemnifies the other against all liability, losses and damages of any nature for or on account of any injuries or death of persons or damages to or destruction of property arising out of or in any way connected with the performance or nonperformance of this Agreement, except such injury or damage as shall have been caused or contributed to by the negligence of that other Party. The damages which are the subject of this indemnity shall include but not be limited to the damages incurred by any Party, its departments, agencies, officers, employees, elected officials or agents. In the event of an action, the damages which are the subject of this indemnity shall include costs, expenses of litigation and reasonable attorney's fees.

16. This Agreement shall become effective as of the date it is approved by the Maricopa County Board of Supervisors and remain in full force and effect until all stipulations previously indicated have been satisfied, except that it may be amended upon written Agreement by all Parties. Any Party may terminate this Agreement upon furnishing the other Party with a written notice at least thirty (30) days prior to the effective termination date.

17. This Agreement shall be subject to the provisions of A.R.S. Section 38-511.

18. The Parties warrant that they are in compliance with A.R.S. Section 41-4401 and further acknowledge that:

    18.1 Any contractor or subcontractor who is contracted by a Party to perform work on the Project shall warrant their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. Section 23-214(A), and shall keep a record of the verification for the duration of the employee's employment or at least three (3) years, whichever is longer.

    18.2 Any breach of the warranty shall be deemed a material breach of the contract that is subject to penalties up to and including termination of the contract.

    18.3 The Parties retain the legal right to inspect the papers of any contractor or subcontractor employee who works on the Project to ensure that the contractor or subcontractor is complying with the warranty above and that the contractor agrees to make all papers and employment records of said employee available during normal working hours in order to facilitate such an inspection.

18.4 Nothing in this Agreement shall make any contractor or subcontractor an agent or employee of the Parties to this Agreement.

19. Each Party to this Agreement warrants that neither it nor any contractor or vendor under contract with the Party to provide goods or services toward the accomplishment of the objectives of this Agreement is suspended or debarred by any federal agency which has provided funding that will be used in the Project described in this Agreement.

20. Each of the following shall constitute a material breach of this Agreement and an event of default ("Default") hereunder: A Party's failure to observe or perform any of the material covenants, conditions or provisions of this Agreement to be observed or performed by that Party ("Defaulting Party"), where such failure shall continue for a period of thirty (30) days after the Defaulting Party receives written notice of such failure from the non-defaulting Party provided, however, that such failure shall not be a Default if the Defaulting Party has commenced to cure the Default within such thirty (30) day period and thereafter is diligently pursuing such cure to completion, but the total aggregate cure period shall not exceed ninety (90) days unless the Parties agree in writing that additional time is reasonably necessary under such circumstances to cure such default. In the event a Defaulting Party fails to perform any of its material obligations under this Agreement and is in Default pursuant to this Section, the non-defaulting Party, at its option, may terminate this Agreement. Further, upon the occurrence of any Default and at any time thereafter, the non-defaulting Party may, but shall not be required to, exercise any remedies now or hereafter available to it at law or in equity.

21. All notices required under this agreement to be given in writing shall be sent to:

County:

Maricopa County Department of Transportation
Attn: Intergovernmental Relations Branch
2901 West Durango Street
Phoenix, Arizona 85009

City:

City of Peoria
Attn: City Manager
8401 West Monroe Street
Peoria, Arizona 85345

All notices required or permitted by this Agreement or applicable law shall be in writing and may be delivered in person (by hand or courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, and shall be deemed sufficiently given if served in a manner

specified in this paragraph. Either Party may by written notice to the other specify a different address for notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail, the notice shall be deemed given 72 hours after the notice is addressed as required in this paragraph and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given 24 hours after delivery of the notice to the Postal Service or courier.

22. This Agreement does not imply authority to perform any tasks, or accept any responsibility, not expressly stated in this Agreement.

23. This Agreement does not create a duty or responsibility unless the intention to do so is clearly and unambiguously stated in this Agreement.

24. This Agreement does not grant authority to control the subject roadway, except to the extent necessary to perform the tasks expressly undertaken pursuant to this Agreement.

25. Any funding provided for in this Agreement, other than in the current fiscal year, is contingent upon being budgeted and appropriated by the Maricopa County Board of Supervisors and the City Council in such fiscal year. This Agreement may be terminated by any Party at the end of any fiscal year due to non-appropriation of funds.

26. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assignees. Neither Party shall assign its interest in this Agreement without the prior written consent of the other Party.

27. This Agreement and all Exhibits attached to this Agreement set forth all of the covenants, promises, agreements, conditions and understandings between the Parties to this Agreement, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between the Parties other than as set forth in this Agreement, and those agreements which are executed contemporaneously with this Agreement. This Agreement shall be construed as a whole and in accordance with its fair meaning and without regard to any presumption or other rule requiring construction against the party drafting this Agreement. This Agreement cannot be modified or changed except by a written instrument executed by all of the Parties hereto. Each Party has reviewed this Agreement and has had the opportunity to have it reviewed by legal counsel.

28. The waiver by any Party of any right granted to it under this Agreement is not a waiver of any other right granted under this Agreement, nor may any waiver be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

29. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalid or prohibited under the law, such provision shall be ineffective to the extent of such prohibition or invalidation but shall not invalidate the remainder of such provision or the remaining provisions.

30. Except as otherwise provided in this Agreement, all covenants, agreements, representations and warranties set forth in this Agreement or in any certificate or instrument executed or delivered pursuant to this Agreement shall survive the expiration or earlier termination of this Agreement for a period of one (1) year.

31. Nothing contained in this Agreement shall create any partnership, joint venture or other agreement between the Parties hereto. Except as expressly provided in this Agreement, no term or provision of this Agreement is intended or shall be for the benefit of any person or entity not a party to this Agreement, and no such other person or entity shall have any right or cause of action under this Agreement.

32. Time is of the essence concerning this Agreement. Unless otherwise specified in this Agreement, the term "day" as used in this Agreement means calendar day. If the date for performance of any obligation under this Agreement or the last day of any time period provided in this Agreement falls on a Saturday, Sunday or legal holiday, then the date for performance or time period shall expire at the close of business on the first day thereafter which is not a Saturday, Sunday or legal holiday.

33. Sections and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

34. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument. Faxed, copied and scanned signatures are acceptable as original signatures.

35. The Parties agree to execute and/or deliver to each other such other instruments and documents as may be reasonably necessary to fulfill the covenants and obligations to be performed by such Party pursuant to this Agreement.

36. The Parties hereby agree that the venue for any claim arising out of or in any way related to this Agreement shall be Maricopa County, Arizona.

37. This Agreement shall be governed by the laws of the State of Arizona.

End of Agreement - Signature Page Follows

IN WITNESS WHEREOF, the Parties have executed this Agreement.

CITY OF PEORIA

Recommended by:

_____

Jeff Tyne Date
City Manager

Approved and Accepted by:

_____

Cathy Carlat Date
Mayor

Attest by:

_____

City Clerk Date

APPROVAL OF CITY ATTORNEY

I hereby state that I have reviewed the proposed Intergovernmental Agreement and declare the Agreement to be in proper form and within the powers and authority granted to the City by its respective governing body under the laws of the State of Arizona.

_____

City Attorney Date

IN WITNESS WHEREOF, the Parties have executed this Agreement.

MARICOPA COUNTY

Recommended by:

_____

Jennifer Toth, P.E. Date
Transportation Director

Approved and Accepted by:

_____

Denny Barney, Chairman Date
Board of Supervisors

Attest by:

_____

Clerk of the Board Date

APPROVAL OF DEPUTY COUNTY ATTORNEY

I hereby state that I have reviewed the proposed Intergovernmental Agreement and declare the Agreement to be in proper form and within the powers and authority granted to the County by the Board of Supervisors under the laws of the State of Arizona.

_____

Deputy County Attorney Date

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 9C.

Date Prepared: 11/19/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: Adina Lund, P. E., Development and Engineering Director

SUBJECT: Contract, Felix Construction Company, Butler Well Rehabilitation

Purpose:

This is a request for City Council to approve an individual job order utilizing an existing JOC Contract with Felix Construction Company for a guaranteed maximum price (GMP) of $1,295,432 to construct the Butler Well Rehabilitation project.

Background/Summary:

The City's FY2017-FY2026 Capital Improvement Program includes the Butler Well Rehabilitation project that provides funding for the rehabilitation of the existing well site under the project UT00410. The Butler Well site is located on 103rd Avenue at approximately the Butler alignment. It consists of a well and associated equipment to draw water from the underground aquifer, store, treat, and deliver that water to the surrounding community.

The Butler Well site is part of the City's water supply infrastructure. As water facilities age, they require ongoing maintenance and rehabilitation efforts to continue to provide quality water. This includes the rehabilitation of the well itself, as well as maintenance of the reservoir, booster pumps, water treatment equipment, electrical equipment and all associated site improvements. In addition, the update of site security, communication, and monitoring equipment takes advantage of new technology allowing for more efficient, safe and cost effective operation.

Construction of this project will bring the site up to current City, County, State and Federal standards while providing increased operational efficiency and water system redundancy in the local area.

This work will consist of Butler Well Rehabilitation improvements including the removal and replacement or the maintenance of:

- The Well Shaft, Pump, and Liner
- New Enclosed Equipment Structure
- Rehabilitate Storage Reservoir
- Associated Electrical, Instrumentation and SCADA

- Associated Piping and Valves
- Disinfection System
- Access Gate and Site Wall
- New Underground Electrical Service
- Upgrade Safety Equipment

This GMP represents the cost of performing the work that will take up to eight months to complete. As part of the GMP, an allowance of just over $280,000 has been included that will be used if needed. The condition of the metal well liner is unknown and cannot be assessed until the well itself is removed from the hole. Once that happens, a camera will be used to video the casing and the contractor will make repairs based on actual needs at that time. This allowance is based on the assumption that the well will require a completely new liner. In addition, the allowance will be used to pay for unknown site conditions and City directed changes during construction.

Construction of this project is expected to be completed by the end of the calendar year 2018.

Previous Actions:

The City Attorney's Office, Materials Management Division, and the Engineering Department administratively approved all previous contractual items.

Options:

A: Approve the Butler Well Rehabilitation with Felix Construction Company.

B: Deny approval of the Butler Well Rehabilitation contract. This will result in cancellation of the project.

Staff Recommendation:

Discussion and possible action to approve an individual job order utilizing an existing Job Order Contract with Felix Construction Company for a guaranteed maximum price of $1,295,432 to construct the Butler Well Rehabilitation project.

Fiscal Analysis:

There is sufficient funding in the project budget for FY2018 to cover the entire amount of this contract with Felix Construction Company.

ATTACHMENTS:

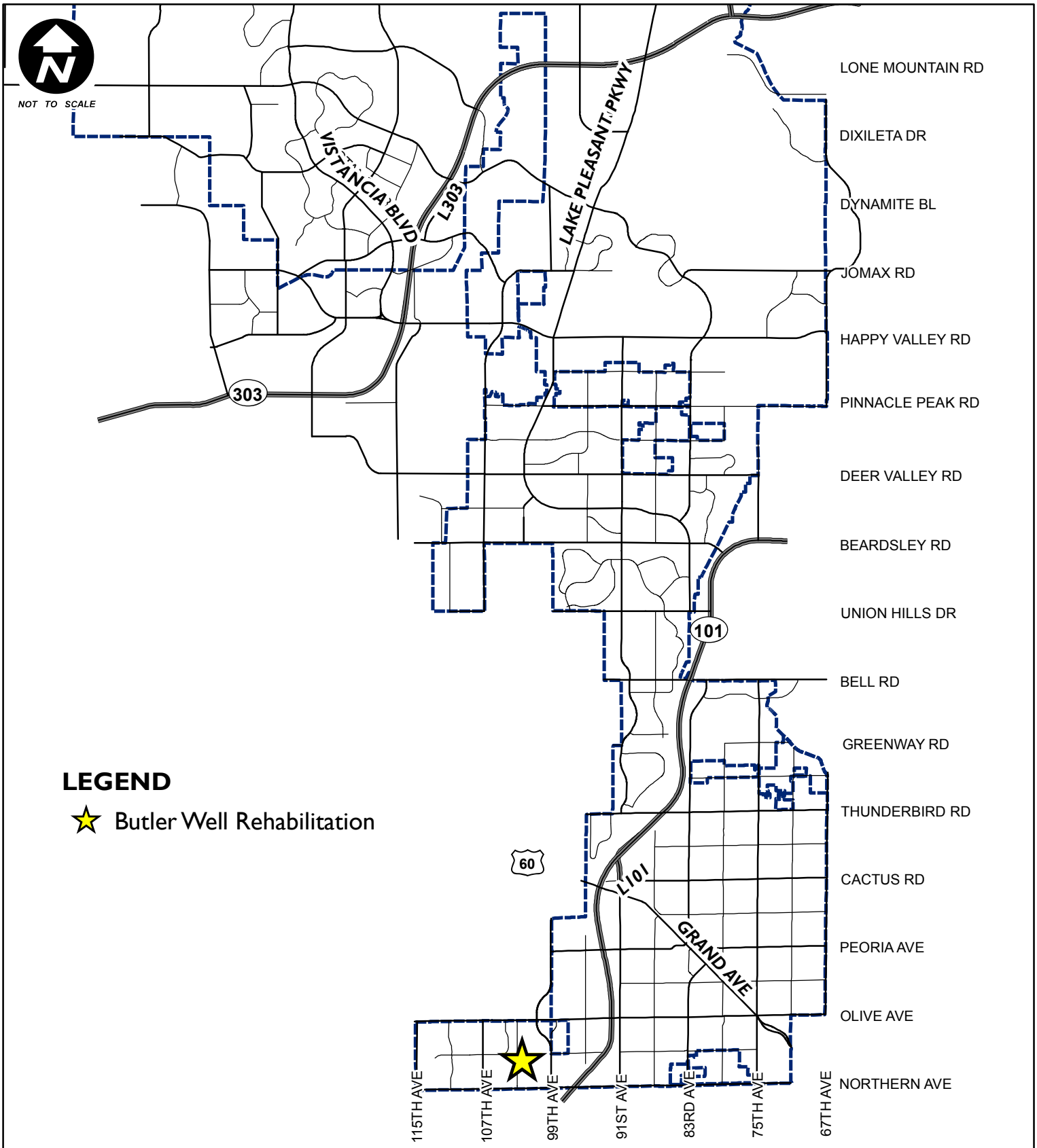
Butler Well Rehab_Vicinity Map
Butler Well Rehab_Location Map

Contact Name and Number:

Geoffrey Zinnecker, (623) 773-7237

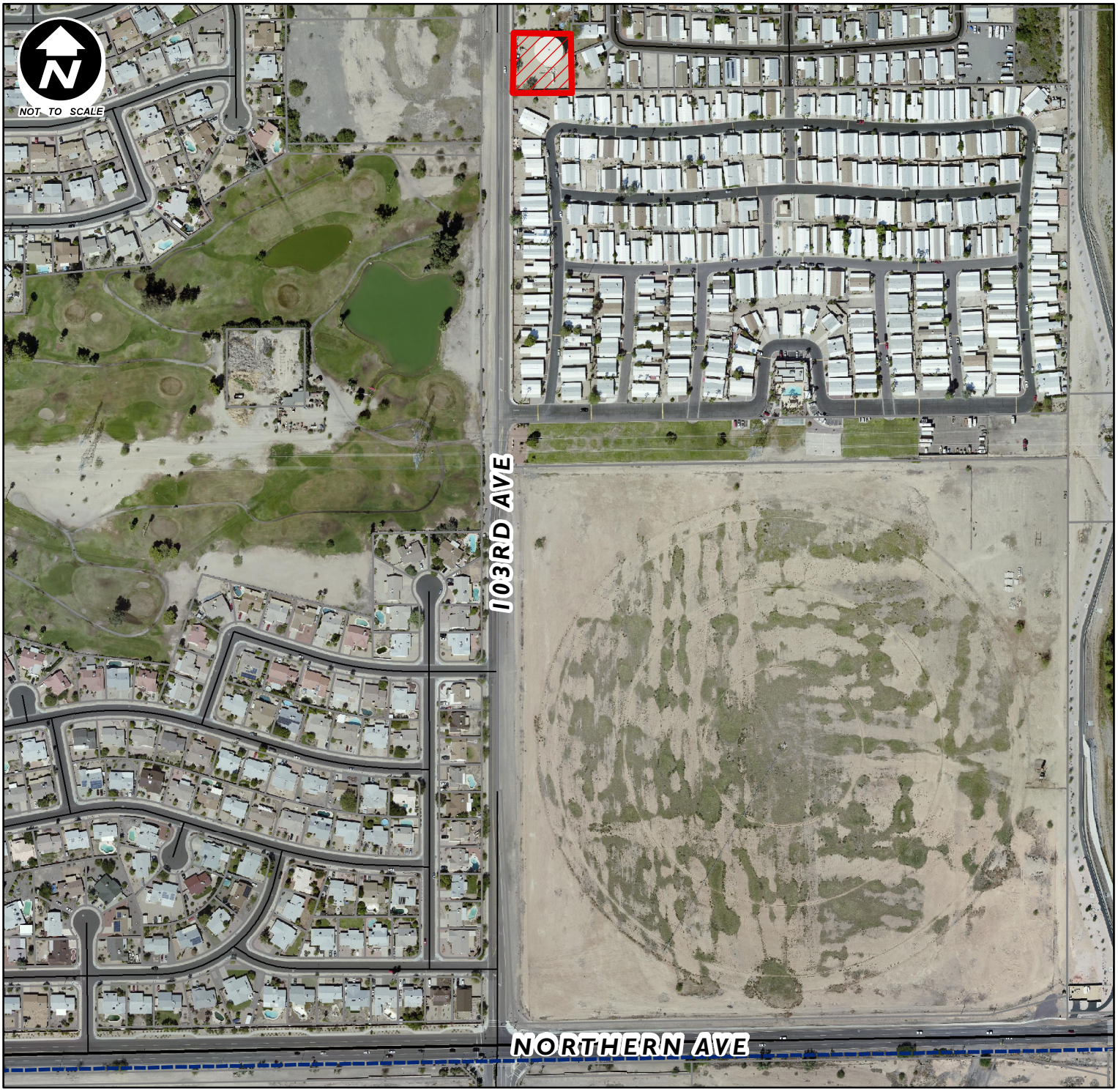
City of Peoria
DEVELOPMENT AND ENGINEERING

UT00410
Butler Well Rehabilitation
Vicinity Map



City of Peoria
DEVELOPMENT & ENGINEERING

UT00410
Butler Well Rehabilitation
Location Map



LEGEND

Butler Well Site

GIS
GEOGRAPHIC INFORMATION SYSTEMS
City of Peoria Arizona

NOTE
Map based on imprecise source Information, subject to change and FOR GENERAL REFERENCE ONLY.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 10C.

Date Prepared: 11/13/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

FROM: Laura Ingegneri, Human Resources Director

SUBJECT: Exemption Request, Requirement to Post Security for Self Insured Workers' Compensation Claims

Purpose:

This is a request for City Council to review and approve certification that the City of Peoria, a chartered Arizona Municipality and duly qualified Workers' Compensation self-insurer, is exempt from the Industrial Commission of Arizona's (ICA) requirement to post security for pending self-insurance claims.

Background/Summary:

The Industrial Commission of Arizona (ICA) exempts public entities from posting financial security for claims liability provided the governing body provides a statement to the ICA at the beginning of each year certifying the availability of adequate funds to pay for workers' compensation claims. By providing a certified statement, the City of Peoria will meet the requirements imposed by the ICA as it relates to establishing a self-insured workers' compensation plan.

Previous Actions:

Previous requests for exemption were also processed on 7/1/2009, 7/1/2010, 1/1/2011, 1/1/2013, 12/10/2013, 1/20/2015, 1/19/2016, and 1/24/2017.

Options:

A: The Mayor and City Council sign the attached letter certifying the City of Peoria, a chartered Arizona Municipality and duly qualified Arizona Workers' Compensation self-insurer, requests the Industrial Commission of Arizona (ICA) Exemption from the Requirements to Post Security for pending self insured workers' compensation claims.

B: If this request is not approved and signed, the City will have to purchase a bond (cost of bond is unknown).

Staff Recommendation:

Discussion and possible action to authorize the execution of documents necessary to certify the City of Peoria exemption from the Industrial Commission of Arizona requirements to post security for self-insured Workers' Compensation claims.

Fiscal Analysis:

N/A

Narrative:

Once City Council approves the certification that the City of Peoria, a chartered Arizona Municipality and duly qualified Workers' Compensation self-insurer, requests exemption from the Industrial Commission of Arizona's (ICA) requirement to post security for pending self-insurance claims and necessary signatures are obtained, these documents will be returned to the Human Resources Department and routed through the City Clerk. The final approved documents will be submitted to the ICA.

ATTACHMENTS:

Signature Page

Contact Name and Number:

Laura Ingegneri, (623) 773-7103

CITY OF PEORIA)

ss

COUNTY OF MARICOPA)

I, Rhonda Geriminsky, City Clerk of the City of Peoria, County of Maricopa, within the State of Arizona, do hereby and attest that the attached is the original Request for Exemption from Requirement to Post Statutory Deposit for the City of Peoria Self-Insured Workers' Compensation in accordance with the Arizona Administrative Code and for its Self-Insured Workers Compensation program, has been duly approved and signed by the Peoria Mayor and City Council on December 12, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Peoria to be affixed hereunto this _____ day of December, 2017.

_____

Rhonda Geriminsky, City Clerk

Request for Exemption from Requirement to Post Statutory Deposit

Pursuant to the Arizona Administrative Code subsection R20-5-1114 (A & B), this document constitutes a certified statement from the City of Peoria, a chartered Arizona municipality, duly qualified and authorized Arizona Workers Compensation self-insurer.

The City of Peoria hereby requests the Industrial Commission of Arizona (ICA) approve an alternate (exemption) from the posting of a statutory deposit, of which the current approved types are as follows: Letter of credit; a surety bond; U.S. Treasury notes or establishing a local government investment pool (LGIP) account. This request is made in accordance with A.A.C § R20-5-1114 and shall cover the City of Peoria's unpaid Workers Compensation claims liability, as outlined in the foregoing statement.

The City of Peoria, Arizona States:

1) The City of Peoria has established a self insurance trust pursuant to A.R.S. § 11-981 (A-F) and the A.A.C.R20-5-1114.
2) The City of Peoria shall conduct an actuary report on an annual basis. The confidence level shall be no less than fifty-five percent. The discount for investments shall be no more than 3.0% annually.
3) The risk management fund and/or workers compensation trust is sufficient to cover actuarial liabilities for workers compensation' as determined by the self insurer in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 30); and
4) The City of Peoria provides funding to the risk management fund and/or trust established pursuant to A.R.S. § 11-981 (A-F) each year. The amount in the internal service fund held for workers' compensation purposes within the trust is sufficient to cover actuarial liabilities for workers compensation claims as determined by the self-insurer's actuary in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 30), as well as workers' compensation reserves multiplied by 125% pursuant to the A.A.C.
5) The City of Peoria's governing body, or designate, shall immediately notify the ICA and provide security as provided by and in this Article, if the governing body, or designate, learns that the risk management internal service fund and/or trust has insufficient funds to cover all workers compensation liabilities of the City of Peoria.
6) Pursuant to items 1 through 4, the City of Peoria meets the conditions required under A.R.S. § 11-981 (A-F) and the Arizona Administrative Code, subsection R20-5-1114 (A&B).
7) The signatures below represent a majority of the governing body (Council/Board) members.

Signed _____ Date_____

Signed _____ Date_____

Signed _____ Date_____

Signed _____ Date_____

Signed _____ Date_____

Signed _____ Date_____

Signed _____ Date_____

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FROM:

_____
Stephen Burg, City Attorney

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 11C.

Date Prepared: 12/4/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: Chris Jacques, Planning Director

SUBJECT: Budget Transfer, Sunrise Mountain Acquisition Payment

Purpose:

This is a request for City Council to authorize a budget adjustment of $108,030 from the CIP Projects Fund Contingency (4550-4550-570000) to the Land Acquisition account for the Sonoran Preservation Program in the CIP Projects Fund (4550-4550-540000-CIPRT-CS00089) to cover the 4% interest amount in conjunction with the 1st of 3 installments contemplated in the Real Estate Purchase Agreement (for the eastern 123 acres of Sunrise Mountain) between Peoria and Sunrise Mountain Development Partners, LLC.

Background/Summary:

On March 21, 2017, the City Council authorized the purchase of the remaining 123.46 acres of Sunrise Mountain. The Purchase Agreement required 1/2 of the purchase price at closing with the remaining balance carried forward to be paid in three (3) installments plus accrued interest at 4% per annum. The three payments were due: (a) December 29, 2017, (b) July 31, 2018, and (c) December 31, 2018.

The FY 2018 Capital Improvement Program (CIP) as part of Project Number CS00089 allocated $1,170,000 to fulfill the payment of installment 1 of the remainder of the balance to be paid to Sunrise Mountain Development Partners, LLC for the remainder of the eastern 123.46 acres. The Real Estate Purchase Agreement entered into between the two parties contemplated payments of $1,170,000 plus 4% accrued unpaid interest. When the CIP was loaded for FY 2018, only the 1.17M was entered and not the interest amount.

This transfer would allocate $108,030 to fulfill the shortfall associated with the interest owed.

Previous Actions:

March 21, 2017- City Council approved the purchase of the remaining 123.46 acres and approved a budget transfer to provide appropriation.

April 5, 2016 – City Council approved a Real Estate Agreement authorizing the purchase of the

western 85 acres; and an Option Agreement on the remaining 123.46 acres, active through the end of March, 2017, unless extended.

June 2, 2015 – City Council adopted the Sonoran Preservation Program and accompanying implementation strategies. Sunrise Mountain was identified as a Primary Focus Area or area of priority for special attention.

Options:

A: Authorize a budget transfer from the CIP Projects Fund Contingency (4550-4550-570000) to the Land Acquisition account for the Sonoran Preservation Program in the CIP Projects Fund (4550-4550-540000-CIPRT-CS00089) in the amount of $108,030.

B: Do not approve the requested budget transfer.

Staff Recommendation:

Discussion and possible action to authorize a budget adjustment from the CIP Projects Fund Contingency to the Land Acquisition account for the Sonoran Preservation Program in the CIP Projects Fund in the amount of $108,030.

Fiscal Analysis:

The City has a remaining balance of $3,675,620 to be paid in three installments beginning December 29, 2017, again on July 31, 2018 and ending on the Date of Maturity, December 21, 2018. The Capital Improvements Program under Project Number CS00089 allocated $1,170,000 in FY 2018 but did not allocate the additional funds for the 4% interest payment. This will be adjusted through the upcoming FY19-28 CIP.

Contact Name and Number:

Jason Cleghorn, Community Development Coordinator, (623) 773-7514

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 12C.

Date Prepared: 11/20/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Julie Arendall, Deputy City Manager

FROM: Sonia Andrews, Acting Finance Director

SUBJECT: Fiscal Year 2017 Comprehensive Annual Financial Report, Single Audit Report and Auditor Communications

Purpose:

This is a request for City Council to receive and file the Comprehensive Annual Financial Report, Single Audit Report and Auditor Communications for the fiscal year ended June 30, 2017.

Background/Summary:

Comprehensive Annual Financial Report (CAFR)

We are pleased to submit to you the CAFR for fiscal year ended June 30, 2017. This report is prepared annually by the Finance Department and includes basic financial statements, combining fund financial statements, footnotes and other supplementary information prepared in accordance with generally accepted accounting standards for local governments. The financial statements were audited by an independent firm of Certified Public Accountants, Heinfeld, Meech & Co., P.C., whose report is included within. The audit satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant.

Responsibility for the accuracy of the information and the completeness and fairness of the presentations, including all disclosures, rests with the management of the City. We believe the information is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Single Audit Report

The City is required to have an independent audit of Federal financial assistance received from Federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year (the "Single Audit"). The standards governing Single Audit engagements require the independent auditor to report on the government's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance

requirements involving the administration of major federal awards. The Single Audit Report from Heinfeld, Meech & Co., P.C. is a separately issued report, copies of which have been provided to Council.

Management Letter

As part of the audit process, the auditors may also prepare a management letter to present their comments and recommendations for improvements to internal controls and operating efficiencies of the City. The auditors did not issue a management letter this year.

Auditor Communication to Governance Letter

Additionally, the auditors are required by professional standards to communicate certain information to "those charged with governance". The attached Communication to Governance (previously known as Statement on Auditing Standards (SAS) 114 letter) is that communication. This letter: 1) communicates the responsibilities of the auditors and the City; 2) discusses the audit process; and 3) discusses any issues that may have arisen during the audit or as a result of the audit.

Previous Actions:

There are no previous actions for this item.

Options:

A: Receive and file the Comprehensive Annual Financial Report, Single Audit Report, Management Letter, and Auditor Communication to Governance Letter for the fiscal year ended June 30, 2017.

B: Do not receive and file the Comprehensive Annual Financial Report, Single Audit Report, Management Letter, and Auditor Communication to Governance Letter for the fiscal year ended June 30, 2017.

Staff Recommendation:

Discussion and possible action to receive and file the Comprehensive Annual Financial Report, Singe Audit Report, Management Letter, and Auditor Communication to Governance Letter for the fiscal year ended June 30, 2017.

Fiscal Analysis:

This item has no financial implications.

Narrative:

For fiscal year ended June, 30 2017, the City's CAFR received an unmodified opinion from the independent auditors. An unmodified opinion is a "clean" audit report, indicating the auditor's opinion that the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States. This is the desired opinion of each organization. The CAFR is filed with the Arizona Office of the Auditor General and also the Government Finance Officers' Association (GFOA). The City's CAFR has earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting every year since 1985. We will

be submitting this 2017 CAFR for consideration of this award again. The CAFR is also filed with the Municipal Securities Rulemaking Board (MSRB) as a required annual continuing disclosure for outstanding bond issues in accordance with SEC Rule 15c2-12.

The Single Audit Report which reports on the City's internal controls and compliance with legal requirements relating to major federal grant programs will be filed with the Federal Audit Clearing House. The City received a "clean" Single Audit Report for fiscal year ended June 30, 2017 indicating that the auditors did not find any material weakness in internal controls or material noncompliance with major federal program requirements.

The Management Letter from the auditors and the Auditor Communication to Governance Letter for the Council are not filed with any external agencies but are required communications from the auditors to the City Council and management of the City. The auditors did not issue a management letter this year. There were no significant issues reported in the Auditor Communication to Governance Letter.

ATTACHMENTS:

Financial Report
Single Audit
Governance Letter

Contact Name and Number:

Sonia Andrews, (623) 773-5206

City of Peoria, Arizona

FY17 Comprehensive Annual Financial Report (CAFR)

Fiscal Year Ended June 30, 2017

Comprehensive Annual Financial Report

For Fiscal Year Ended
June 30, 2017

City of Peoria, Arizona

City Council:
Cathy Carlat, Mayor
Jon Edwards, Vice Mayor
Bridget Binsbacher
Michael Finn
Vicki Hunt
Carlo Leone
Bill Patena

Administrative Staff:
Jeff Tyne, City Manager
Julie Arendall, Deputy City Manager
Andrew Granger, Deputy City Manager

Prepared By: Finance Department
Sonia Andrews, Acting Finance Director
Yiannis Kalaitzidis, Accounting Supervisor

Dedicated to:
Brent Mattingly, Past Chief Financial Officer, Finance Director

City of Peoria
Core Values

"The City of Peoria team members share a commitment to provide quality service for our community."

P **Professional**

Demonstrates professional skills and knowledge needed to perform the job; keeps informed of developments in the professional field and applies this knowledge to the job; encourages and supports the development of subordinate personnel.

E **Ethical**

Maintains the highest standards of personal integrity, truthfulness, honesty, and fairness in carrying out public duties; avoids any improprieties; trustworthy, maintains confidentiality; never uses City position or power for personal gain.

O **Open**

Communicates effectively orally and in writing; involves appropriate individuals and keeps others informed; acts as a team member; participates and supports committees/boards/commissions/task forces; approachable; receptive to new ideas; supports diversity and treats others with respect; actively listens.

R **Responsive**

Consistently emphasizes and supports customer service; takes responsibility to respond to all customers in a prompt, efficient, friendly, and patient manner; represents the City in an exemplary manner with civic groups/organizations and the public.

I **Innovative**

Demonstrates original thinking, ingenuity, and creativity by introducing new ideas or courses of action; supports innovative problem-solving by identifying and implementing better methods and procedures; takes responsible risks; demonstrates initiative and "follows through" on development and completion of assignments.

A **Accountable**

Accepts responsibility; committed to providing quality service to our community; plans, organizes, controls and delegates appropriately; work produced is consistent and completed within required timeframes; implements or recommends appropriate solutions to problems; acknowledges mistakes; manages human and financial resources appropriately.

Introductory Section

CITY OF PEORIA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

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CITY OF PEORIA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

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CITY OF PEORIA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

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PEORIA
ARIZONA

City of Peoria

FINANCE DEPARTMENT
Financial Services

8401 West Monroe Street
Peoria, Arizona 85345
T 623.773.7150
F 623.773.7033

November 8, 2017

Honorable Mayor, City Council, City Manager and Citizens of Peoria, Arizona:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Peoria, Arizona, (the City) for the fiscal year ended June 30, 2017. This report was prepared by the Financial Services Division of the Finance Department.

The CAFR represents management's report of the City's complete financial results to its governing body, constituents, legislative and oversight bodies, investors, and creditors. Copies of this report will be sent to elected officials, management personnel, bond rating agencies, Nationally Recognized Municipal Securities Information Repositories, and other agencies which have expressed interest in the City's financial matters. Copies of this financial report will also be placed in the City's libraries, as well as on the City's website, for use by the general public.

The Management's Discussion and Analysis presented on pages 3-16 has a different focus and purpose than this transmittal letter and should be read in conjunction with this transmittal.

THE FINANCIAL REPORTING ENTITY

This CAFR includes financial statements on both a government-wide and fund basis for the City of Peoria, the primary government, as well as its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No.14, *The Financial Reporting Entity,* as amended by GASB Statement No.61. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and five blended component units, the City of Peoria Municipal Development Authority, Inc., the Vistancia Community Facilities District, the Vistancia West Community Facilities District, the City of Peoria Employee Benefits Trust and the City of Peoria Workers' Compensation Trust as discussed further in Note 1.A of the notes to the financial statements.

The City of Peoria, chartered in 1954, has a Council-Manager form of government with the City Council consisting of the Mayor and six Council Members. Pursuant to an amendment to the City Charter approved by the voters in 1997, the Mayor is elected at-large for a four-year term. Council members are elected, by district, for four-year terms. The City Council is vested with policy and legislative authority and is responsible for passing ordinances; adopting the budget; appointing committee, commission, and board members; and appointing the positions of City Manager, City Attorney, and Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City encompasses approximately 179 square miles in the northwestern portion of Maricopa County, and is one of several major cities comprising the greater Phoenix metropolitan area. Between the 2010 census and the most current Census Bureau estimate for the City of Peoria, our population increased by more than 10 percent, from 154,065 in 2010 to 173,208 in 2017. The City's growth is attributable to safe, well-planned neighborhoods with a diversity of housing options, excellent school districts, and expansion

of the metropolitan freeway systems, allowing Peoria residents to commute effectively to other cities in the Phoenix metropolitan area. Population growth trends are expected to continue at a similar pace.

The City provides a full range of municipal services, including police and fire protection, water, sewer and solid waste services, street construction and maintenance, recreational and cultural events, library services, public transportation, planning and zoning services, and general administrative services. In January 2017 the City expanded the level of services to citizens by providing emergency ambulance transportation. In addition, the City offers a wide range of community facilities including two community centers, three swimming pools, two libraries, and 34 neighborhood parks encompassing 305 acres. The Peoria Sports Complex—operated by the City—was the nation's first two-team baseball spring training facility and the spring training home of the Seattle Mariners and San Diego Padres. The City opened its first large community park, Rio Vista Community Park, in the southern part of the City in fiscal year 2004. This 52 acre facility has athletic fields, playgrounds, ramadas, an urban lake, skate park and other amenities for the citizens' enjoyment. The City's second community park, Pioneer Community Park was completed in fiscal year 2014 and includes ball fields, multipurpose fields, a dog park, fishing lake and other amenities. The City also has a performing arts center with a 250-seat main auditorium, 80-seat black box theater, and classroom and administrative space in the downtown area. Another attraction of the City is Lake Pleasant, in northern Peoria's Lake Pleasant Regional Park. This 10,000 acre lake is the second largest lake in Arizona, providing residents and visitors with boating, fishing, camping and other outdoor recreation activities.

LOCAL ECONOMIC CONDITION AND OUTLOOK

During fiscal year 2017, Peoria's economy continued to see healthy home construction activity while commercial development has begun to show expansion and stability. Peoria is part of the metro Phoenix West Valley which includes Glendale, Goodyear, Surprise and Buckeye. Over the past 10 years, the West Valley has focused on transportation infrastructure and economic development. Homes sales in the West Valley continue to surpass other metro Phoenix regions. The West Valley has the region's newest freeway (Loop 303) and large communities, such as Vistancia, a top selling master-planned community in north Peoria bringing higher-end homes, golf courses and shopping amenities to attract home buyers. Home sales are expected to continue growing in Peoria and the West Valley.

The City issued 1,695 new residential building permits in fiscal year 2017 compared to 1,663 in fiscal year 2016. Median home prices in Peoria continued to rise during fiscal year 2017. The City's total property full cash value, which lags the market, increased by 9.2% from $15.2 billion in 2016-17 to $16.6 billion in 2017-18. Full cash value was at the highest point of $18.3 billion in 2008-09 and fell to a low point of $10.1 billion in 2013-14 as a result of the housing downturn.

The unemployment rate in Peoria improved from 4.9% in June 2016 to 4.2% in June 2017. While wage growth has only recently begun to respond, consumer spending remained healthy. The City's sales and use tax collections in fiscal year 2017 totaled $84.2 million, a 6.1% increase from the $79.4 million in the prior year.

On the commercial front, Denaro and Cigna constructed a 24,500 and 60,000 square foot medical office building, respectively, to provide medical services including primary, immediate and specialty care, medical imaging, laboratory services, infusion services pharmacy, physical therapy and rehabilitation and other specialty services. Novembal leased a 65,215 square foot manufacturing warehouse to produce plastic injected caps and bottle closures mainly for beverage producers and Huntington University leased a 29,000 square foot building for its Arizona Center for Digital Media Arts. The ribbon cutting was January 2017 for Novembal and August 2016 for Huntington University.

Economic Outlook

Overall, the outlook for Peoria is positive. Arizona's economy has shown improvements in sales and income tax collections, gains in construction and improving outlook for tourism. Locally improving consumer confidence has resulted in modest city sales tax growth, which is anticipated to grow again

next year. We expect sales tax revenues for this fiscal year to exceed prior year actuals by 2.9 percent, with strong performance in retail (especially auto sales), restaurants and bars, and residential rental categories. For fiscal year 2017-18, we are forecasting roughly a 2.7 percent growth in city sales tax revenues.

MAJOR PROJECTS AND INITIATIVES

The Council utilizes a goal setting and strategic planning process to assist in the identification, prioritization, and management of capital projects, initiatives, service efforts and emerging strategic issues. Given the competing priorities for available resources, careful consideration is given to all projects and initiatives to ensure investments of public funds achieve Council objectives and provide a long term sustainable benefit to the community. Listed below are the Council goals to further the City's commitment to provide quality service, economic development and improved quality of life for the citizens of Peoria.

- Community building – to preserve and expand our quality of life by strengthening neighborhoods, providing superior quality parks and recreational programs, expanding cultural and entertainment opportunities and other community oriented service efforts

- Enhance current services – to improve cost effectiveness of service delivery, using technology to enhance and streamline service delivery, enhance organizational culture and become an employer of choice

- Preserve our natural environment – to provide environmental stewardship, pursue cost effective green development and land banking for future parks

- Total planning – to identify key corridors and cores throughout the city and create specific development plans for those areas, to provide diverse and sustainable residential housing options and to plan and develop city infrastructure to improve quality of life and coincide with economic development and revitalization efforts

- Economic development – to implement strategies to attract targeted industries, help existing businesses grow, facilitate development opportunities in targeted investment zones and develop Peoria's workforce

- Leadership and image – to conduct city business with the highest standard of integrity and accountability and to build greater community relations

Major Initiatives and Accomplishments in 2017

Major initiatives and accomplishments during fiscal 2017 are as follows:

Redistricting -

During fiscal year 2016-17, the City launched an effort to assess and refine its district boundaries. A staff Redistricting Committee coordinated a two-phase public engagement process. The first phase included an active website, open houses, community meetings and leveraged traditional and social media to share information and solicit input on communities of interest. The second phase was designed to seek feedback on the five finalist redistricting maps and also included the website, open houses and utilized traditional and social media. Following the robust public process, the Peoria City Council selected and adopted a final redistricting map in May 2017 to be effective with the next council election in August 2018.

First Official City Flag -

Over the years, citizens have been sharing what Peoria means to them, and as a tribute to the community, the city took their words and molded them into a powerful symbol of Peoria's past, present and future. In April 2017, the City unveiled its first official City Flag. The

process of designing the flag began a year ago. The flag was designed in-house and depicts the Sonoran Desert and the mountains all around us, the blues of the waters of Lake Pleasant and Arizona skies and displays three stars that represent the past, present and future.

Partnership with Small Business Development Center -

In February 2017, City Council approved the launch of the Arizona Small Business Development Center Network (AzSBDCN) in partnership with Maricopa County Community Colleges in Peoria. The AzSBDCN provides a number of valuable services to small businesses, including onsite one-on-one counseling for business owners, networking opportunities, educational workshops, and other resource assistance.

Peoria Sports Complex Improvements -

During fiscal year 2016-17, the City, in partnership with the San Diego Padres and Seattle Mariners designed and constructed a new, interactive play zone, the Peoria Cove at the Peoria Sports Complex, an experience for kids to enjoy. Within Peoria Cove is The Ballyard, a miniature baseball diamond, and The Shipyard, a playground featuring a 40-foot steel ship mast and sail, a small splash pad, and play structure set in and around the frame of a seafaring ship.

The City also partnered with the Padres and Mariners to bring the largest, high definition (HD) scoreboard in the Cactus and Grapefruit Leagues to the Peoria Sports Complex for spring training. The new 13HD LED scoreboard is 2,100 square feet with a video display measuring 35 feet high and 61 feet wide. The new scoreboard improves the overall fan experience, making it easier for fans to see the board on sunny days and from any angle in the ballpark.

Peoria Sonoran Preservation Program-

In June 2015, the City Council adopted the Peoria Sonoran Preservation Program to identify areas that merit conservation and feasibility strategies to fulfill our community's vision of preserving our natural environment. The vision for the Sonoran Preservation Program includes prioritizing ecologically and historically significant land, providing abundant high quality recreational opportunities, creating an open space network and implementing funding and conservation strategies. During fiscal year 2015-16, the City purchased from a private landowner, 85 acres of Sunrise Mountain located at the northeast corner of 91st Avenue and Happy Valley Road and entered into an option agreement for the remaining 123.46 acres of the site. During fiscal year 2016-17 the City exercised the purchase option, expanding the city-owned Sunrise Mountain Preserve to approximately 317 acres. The site was zoned for development and purchasing the site will allow the City to preserve it as open space for recreational purposes.

Ambulance and Emergency Medical Service -

In February 2016, the Arizona Department of Health Services approved the City's application for a license to operate ambulances. The City's Fire-Medical department plans to phase in ambulance services over a 5 year period. Transport service started in January 2017 with 2 full-time ambulances and 1 back-up ambulance. The City will increase the number of full-time ambulances over the next 5 years. The Fire-Medical department has also hired 14 firefighters, an EMS captain and an Ambulance Billing Specialist to staff its ambulance operations. The department received 1,928 calls for rescues which resulted in 1,454 ambulance transports.

Police Building Expansion-

The City continued its multi-phase expansion of its Pinnacle Peak Public Safety building in North Peoria. The expansion consists of a new 17,000 square feet patrol services building, 10,000 square feet of additional space for police operations, renovation of another 10,000 square feet of substation to accommodate police communications and 911 dispatch functions, information technology improvements and other upgrades. The new facility opened its doors in October 2017.

Energy Efficiency Project -

The City has approved an energy efficiency and renewable project that will enhance sustainability initiatives and provide solar covered parking canopies at multiple city facilities, implementing measures that will result in significant energy savings over time. The project includes retrofits of interior and exterior lighting throughout 13 city facilities and installation of solar photovoltaic on roofs, parking canopies and on the ground at eight sites throughout Peoria. Upon completion, the city anticipates lower energy expenses over the next 20 years or more. The project was financed with New Clean Renewable Energy Bonds.

Accreditations and Awards -

In April 2017, the City's Public Works Utilities Department was awarded a second prestigious American Public Works Association (APWA) Re-Accreditation. The APWA Accreditation program recognizes public works agencies that go beyond the requirements of the management practices established nationally in the public works industry. Peoria's re-accreditation indicates the department met all applicable accreditation documentation and practices over time.

Debt Issuance -

During fiscal year 2016-17, the Vistancia West Community Facilities District issued $3 million in General Obligation Bonds to fund sewer projects in the District. During fiscal year 2016-17, the City also started the process of refunding certain Municipal Development Authority debt.

BOND RATING

In August 2017, Fitch Ratings upgraded its long-term rating from AA+ to AAA for the City's General Obligation Bonds and designated the ratings outlook as stable as a result of amendments to the Arizona Revised Statutes that provided G.O. Bondholders with a statutory lien on ad valorem taxes of the City. In November 2015, Moody's Investor Services and Standard and Poor's, affirmed the City's Aa1 or AA+ rating for its General Obligation Bonds and designated the ratings outlook as stable. In April 2016, Fitch Ratings also affirmed the City's Water and Sewer Revenue Bonds' AA rating, designating the rating outlook as stable. These ratings reflect the city's improving economic prospects, sound financial management practices, solid reserves and manageable debt levels.

FINANCIAL CONTROLS

Internal Controls

The management of the City of Peoria is responsible for establishing and maintaining a system of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The system of internal control is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the City's financial statements. All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City of Peoria, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget

capacity. At a general election held in March 2003, the citizens of Peoria approved a permanent adjustment of the expenditure base from the original 1979-80 base of $3,247,857 to a new base of $18,247,857. The permanent adjustment eliminated the need for voter approval every four years. After adjustment for inflation and population growth, the City's expenditure limitation for fiscal year 2016-17 was $850,064,200. The City may utilize the additional expenditure authority for any local budgetary purposes.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated operating budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund. In addition to maintaining budgetary control via a formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the issuance of a purchase order. Encumbered appropriations lapse at fiscal year-end and are re-budgeted as needed in the next fiscal year.

Financial Policies

The City has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. The City needs to ensure that it is capable of adequately funding and providing those government services desired by the community. Ultimately, the City's reputation and success depends on the public's awareness and acceptability of the management and delivery of these services.

The City operates under a comprehensive set of financial policies adopted by Council. The *Principles of Sound Financial Management* establishes guidelines for the City's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the City of Peoria as reflected in its financial goals. The City's financial goals are broad, fairly timeless statements of the financial position the City seeks to attain:

- To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.
- To maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the City of Peoria.
- To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the City's residents.
- To maintain a high bond credit rating to ensure the City's access to the bond markets and to provide assurance to the City's taxpayers that the City government is well managed and financially sound.

These policies establish minimum and recommended fund balance/net position and reserves, as well as establishing policies on the use of one-time revenues (to be used for one-time expenditures), fiscal planning and budgeting, expenditure control, capital improvement program, cash management, debt management, and economic development.

Long Term Financial Planning

The City annually updates a five-year long-range forecast, incorporating both projected revenues and expenditures for the City's major operating funds. The five-year revenue forecast only includes revenues that are anticipated to be sustainable over the five-year period. Expenditure projections include anticipated operating impacts of the adopted capital improvement program.

Additionally, the City maintains a 10-year Capital Improvement Program which the City Manager submits annually for review by the City Council. The program is updated annually and includes the cost of

construction and operating expenditures. No capital improvement project will be authorized or awarded until the funding sources have been established to finance the project. When current revenues or resources are available for Capital Improvement Projects, consideration will be given first to those capital assets with the shortest useful life, and for assets whose nature make them comparatively more difficult to finance with bonds or lease financing.

OTHER INFORMATION

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentations in this CAFR, including all disclosures, rests with the management of the City. The City has established and maintains a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to allow the compilation of sufficient reliable information for the preparation of financial statements. We believe the data, as presented in this report, is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City on both a government-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Independent Audit

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, Heinfeld, Meech & Co., P.C., whose report is included herein. The audit satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria, Arizona, for the fiscal year ended June 30, 2017, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the City for the fiscal year ended June 30, 2017, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Additionally, the City is required to have an independent audit ("Single Audit") of federal financial assistance received by the City directly from federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. The results of the City's single audit for the fiscal year ended June 30, 2017, found no instances of material weakness or significant deficiencies in the internal controls. The reports from Heinfeld, Meech & Co., P.C. are available in the City of Peoria, Arizona's separately issued Single Audit Report.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. This is the 32nd consecutive year the City of Peoria has received this prestigious award. In order to be awarded a Certificate of Achievement, a

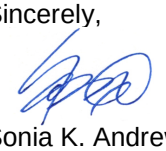
government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements. As such, we are submitting this report to the GFOA to determine its eligibility for a certificate.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, especially the Financial Services Division. We want to give special recognition to the City's accounting team for their diligent efforts and superior contributions to this report. We also wish to thank the members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Sincerely,



Sonia K. Andrews
Acting Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Peoria

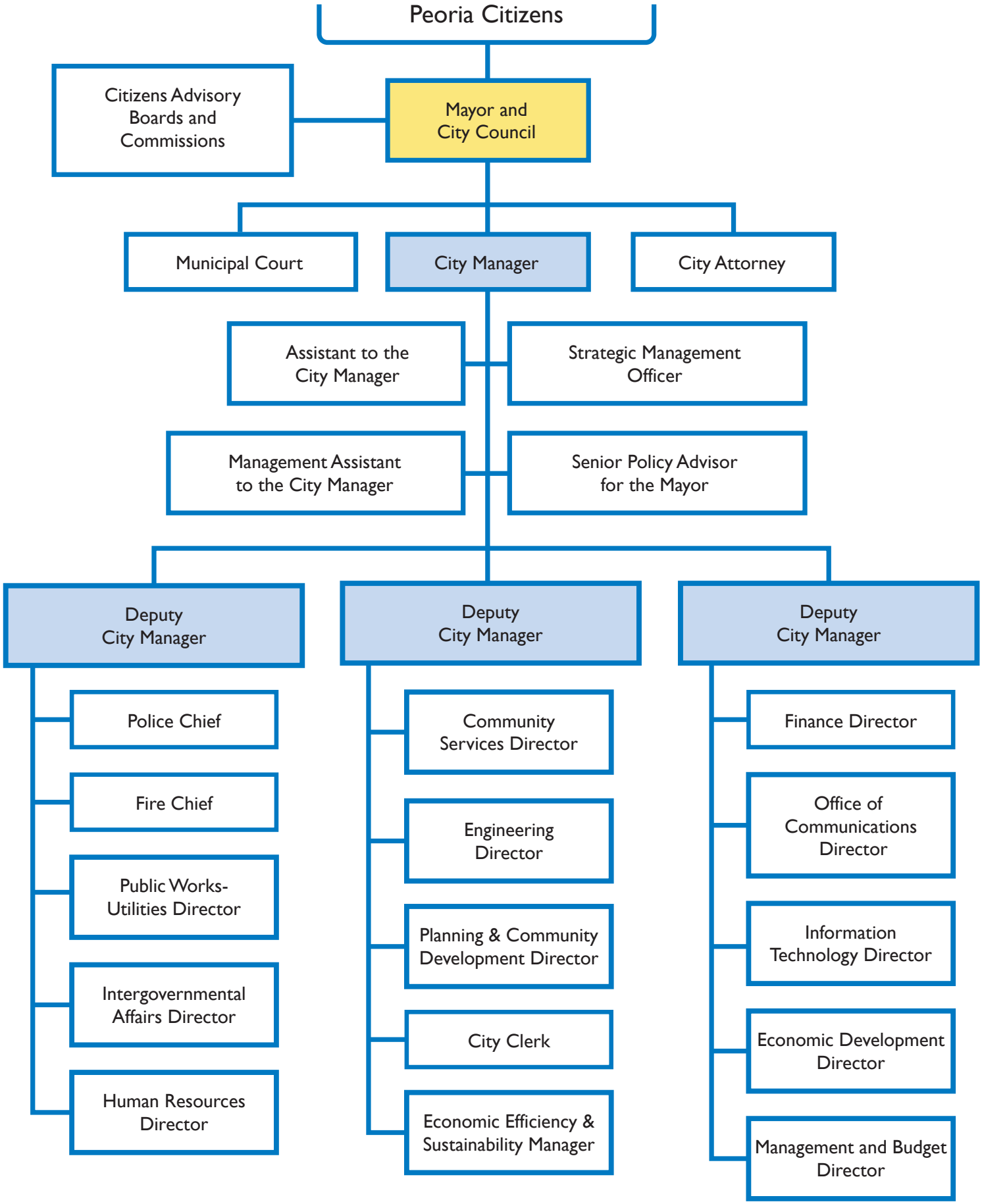
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

City of Peoria Organizational Chart



City of Peoria
Principal Officials of the City
Fiscal Year 2017

Cathy Carlat
Mayor

Jon Edwards
Vice Mayor

Bridget Binsbacher
Councilmember

Michael Finn
Councilmember

Vicki Hunt
Councilmember

Carlo Leone
Councilmember

Bill Patena
Councilmember

Jeff Tyne
City Manager

Andrew Granger
Deputy City Manager

Julie Arendall
Deputy City Manager

George Anagnost
Municipal Judge

Thomas Adkins
Governmental Affairs Director

John Imig
Information Technology Director

Steve Burg
City Attorney

Bobby Ruiz
Fire Chief

Jennifer Stein
Director of Communications

John Sefton
Community Services Director

Roy Minter
Police Chief

Stuart Kent
Public Works-Utilities Director

Adina Lund
Development and Engineering Director

Rhonda Geriminsky
City Clerk

Scott Whyte
Economic Development Services Director

Laura Ingegneri
Human Resources Director

Sonia Andrews
Acting Finance Director

Katie Gregory
Management and Budget Director

Chris Jacques
Planning and Community Development Director

City of Peoria Council Districts

Mayor
Cathy Carlat

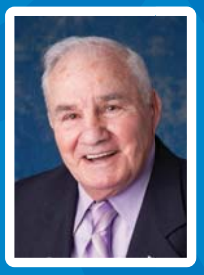
Vice Mayor
Jon Edwards
Willow District

Mayor Pro Tem
Michael Finn
Palo Verde District

Councilmember
Vicki Hunt
Acacia District

Councilmember
Bridget Binsbacher
Mesquite District

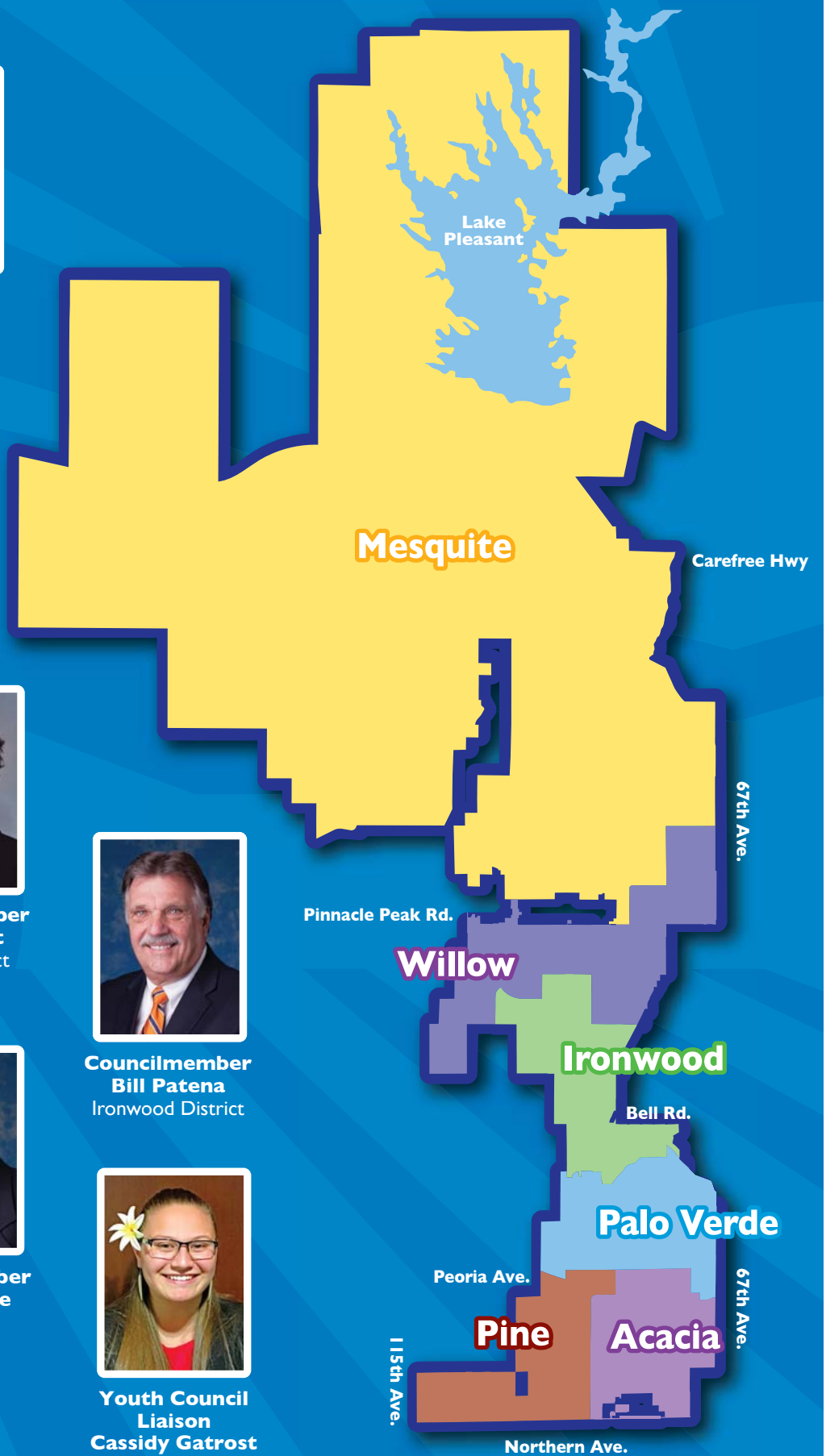
Councilmember
Bill Patena
Ironwood District



Councilmember
Carlo Leone
Pine District

Youth Council
Liaison
Maylee Acosta

Youth Council
Liaison
Cassidy Gatrost



Financial Section

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Peoria, Arizona

Report on the Financial Statements

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 City of Peoria, Arizona (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Half-Cent Sales Tax, Highway User Revenue, Transportation Sales Tax, and Development Fee Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 1.I., the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures* and Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,* for the year ended June 30, 2017, which represent changes in accounting principles. Our opinion is not modified with respect to this matter.

As described in Note 15, the City restated net position beginning balances due to adjustments to the City's capital asset balances. The adjustments included a change in capitalization thresholds, the transfer of assets from governmental funds to enterprise funds and other adjustments related to accumulated depreciation. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplementary Information, Statistical Section, and Continuing Disclosures listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2017, on our consideration of City of Peoria, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Peoria, Arizona's internal control over financial reporting and compliance.

[redacted]

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
November 8, 2017

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Peoria, Arizona (the City), we offer this narrative overview and analysis of the financial activities of the City of Peoria, Arizona for the fiscal year ended June 30, 2017. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

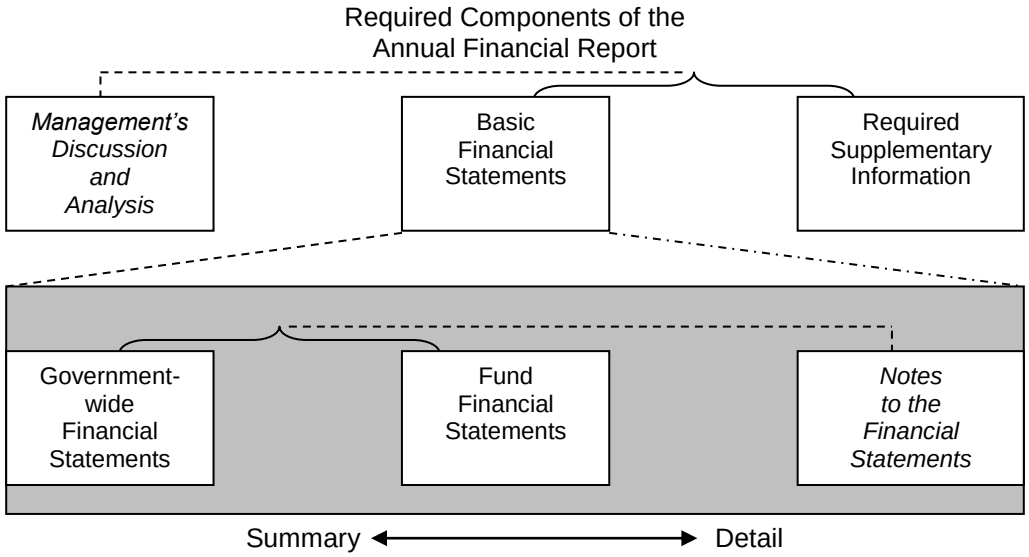
This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xi of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements and the accompanying notes to the financial statements. The City also issues separate financial reports, including management's discussion and analysis, for the Vistancia Community Facilities District, Vistancia West Community Facilities District, the Employee Benefit Trust, and the Workers' Compensation Trust, which are blended component units of the City.

Financial Highlights

- The City's total net position, increased $31.6 million in fiscal year 2017, an increase of $10.1 million in governmental activities and an increase of $21.5 million in business-type activities.
- Total net position of the City is $1,540.5 million, of which $18.2 million is unrestricted with a deficit unrestricted balance in governmental activities as a result of the inclusion and presentation of net pension liabilities.
- The governmental activities program revenues increased by approximately $1.7 million from the previous year. This was primarily due to increases in residential building permit & inspection fees and plan check fees.
- The business-type activities program revenues increased by approximately $7.2 million from the previous year. Capital Grants and Contributions increased by $3.2 million.
- At June 30, 2017, total fund balance of the governmental funds was $246.2 million, a decrease of $8.3 million from the previous year. Of this, $25.7 million or 21.5% of General Fund expenditures for fiscal year 2017 was unassigned in the general fund and available for spending at the government's discretion.
- General Fund revenues (on a budgetary basis) were higher than budgeted inflows by $5.5 million for fiscal year 2017. Budgetary basis expenditures of the General Fund were 90.8% ($13.7 million in savings) of the final budgeted expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

As pictured in the following table, the financial section of the Comprehensive Annual Financial Report (CAFR) for the City of Peoria, Arizona consists of this discussion and analysis, the basic financial statements, other required supplementary information and other non-required financial schedules. The basic financial statements include the government-wide financial statements, fund financial statements, including the budgetary statements for the general fund and major special revenue funds, and notes to the financial statements. Other required supplementary information includes the schedules and notes related to pension requirements. The additional non-required information includes combining schedules and other supplementary schedules presented after the basic financial statements (Combining Statements and Statistical Sections of this report).



Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the City's finances in a manner similar to those used by private businesses. All of the activities of the City, except those of a fiduciary nature, are included in these statements.

The activities of the City are broken into two columns on these statements – governmental activities and business-type activities. A total column for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), culture and recreation, public safety, development services, highways and streets, public works, and human services. These activities are generally supported by taxes and general revenues.

- The *business-type activities* include the private sector type activities such as the water, wastewater solid waste, and storm drain utilities, and the stadium. These activities are primarily supported through user charges or fees.

The *statement of net position* presents information on all of the City's assets and liabilities (excluding fiduciary funds), both current and long-term and deferred inflows/outflows of resources, with the difference reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the City may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the City may have used previously accumulated funds (i.e. cash funding of capital projects). To assess the overall health of the City, other indicators, including non-financial indicators such as the City's property tax base and condition of its infrastructure, should also be considered.

The *statement of activities* presents information showing how the City's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also focuses on both the gross and net costs of the various functions of the City, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

Fund Financial Statements

Also presented are fund financial statements for governmental funds, proprietary funds and fiduciary funds. The fund financial statements focus on major funds of the City. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements as well as for managerial control to demonstrate fiduciary responsibility over the assets of the City.

Governmental funds – Governmental funds are used to account for most of the City's basic services. These are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental activities column on the government-wide financial statements, these 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 determining what financial resources are available in the near future to finance the City's programs.

Since the governmental fund financial statements focus on near-term spendable resources, while the governmental activities on the government-wide financial statements have a longer-term focus, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. To facilitate this comparison, reconciliations of the differences between the two are provided immediately following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Half-Cent Sales Tax Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, GO Bond Debt Service Fund, and Development Fee Fund which are considered to be major funds of the City. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

Proprietary funds – Proprietary funds are used to account for services primarily supported by user fees. The proprietary fund financial statements are prepared with the same long-term focus as the government-wide financial statements. The City maintains the following two types of proprietary funds.

> **Enterprise funds** are used for activities that primarily serve customers outside the governmental unit. The enterprise funds generally provide information similar to the business-type activities column of the government-wide financial statements, but provide more detail and additional information such as cash flows. Any reconciliation necessary between the enterprise funds and the business-type activities column of the government-wide financial statements is provided on the face of the fund statements. The City's enterprise funds are the Water, Wastewater, Storm Drain and Solid Waste utilities, as well as the sports complex (Stadium Fund). All of the enterprise funds are considered to be major funds of the City.
>
> **Internal service funds** are used for activities where the primary customer is the City itself. Because the primary customers of the internal service funds are the governmental activities, the assets and liabilities of those funds are included in the governmental activities column of the government-wide statement of net position. The costs of internal service funds are allocated to the various user functions on the government-wide statement of activities. The internal service funds are combined into a single column on the proprietary fund statements. Additional detail of the internal service funds is provided in combining statements. The internal service funds of the City include the Motor Pool, Self-Insurance, Facilities Maintenance, and Information Technology Funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of others. Fiduciary funds are not included in the government-wide financial statements because the resources of

those funds are not available to support programs of the City. The fiduciary fund statements are prepared on the same basis as the government-wide and proprietary fund statements.

Notes to the financial statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

Required supplementary information other than MD&A – Schedules for pension plans have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2017, with comparative information for the previous year.

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the City for June 30, 2017, compared to the prior year.

Statement of Net Position
As of June 30
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017 (restated)	2016	2017 (restated)	2016	2017 (restated)	2016
Current and other assets	$ 298.4	$ 305.2	$ 110.9	$ 103.7	$ 409.3	$ 408.9
Capital assets	996.5	1,155.2	688.5	690.0	1,685.0	1,845.2
Total assets	1,294.9	1,460.4	799.4	793.7	2,094.3	2,254.1
Total deferred outflows of resources	50.4	33.1	5.8	4.4	56.2	37.5
Other liabilities	23.6	23.5	8.0	7.3	31.6	30.8
Long-term liabilities outstanding	453.7	430.9	110.5	118.8	564.2	549.7
Total liabilities	477.3	454.4	118.5	126.1	595.8	580.5
Total deferred inflows of resources	12.2	9.4	1.9	1.4	14.1	10.8
Net position:						
Net investment in capital assets	747.3	899.7	597.7	589.7	1,345.0	1,489.4
Restricted	149.7	162.9	27.6	31.9	177.3	194.8
Unrestricted	(41.1)	(32.9)	59.4	49.0	18.2	16.1
Total net position	$ 855.8	$ 1,029.7	$ 684.7	$ 670.6	$ 1,540.5	$ 1,700.3

The net position of the City increased $31.6 million in fiscal year 2017. Net position of governmental activities increased $10.1 million, while the business-type activities increased $21.5 million. The City restated capital asset amounts for a combination of factors including a change in the City's capitalization threshold, the transfer of storm drain capital assets from governmental activities to Business-type activities and corrections of prior year errors.

Net position consists of three components. The largest portion of net position, $1,345 million reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its residents. Consequently, it is not the City's intention to sell these assets, and they are therefore not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities. This category of net position shows as a decrease when compared to the prior year as the City restated capital asset amounts for a combination of factors including a change in the City's capitalization threshold, the transfer of storm drain capital assets from governmental activities to Business-type activities and corrections of prior year errors. However, capital asset balances increased by $31.3 million in fiscal year 2017 due to capital asset related expenditures and donated assets.

The $177 million restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The decrease of $17.5 million is primarily due to the spending of General Obligation (G.O.) bond proceeds toward capital projects.

The third portion consists of Unrestricted Net Position of $18.2 million. This category of net position may be used to meet the City's ongoing obligations to residents and creditors. New accounting guidance implemented in fiscal year 2015 required recognition of unfunded pension liabilities. Unrestricted net position is the balance of net position remaining after calculating the other two categories discussed above. This category increased by $2.1 million in fiscal year 2017 primarily from an overall increase in current and other assets and deferred outflows, offset by corresponding increases in net pension liabilities and deferred inflows.

Changes in Net Position

The following table compares the government-wide revenue and expenses for the current and previous fiscal year.

Changes in Net Position
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
REVENUES:						
Program revenues:						
Fees, fines & charges for services	$ 32.3	$ 29.3	$ 80.2	$ 76.1	$ 112.5	$ 105.4
Operating grants and contributions	14.7	14.3	-	-	14.7	14.3
Capital grants and contributions	25.6	27.3	20.7	17.5	46.3	44.8
General revenues:						
Property taxes	21.7	20.5	-	-	21.7	20.5
Sales and use taxes	84.2	79.4	-	-	84.2	79.4
Franchise taxes	4.5	4.5	-	-	4.5	4.5
State shared sales tax	15.6	14.8	-	-	15.6	14.8
Urban revenue sharing	21.0	18.6	-	-	21.0	18.6
Auto-in-lieu taxes	6.7	6.4	-	-	6.7	6.4
Investment earnings	1.7	1.6	0.5	0.7	2.2	2.3
Gain on sale of capital assets	-	-	0.1	-	0.1	-
Miscellaneous	4.1	2.7	-	-	4.1	2.7
Total revenues	232.1	219.4	101.5	94.3	333.6	313.7
EXPENSES:						
Program activities:						
Governmental activities:						
General government	21.6	22.3	-	-	21.6	22.3
Culture and recreation	28.4	26.4	-	-	28.4	26.4
Public safety	97.7	70.3	-	-	97.7	70.3
Development services	6.6	7.1	-	-	6.6	7.1
Highways and streets	44.9	34.6	-	-	44.9	34.6
Public works	6.7	7.5	-	-	6.7	7.5
Human services	1.3	1.8	-	-	1.3	1.8
Interest expense on debt	8.5	11.6	-	-	8.5	11.6
Business-type activities:						
Water utility	-	-	39.3	33.2	39.3	33.2
Wastewater utility	-	-	24.0	22.0	24.0	22.0
Solid Waste utility	-	-	11.9	11.1	11.9	11.1
Stadium	-	-	7.6	6.7	7.6	6.7
Storm Drain utility	-	-	3.5	1.1	3.5	1.1
Total expenses	215.7	181.6	86.3	74.1	302.0	255.7
Excess (deficit) before transfers	16.4	37.8	15.2	20.2	31.6	58.0
Transfers	(6.3)	(4.0)	6.3	4.0	-	-
Increase (decrease) in net position	10.1	33.8	21.5	24.2	31.6	58.0
Net position – beginning, as restated	845.7	995.9	663.2	646.4	1,508.9	1,642.3
Net position - ending	$ 855.8	$ 1,029.7	$ 684.7	$ 670.6	$ 1,540.5	$ 1,700.3

For fiscal year 2017, total governmental activities revenues increased $12.7 million while total business-type activities revenues increased $7.2 million. Expenses increased $34.1 million and $12.2 million for the governmental activities and business-type activities, respectively. Governmental activities expenses

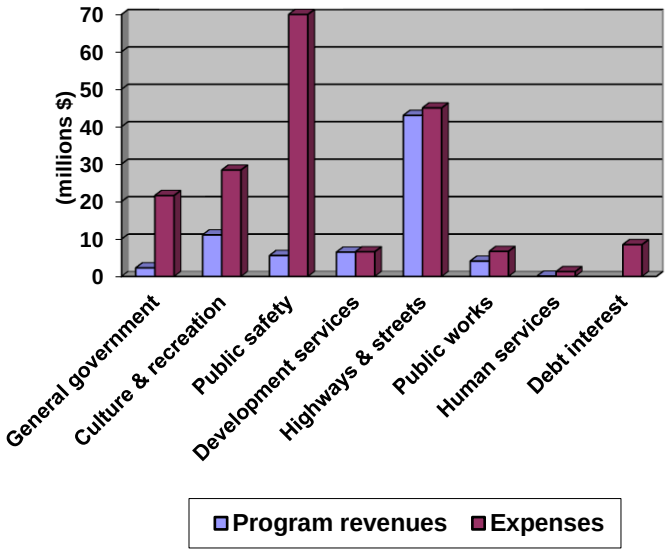
increased primarily from the public safety and highways and streets functions; up $27.4 million and $10.4 million respectively versus prior year. The increase in public safety expense was driven principally by higher pension expense; up $19 million versus the prior year. The increase in highways and streets expense was due to higher capital related costs; up $7.5 million versus prior year primarily due to increased depreciation expense. The increase in the business-type activities expenses was primarily in the Water Utility, Wastewater Utility and Storm Drain Utility Funds. For further explanation of these expense changes, refer to the financial analysis of the City's funds later in this document.

The general revenues of governmental activities increased $11.1 million from the previous year as consumer confidence improved during the year. The primary drivers were increases in property tax, sales taxes and state shared sales tax. Property tax revenues increased by $1.2 million in fiscal year 2017 as assessed values showed an increase. Local sales and use taxes increased $4.8 million as retail, contracting, rentals and restaurant & bar sales taxes increased $2.4 million, $1.2 million, $0.5 million, respectively, while state shared sales taxes increased $0.9 million.

Program revenues of governmental activities increased $1.7 million versus prior year primarily due to increases in residential building permit & inspection fees of $0.8 million, plan check fees of $0.4 million, and capital improvement project (CIP) engineering charges of $0.4 million. The program revenues of business-type activities increased by $7.2 million primarily from a $3.4 million increase in charges for services revenue due to increased utility rates, coupled with a $3.2 million increase in capital contributions from donations of capital assets.

The following graph shows the functional revenues and expenses of governmental activities to demonstrate the extent to which the governmental functions produce direct revenues to offset the program costs. It should be noted that this is not intended to represent full cost allocation to these

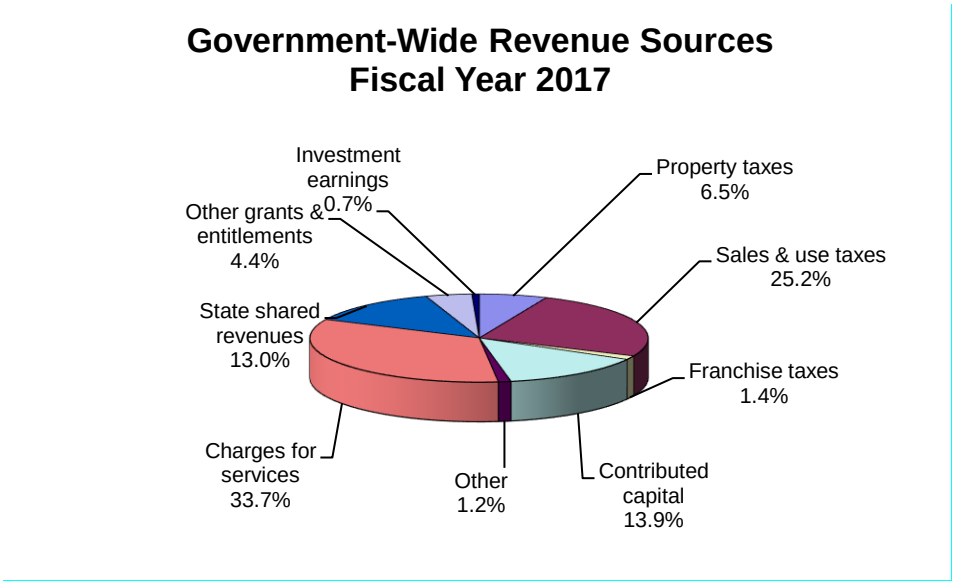
Governmental Activities Program Revenues & Expenses



functions. Expenses not covered by direct program revenues are covered by general revenues of the City, primarily taxes and state shared revenues. In the governmental activities, the program revenues of $72.6 million are 33.7% of the governmental activities expenses for fiscal year 2017, down from 39.0% in fiscal year 2016. In the business-type activities, program revenues of $100.9 million are 116.8% of the business-type expenses for fiscal year 2017. This compares to $93.6 million and 126.2% in fiscal year 2016.

Governmental activities account for 69.6% of the total revenues of the City and 71.4% of the total expenses in fiscal year 2017. These percentages were 69.9% and 71.0% respectively in fiscal year 2016.

As seen in the following graph, one of the largest financing sources for the City in fiscal year 2017 is charges for services (33.7%), primarily because this is the major funding source of the business-type activities (79.0% of business-type total revenues in fiscal year 2017). The major funding sources of the governmental activities are property, sales/use taxes and state shared revenues.

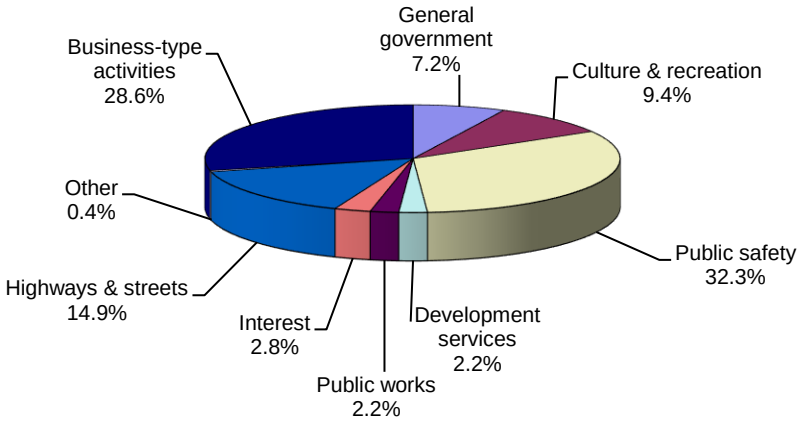


Property taxes increased from fiscal year 2016 with an increase in assessed value. The tax rates did not change in fiscal year 2017 compared to the previous year.

Total government-wide expenses (not including transfers out) of the City increased $46.3 million in fiscal year 2017. Expenses of the governmental activities increased $34.1 million. This primarily includes increases of $27.3 million for public safety, $10.4 million for highways and streets, and $1.9 million for culture and recreation. This is offset by a decrease of $3.1 million in interest on long-term debt. Public Safety expenses increased primarily due to higher pension expense in fiscal year 2017 versus prior year, as well as the hiring of new ambulance operations personnel. Highways and streets expenses increased chiefly due to increases for depreciation expense as street assets increased substantially during the last two fiscal years and prior year useful life assumptions were corrected resulting in an accelerated depreciation rate. Business-type activity expenses increased $12.2 million versus prior year with the main driver being depreciation expense increasing by $8.5 million. This increase was also a result of the correction of previous useful life assumptions that resulted in an accelerated depreciation rate versus prior year, as well as, the transfer of storm drain assets to the Storm Drain Utility Fund.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 28.6% of the functional expenses of the City for fiscal year 2017, while governmental activities account for 71.4% of the functional expenses. For the governmental activities, the largest users of resources are public safety (32.3% of total expense, 45.3% of governmental expenses), highways and streets (14.9% of total expenses, 20.9% of governmental expenses), culture and recreation (9.4% of total expenses, 13.2% of governmental expenses), and general government (7.2% of total expenses, 10.0% of governmental expenses).

Government-Wide Functional Expenses
Fiscal Year 2017



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental funds

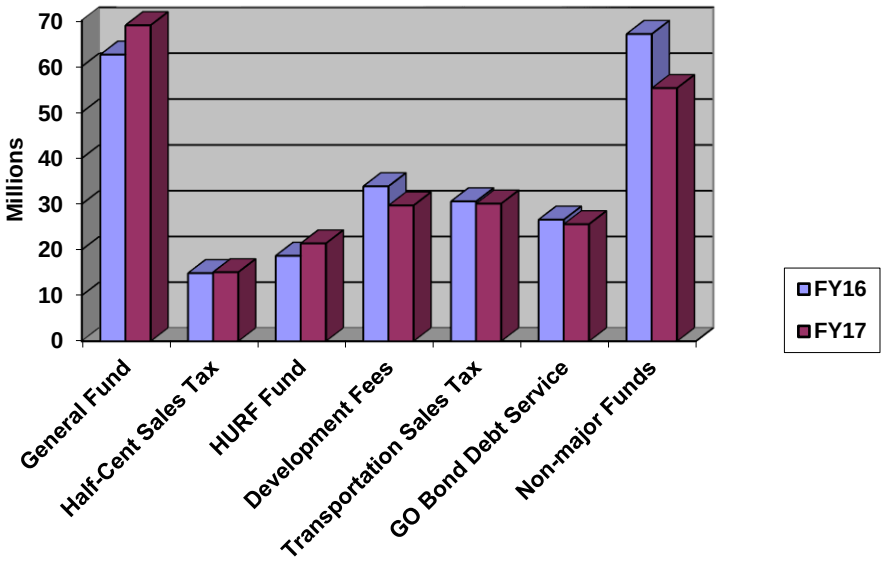
The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. All major governmental funds are discretely presented on these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds may be found on pages 90-93. Although the Half-Cent Sales Tax Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, Development Fee Fund and GO Bond Debt Service Fund do not meet the GASB 34 quantitative criteria of a major fund, the City has chosen to present them as major funds due to local significance or outstanding debt.

The fund balance of the governmental funds is $246.2, a decrease of $8.3 million from the previous year. Of this, $138.4 million (a decrease of $12.7 million from the previous year) is classified as Nonspendable or Restricted because it is not appropriable for expenditure or is legally segregated for a specific future use. The decrease in restricted fund balance is primarily due to general obligation bond proceeds being spent for the construction and acquisition of capital projects.

An additional $82.1 million of the governmental fund balance (a decrease of $0.5 million from the previous year) has been committed or assigned for specific purposes by council or administrative action. These commitments include various stabilization reserves ($41.1 million), debt service reserves ($1.0 million), capital projects ($20.0 million) and arts capital and various other purposes ($20.0 million).

The remaining $25.7 million of governmental fund balance is classified as Unassigned. This balance may serve as a useful indicator of a government's net resources available for spending at the end of the year. By Council policy, these resources are used to fund one-time needs of the City including capital facilities and transportation improvements. The unassigned fund balance increased by $4.9 million compared to the prior year.

Governmental Funds - Fund Balance



The General Fund is the chief operating fund of the City and accounts for many of the major functions of the government including public safety, parks and recreation, community development and general administrative services. General Fund revenues increased $10.3 million over the prior fiscal year driven mainly from an increase in overall sales tax of $2.7 million or 6.2%. Specifically, Retail sales tax accounted for the largest impact with revenues $1.4 million higher than prior year. Favorability was also seen in construction sales tax; up $0.7 million versus prior year, and Restaurants and Bars; up $0.4 million. The City also generated increases in Licenses and Permits revenue due mainly from a boost in residential building permit and inspection revenue of $0.8 million versus prior year. Increases of $0.9 million and $0.1 million respectively in state shared sales tax and property tax, were in line with expectations.

Total General Fund expenditures increased $2.9 million versus prior year; driven primarily from a $5.2 million increase in public safety expenditures and offset by a $3.0 million decrease in general government expenditures. The upturn in public safety costs was due mainly to budgeted wage increases as well as the addition of new personnel within the ambulance operations division, which was authorized to hire up to 16 new full time positions during the fiscal year. The city also experienced an increase in police department overtime expenditures, as well as higher public safety retirement and workers compensation costs versus prior year. A significant driver in the decrease of general government expenditures versus prior year was related to one-time census costs for part time workers that were incurred in fiscal year 2016. The City also experienced reduced building and grounds/detention repairs and maintenance costs versus prior year within the general government function. The unassigned fund balance of the General Fund increased to 21.5% of expenditures at June 30, 2017, compared to 17.8% at June 30, 2016.

The Half-Cent Sales Tax Fund tracks the revenues from a $.05 sales tax committed for specific purposes by Council policy. Revenues in this fund increased $1.2 million versus the previous year due to increases mainly within the retail and construction sales categories; up $0.7 million and $0.3 million respectively. Expenditures in this fund increased $4.6 million versus prior year largely from one-time capital outlay costs of $2.6 million to purchase property on the southwest corner of 83rd Avenue and Mariners Way. The purpose of this acquisition is to ensure that property is available for commercial/office opportunities in the P83 district. Economic development program expenditures were also up within the Half-Cent Sales Tax Fund by $1.2 million over prior year. Driving this increase was $0.9 million in expenditures incurred toward the recruitment initiatives of Huntington University to support economic development and job growth through technology commercialization efforts. Fund balance remained stable in fiscal year 2017.

The Highway User Revenue Fund (HURF Fund) is required by state statute to track the receipt of the state allocation of gasoline taxes and other state revenues shared with local governments that are required to be used for transportation purposes. Also, there is a sales tax on utilities and property tax revenues from street light improvement districts included in this fund. Revenues increased by $1.1 million versus prior year, mainly from an upturn in highway user revenues. Expenditures increased by $1.4 million in fiscal year 2017 primarily from increased amounts spent on street repairs. Fund balance increased $2.7 million in fiscal year 2017.

The Transportation Sales Tax Fund tracks the collection and expenditure of the 0.3% voter approved sales tax to address transportation issues. Revenues in this fund increased $0.7 million while expenditures decreased $0.9 million. The increased revenues were due to improved sales tax revenue while the decreased expenditures were due primarily from reduced street repairs. The fund balance decreased $0.5 million in fiscal year 2017. All fund balance in this fund is restricted.

Another major governmental fund of the City is the Development Fee Fund, which collects governmental impact fees for parks and recreational facilities, public safety, and streets and intersections. Revenues of $9.8 million in the Development Fee Fund for fiscal year 2017 were in line with prior year revenues. Expenditures increased $9.2 million in fiscal year 2017 primarily from increased capital outlay for the construction of a new patrol service building. Fund balance decreased $4.2 million versus prior year. All fund balance in this fund is restricted.

The GO Bond Debt Service Fund accounts for the payment of general obligation bonds and the related interest. Revenues in this fund increased $0.9 million due to increased property tax revenues. The property assessed value of the City increased 5.7% in fiscal year 2017 while the tax rate was unchanged. Expenditures increased by $3.4 million driven by higher debt service costs versus the prior year. Fund balance decreased $1.1 million in fiscal year 2017.

All non-major governmental funds of the City are combined into one column on the governmental fund statements.

Proprietary funds

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each major enterprise fund is shown discretely. Although the Solid Waste Fund does not meet the quantitative criteria of a major fund, the City has chosen to present this fund as a major fund due to local significance.

Total net position of the enterprise funds increased $14.1 million in fiscal year 2017, after the restatement of beginning net position balances. Net investment in capital assets increased $8.1 million primarily from a reduction of water and wastewater bonds and loans payable liabilities as a result of debt service payments made in fiscal year 2017. Increases in net investment in capital assets were offset by a $4.3 million decrease in net position restricted for capital projects, and a $10.4 million increase in unrestricted net position. In accordance with the City's Principles of Sound Financial Management, the City continues to maintain appropriate levels of stabilization reserves.

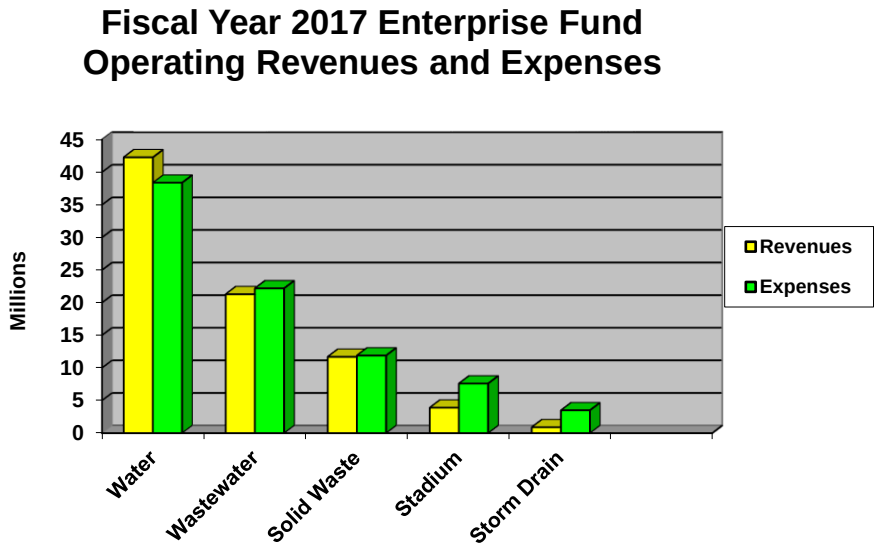
Operating revenues of the enterprise funds increased $4.3 million in fiscal year 2017. Charges for services increased $2.4 million in the Water Utility fund due to rate increases, increases in the number of accounts, as well as increased usage. Additionally, miscellaneous revenue increased in the Water Utility fund by $1.0 million for the receipt of one-time funds from the Vistancia Community Facilities District for the treatment of water supplies. Charges for services increased $0.7 million in the Wastewater Fund due to rate increases and increased usage.

Operating expenses of the enterprise funds increased $12.2 million in fiscal year 2017. Depreciation and amortization expense rose $8.5 million versus prior year; driving the majority of the operating expense increase. The upturn in depreciation expense was driven primarily from corrections made to prior useful life assumptions resulting in an acceleration of depreciation for fiscal year 2017 and future years. Also, storm drain capital assets previously depreciated under the classification of general government, were transferred from governmental funds to the Storm Drain Utility Fund and now depreciate as business-type assets. Contractual services/commodities increased $1.6 million in the Water Utility Fund due to an

increase in development impact fee repayments, Central Arizona Project (CAP) related expenses, and repair and maintenance costs. Increased contractual service/commodities of $0.5 million in the Wastewater Utility Fund were driven mainly from higher computer hardware, repair and maintenance, and treatment plant supply costs. The remaining rise in operating expenses came from salaries increasing by $1.1 million. Salary growth was driven by modest wage increases, as well as the budgeted hiring of two distribution service utility system operators.

The changes in operating revenues and expenses discussed above resulted in an enterprise funds operating income loss of $3.5 million in fiscal year 2017 compared to operating income of $4.5 million prior year.

The following graph shows the operating revenues and expenditures for the enterprise funds for fiscal year 2017.



BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements, required for the General Fund and all major special revenue funds, may be found on pages 28-33. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgetary schedules for the other governmental funds are also presented on page 87, and pages 94-101.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1 for more information on budget policies). Some of these amendments include transfers from contingency to cover approved carryovers from the previous budget, capital projects with budget overages (or whose timing was accelerated), and other unanticipated costs. Also, throughout the year, budget amendments are processed to provide expenditure authority from unanticipated revenue sources. These include new or increased grants and intergovernmental agreements. It is generally the policy of the City to not include revenues and operational expenditure authority for these types of items in the operational budgets unless the funding is reasonably assured at the time of completion of the annual budget. Instead, the City budgets contingency accounts to allow for later transfer to operational budgets if and when the funding is received.

No amendments increasing the City's total adopted budget of $511 million occurred during fiscal year 2017. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur.

General Fund revenues of $135.6 million, on a budgetary basis, exceeded budgeted revenues of $130.1 million by $5.5 million while budgetary basis expenditures of $135.0 million were 90.8% of final budgeted amounts. Revenues, on a budgetary basis, exceeded budgeted revenues in sales tax, property tax, franchise tax, state shared sales tax, urban revenue sharing, auto in-lieu tax, licenses and permits and rents, while falling short in charges for services, fines and forfeitures and investments earnings. There were no expenditure overages for any of the functional categories.

During the fiscal year, the original General Fund expenditures and contingencies budget of $167.6 million was amended by $15.8 million to the final expenditure and contingencies budget of $151.8 million.

Notable transfers during the year were as follows:

- $5.2 million transfer from the Half Cent Fund to the General Fund for the purchase of public safety vehicles and public safety operating costs.

- $2.0 million transfer from the Half Cent Fund to the Stadium Fund as a subsidy in support of the Peoria Sports Complex.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017, the City had $1.3 billion invested in various capital assets, net of accumulated depreciation and related debt, down 9.7% from the previous year. The capital assets of the City (net of depreciation, but not capital debt) are $1.7 billion. This is a net decrease of $160.1 million from June 30, 2016. Net capital assets of business-type activities decreased $1.5 million while governmental activities decreased $158.6 million. The decreases are primarily due to a restatement of capital assets. See Note 15 for additional information on the restatement.

Notable additions to capital assets during the fiscal year included the following:

- ✓ The City invested $7.3M into the construction of a new building on the campus of the Pinnacle Peak Public Safety Facility. This building creates additional space for police employees providing services to the northern reaches of the city.
- ✓ The City invested $3.5 million in land acquisition for the Sonoran Preservation Program. The program identifies areas that merit special consideration and then outlines how the city can strategically assemble them over time into a meaningful network of connected open spaces.
- ✓ The City invested $1.8 million into P83 Entertainment District Improvements, including costs related to the final design and construction of a pedestrian crossing on 83rd Ave.
- ✓ The following table provides a breakdown of the capital assets of the City at June 30, 2017, and 2016. Additional information on the City's capital assets may be found in Note 6.

Capital Assets at June 30
(Net of depreciation)
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Buildings and building improvements	$ 108.1	$ 123.8	$ 56.6	$ 61.2	$ 164.7	$ 185.0
Equipment; Furniture	4.4	12.5	9.0	9.3	13.4	21.8
Vehicles	11.3	10.7	9.6	8.6	20.9	19.3
Surface water system	-	52.6	63.1	5.1	63.1	57.7
Street system	419.2	401.5	-	-	419.2	401.5
Park system	63.8	69.6	-	-	63.8	69.6
Water system	-	-	232.8	250.7	232.8	250.7
Water rights	-	-	10.3	10.6	10.3	10.6
Wastewater system	-	-	271.3	270.1	271.3	270.1
Land	367.1	350.9	16.7	16.7	383.8	367.6
Work in progress	22.6	133.6	19.1	57.6	41.7	191.2
Total	$ 996.5	$ 1,155.2	$ 688.5	$ 689.9	$ 1,685.0	$ 1,845.1

The City has adopted a ten year capital improvement plan budgeted at $660.3 million, including $212.2 million in fiscal year 2018. Anticipated funding for this plan for fiscal year 2018 is through a combination of impact fees, utility revenue bonds, general obligation bonds, operating revenues, City and County transportation sales taxes and other outside funding sources. The estimated operating budget impact of the capital improvement program over the next five fiscal years is expected to be $9.6 million. The capital improvement plan is updated annually as part of the City's budget process.

Long-term Debt

The City's outstanding non-current long-term debt, including bonds and loans, compensated absences, and deferred bond premiums was $340.0 million at June 30, 2017. Of this total, $256.9 million was in governmental activities and $83.1 million was in business-type activities. The City's outstanding non-current debt (excluding claims and net pension liability) decreased by $21.8 million in fiscal year 2017. This decrease is related to scheduled debt service payments, which were offset by new debt issued of $4.1 million and by an increase in compensated absences liabilities due to a change in the City's policy on sick leave payouts.

Of the total outstanding bonds and loans of $347.3 million, $148.2 million is general obligation bonds backed by the full faith and credit of the City. An additional $2.1 million is special assessment bonds where the City is contingently liable in the event that the assessment revenues are insufficient to pay the debt payments. The outstanding debt also includes $37.1 million in Community Facilities District bonds where the City has no obligation for payment. All other outstanding debt is secured by pledges of specific revenue sources of the City.

The State constitution imposes certain debt limitations on the City of six percent (6%) and twenty percent (20%) of the assessed valuation of the City. Additional information on the debt limitations and capacities may be found in Table XX in the statistical section of this report.

The following schedule shows the outstanding debt of the City (both current and long-term, excluding net pension liability and claims payable) as of June 30, 2017, and 2016. Further detail on the City's outstanding debt may be found in Note 7. Information on the City's net pension liability may be found in the Required Supplementary Section of the report and in Note 9.

Outstanding Debt
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General obligation debt	$ 148.2	$ 160.2	$ -	$ -	$ 148.2	$ 160.2
Municipal Development Authority debt	67.6	72.3	-	-	67.6	72.3
Special assessment debt	2.1	2.5	-	-	2.1	2.5
Water/Sewer Revenue bonds and loans	-	-	92.3	101.8	92.3	101.8
Community Facilities District bonds	37.1	37.0	-	-	37.1	37.0
Compensated absences	13.4	7.5	1.5	0.8	14.9	8.3
Total	$ 268.4	$ 279.5	$ 93.8	$ 102.6	$ 362.2	$ 382.1

The City currently maintains the following ratings on its general obligation debt: "AA+" from Standard & Poor's, "Aa1" from Moody's and "AAA" from Fitch. For the water and sewer revenue bonds, the ratings are "AA" from Standard & Poor's, "Aa3" from Moody's and "AA" from Fitch.

ECONOMIC FACTORS

The City of Peoria continues to enjoy one of the lowest unemployment rates in the Phoenix metropolitan area while the City's population continues to increase creating demand for housing. Improvements in job, population and income growth are expected in fiscal year 2018; yet wage growth has only recently showed signs of improvement.

Locally improving consumer confidence has resulted in higher sales tax revenues and is forecasted to increase by 2.7% in fiscal year 2018.

New residential construction in Peoria is growing, while commercial construction has begun to show expansion and stability. Existing home valuations have continued to increase and information from the County Assessor's Office projects slight increases in the city's assessed valuations for the fourth consecutive year. Future valuations should continue to increase, resulting in higher tax collections in subsequent years.

The adopted fiscal year 2018 budget is $590 million, an increase of 18.7% from the fiscal year 2017 budget. The City anticipates slight property tax revenue increases due to an increase in the City's assessed valuation and improving sales tax revenues. The operating budget totals $377.8 million, which is an increase of 2.6% from 2017. The capital projects portion of the budget, $212.2 million, is divided in the following manner: $9.2 million for drainage projects, $20.0 million for operational facilities, $47.4 million for parks, trails, open space and libraries, $2.2 million for public safety projects, $46.4 million for streets and traffic control projects, $29.5 million for economic development projects, $15.2 million for wastewater projects, and $42.2 million for water projects.

The General Fund operating budget (not including contingency) is $149.5 million, up 7.3% from the prior year budget. With the modest economic recovery, resident needs for City services were balanced with a slowly increasing revenue base. The budget continues to focus on preserving the City's excellent quality of life, while preserving our future financial viability.

The City has maintained cash balances over the last few years, both for financial stability and in anticipation of the capital and ongoing operational needs of an ever-changing city. The City has maintained several stabilization reserves within the General Fund and Half-Cent Sales Tax Fund in accordance with the City's adopted financial policies – The Principles of Sound Financial Management. The City also maintains working capital policy reserve, rate stabilization, and debt stabilization reserves in the Utility Funds. It should be noted that while these reserves are established to address immediate and dramatic fiscal difficulties, they are not intended to cover structural budget shortfalls. With this in mind, the fiscal year 2018 budget does not anticipate the use of reserves to address recurring expenses.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City of Peoria, Arizona's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Finance Director at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.

Basic Financial Statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	$ 227,606,826	$ 89,051,800	$ 316,658,626
Accounts receivable, net	12,372,333	10,931,369	23,303,702
Interest receivable	467,649	132,321	599,970
Internal balances	(3,126,576)	3,126,576	-
Due from other governments	5,791,473	-	5,791,473
Prepaid items	65,200	107,934	173,134
Supply inventories	381,322	336,512	717,834
Restricted pooled cash and investments	8,899,977	-	8,899,977
Restricted cash with fiscal agents	24,482,449	7,216,449	31,698,898
Restricted investments	21,453,414	-	21,453,414
Capital assets:			
Non-depreciable	389,721,821	35,861,284	425,583,105
Depreciable (net)	606,822,345	652,596,870	1,259,419,215
Total assets	1,294,938,233	799,361,115	2,094,299,348
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	45,314,498	3,232,020	48,546,518
Deferred loss on bond refunding	5,008,451	142,203	5,150,654
Excess consideration provided for acquisition	-	2,461,917	2,461,917
Total deferred outflows of resources	50,322,949	5,836,140	56,159,089
LIABILITIES			
Accounts payable	7,057,977	3,857,882	10,915,859
Accrued payroll	2,190,001	271,220	2,461,221
Interest payable	5,131,924	1,463,971	6,595,895
Due to other governments	1,810,821	243,117	2,053,938
Customer deposits	3,567	2,027,317	2,030,884
Other liabilities	3,709,748	73,291	3,783,039
Unearned revenue-other	3,719,567	71,857	3,791,424
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	7,540,473	-	7,540,473
Current portion of compensated absences	6,405,280	730,770	7,136,050
Current portion of bonds & loans payable	19,173,000	10,983,985	30,156,985
Due in more than one year:			
Noncurrent portion of claims payable	1,285,429	-	1,285,429
Noncurrent portion of compensated absences	6,981,860	719,250	7,701,110
Noncurrent portion of bonds & loans payable	249,926,285	82,341,561	332,267,846
Net pension liability	162,326,920	15,764,847	178,091,767
Total liabilities	477,262,852	118,549,068	595,811,920
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	12,183,802	1,944,975	14,128,777
Total deferred inflow of resources	12,183,802	1,944,975	14,128,777
NET POSITION			
Net investment in capital assets	747,243,866	597,736,728	1,344,980,594
Restricted for:			
Debt service	39,368,106	-	39,368,106
Capital projects	15,048,734	27,490,003	42,538,737
Development fees	29,717,560	-	29,717,560
Transportation purposes	51,414,295	-	51,414,295
Grant purposes	2,599,118	-	2,599,118
Facilities maintenance	96,366	100,000	196,366
Trust purpose	11,472,885	-	11,472,885
Unrestricted	(41,146,402)	59,376,481	18,230,079
Total net position	$ 855,814,528	$ 684,703,212	$ 1,540,517,740

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues: Fees, Fines & Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 21,623,532	$ 2,126,455	$ 143,968	$ -	$ (19,353,109)	$ -	$ (19,353,109)
Culture and recreation	28,371,539	8,974,426	2,174,453	-	(17,222,660)	-	(17,222,660)
Public safety	97,665,783	5,238,947	326,675	16,306	(92,083,855)	-	(92,083,855)
Development services	6,630,945	5,443,446	1,058,698	-	(128,801)	-	(128,801)
Highways and streets	44,979,242	6,401,899	10,962,296	25,621,724	(1,993,323)	-	(1,993,323)
Public works	6,705,095	4,080,578	-	-	(2,624,517)	-	(2,624,517)
Human services	1,283,420	45,526	-	-	(1,237,894)	-	(1,237,894)
Interest on long-term debt	8,451,596	-	-	-	(8,451,596)	-	(8,451,596)
Total governmental activities	215,711,152	32,311,277	14,666,090	25,638,030	(143,095,755)	-	(143,095,755)
Business-type activities:							
Water Utility	39,316,668	42,300,473	-	10,806,376	-	13,790,181	13,790,181
Wastewater Utility	24,075,245	21,332,720	-	7,385,654	-	4,643,129	4,643,129
Solid Waste Utility	11,867,773	11,723,948	-	-	-	(143,825)	(143,825)
Stadium	7,579,975	3,898,654	-	109,952	-	(3,571,369)	(3,571,369)
Storm Drain Utility	3,497,956	896,452	-	2,396,038	-	(205,466)	(205,466)
Total business-type activities	86,337,617	80,152,247	-	20,698,020	-	14,512,650	14,512,650
Total primary government	$ 302,048,769	$ 112,463,524	$ 14,666,090	$ 46,336,050	(143,095,755)	14,512,650	(128,583,105)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					3,207,433	-	3,207,433
Property taxes, levied for debt service					18,532,683	-	18,532,683
Sales and use taxes					84,236,770	-	84,236,770
Franchise taxes					4,501,681	-	4,501,681
Intergovernmental:							
State shared sales taxes- unrestricted					15,631,512	-	15,631,512
Urban revenue sharing- unrestricted					20,949,613	-	20,949,613
Auto in-lieu taxes- unrestricted					6,728,814	-	6,728,814
Investment earnings					1,667,892	519,774	2,187,666
Gain on sale of capital assets						109,744	109,744
Miscellaneous					4,120,882	-	4,120,882
Transfers in (out)					(6,346,374)	6,346,374	-
Total general revenues and transfers					153,230,906	6,975,892	160,206,798
Change in net position					10,135,151	21,488,542	31,623,693
Net position - beginning - restated					845,679,377	663,214,670	1,508,894,047
Net position - ending					$ 855,814,528	$ 684,703,212	$ 1,540,517,740

The accompanying notes are an integral part of the financial statements

PEORIA
ARIZONA

CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major Funds			
	General Fund	Half-Cent Sales Tax Fund	Highway User Revenue Fund	Transportation Sales Tax Fund
ASSETS & DEFERRED OUTFLOWS				
Assets:				
Pooled cash and investments	$ 68,220,687	$ 13,078,551	$ 20,618,121	$ 28,776,666
Accounts receivable, net	7,375,846	2,739,467	532,778	1,668,714
Interest receivable	110,770	17,353	29,085	45,601
Due from other funds	1,749,436	-	-	-
Due from other governments	2,917,071	-	951,528	-
Supply inventories	113,859	-	69,711	-
Restricted pooled cash and investments	258,200	-	-	-
Restricted cash with fiscal agents	-	-	-	-
Restricted investments	-	-	-	-
Total assets	80,745,869	15,835,371	22,201,223	30,490,981
Total assets & deferred outflows	$ 80,745,869	$ 15,835,371	$ 22,201,223	$ 30,490,981
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,841,959	$ 673,297	$ 696,762	$ 439,088
Accrued payroll	1,892,968	-	72,348	-
Due to other funds	-	-	-	-
Due to other governments	1,810,821	-	-	-
Customer deposits	3,567	-	-	-
Other liabilities	3,635,335	-	-	-
Unearned revenue-other	2,560,006	-	-	-
Total liabilities	11,744,656	673,297	769,110	439,088
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	7,848	-	3,303	-
Total deferred inflows of resources	7,848	-	3,303	-
Fund balances:				
Nonspendable:				
Supply inventories	113,859	-	69,711	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	258,200	-	-	-
Development fees	-	-	-	-
Transportation purposes	-	-	21,359,099	30,051,893
Grant purposes	-	-	-	-
Arts Center maintenance	96,366	-	-	-
Committed to:				
Debt service	-	1,000,000	-	-
Economic development	5,275,604	-	-	-
Arts capital	-	-	-	-
Operating reserve	14,976,843	-	-	-
Emergency reserve	9,984,562	-	-	-
Budget stabilization reserve	9,984,562	6,142,391	-	-
Assigned to:				
Capital projects	-	-	-	-
Municipal Complex reserve	2,618,447	-	-	-
Other purposes	-	8,019,683	-	-
Unassigned:	25,684,922	-	-	-
Total fund balance	68,993,365	15,162,074	21,428,810	30,051,893
Total liabilities, deferred inflows & fund balance	$ 80,745,869	$ 15,835,371	$ 22,201,223	$ 30,490,981

(continued)

CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major Funds			
	GO Bond Debt Service Fund	**Development Fee Fund**	**Non-Major Governmental Funds**	**Total Governmental Funds**
ASSETS & DEFERRED OUTFLOWS				
Assets:				
Pooled cash and investments	$ 11,376,548	$ 30,708,995	$ 32,998,610	$ 205,778,178
Accounts receivable, net	43,392	-	10,976	12,371,173
Interest receivable	24,285	51,622	96,003	374,719
Due from other funds	-	-	-	1,749,436
Due from other governments	148,184	-	1,774,690	5,791,473
Supply inventories	-	-	-	183,570
Restricted pooled cash and investments	-	-	-	258,200
Restricted cash with fiscal agents	13,980,950	-	10,501,499	24,482,449
Restricted investments	-	-	13,757,954	13,757,954
Total assets	25,573,359	30,760,617	59,139,732	264,747,152
Total assets & deferred outflows	$ 25,573,359	$ 30,760,617	$ 59,139,732	$ 264,747,152
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 1,043,057	$ 805,403	$ 5,499,566
Accrued payroll	-	-	28,566	1,993,882
Due to other funds	-	-	1,749,436	1,749,436
Due to other governments	-	-	-	1,810,821
Customer deposits	-	-	-	3,567
Other liabilities	-	-	74,413	3,709,748
Unearned revenue-other	-	-	1,159,561	3,719,567
Total liabilities	-	1,043,057	3,817,379	18,486,587
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	43,392	-	6,416	60,959
Total deferred inflows of resources	43,392	-	6,416	60,959
Fund balances:				
Nonspendable:				
Supply inventories	-	-	-	183,570
Restricted for:				
Debt service	25,529,967	-	13,794,747	39,324,714
Capital projects	-	-	14,790,534	15,048,734
Development fees	-	29,717,560	-	29,717,560
Transportation purposes	-	-	-	51,410,992
Grant purposes	-	-	2,599,118	2,599,118
Arts Center maintenance	-	-	-	96,366
Committed to:				
Debt service	-	-	-	1,000,000
Economic development	-	-	-	5,275,604
Arts capital	-	-	4,172,671	4,172,671
Operating reserve	-	-	-	14,976,843
Emergency reserve	-	-	-	9,984,562
Budget stabilization reserve	-	-	-	16,126,953
Assigned to:				
Capital projects	-	-	19,958,867	19,958,867
Municipal Complex reserve	-	-	-	2,618,447
Other purposes	-	-	-	8,019,683
Unassigned:	-	-	-	25,684,922
Total fund balance	25,529,967	29,717,560	55,315,937	246,199,606
Total liabilities, deferred inflows & fund balance	$ 25,573,359	$ 30,760,617	$ 59,139,732	$ 264,747,152

The accompanying notes are an integral part of the financial statements

PEORIA
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CITY OF PEORIA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Fund balances - total governmental funds balance sheet		$ 246,199,606
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 1,423,722,791	
Less accumulated depreciation	(441,998,847)	981,723,944
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred loss on bond refunding		5,008,451
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental bonds payable	(255,073,000)	
Claims payable	(3,904,793)	
Compensated absences	(12,173,290)	(271,151,083)
Bond premiums are recognized at the time of issuance in the governmental funds, but recognized over the life of the bonds for goverrnment-wide reporting		(14,026,285)
Property tax revenue earned but not received within 60 days of year-end is a deferred inflow of resources for the governmental statements, but is recognized as revenue for the government-wide statements		60,959
Interest payable on long-term debt is not reported in the governmental funds.		(5,131,924)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with the governmental activities.		32,615,094
Long-term liabilities, such as net pension liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the funds.		(151,751,556)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows related to pensions	43,146,397	
Deferred inflows related to pensions	(10,879,075)	32,267,322
Total net position of governmental activities - statement of net position		$ 855,814,528

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Major Funds			
	General Fund	**Half-Cent Sales Tax Fund**	**Highway User Revenue Fund**	**Transportation Sales Tax Fund**
REVENUES:				
Taxes	$53,825,755	$21,022,729	$ 4,346,022	$ 12,760,044
Intergovernmental	43,756,213	-	10,962,296	-
Charges for services	14,302,952	-	73,234	-
Licenses and permits	4,778,632	-	-	-
Fines and forfeitures	1,433,868	-	-	-
Rents	908,678	-	-	-
Investment earnings	210,097	67,415	115,632	179,294
Special assessments	-	-	-	-
Miscellaneous	1,632,257	45,772	648	-
Total revenues	120,848,452	21,135,916	15,497,832	12,939,338
EXPENDITURES:				
Current:				
General government	12,581,667	5,168,562	-	-
Culture and recreation	23,041,590	-	-	-
Public safety	72,125,756	-	-	-
Development services	5,588,029	-	-	-
Highways and streets	-	-	13,482,044	1,996,620
Public works	5,375,882	-	-	-
Human services	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	869,888	2,803,365	253,568	5,482,062
Total expenditures	119,582,812	7,971,927	13,735,612	7,478,682
Excess (deficiency) of revenues over (under) expenditures	1,265,640	13,163,989	1,762,220	5,460,656
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	6,366,763	-	1,000,000	-
Transfers out	(1,283,182)	(12,914,805)	(53,911)	(6,006,216)
Total other financing sources and uses	5,083,581	(12,914,805)	946,089	(6,006,216)
Net change in fund balances	6,349,221	249,184	2,708,309	(545,560)
Fund balances - beginning	62,644,144	14,912,890	18,720,501	30,597,453
Fund balances - ending	$68,993,365	$15,162,074	$ 21,428,810	$ 30,051,893

(continued)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Major Funds			
	GO Bond Debt Service Fund	Development Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	$ 15,715,050	$ -	$ 2,865,834	$ 110,535,434
Intergovernmental	-	-	5,378,071	60,096,580
Charges for services	-	9,587,729	403,720	24,367,635
Licenses and permits	-	-	-	4,778,632
Fines and forfeitures	-	-	137,920	1,571,788
Rents	-	-	-	908,678
Investment earnings	111,640	202,966	433,534	1,320,578
Special assessments	-	-	2,171,319	2,171,319
Miscellaneous	-	-	2,732,763	4,411,440
Total revenues	15,826,690	9,790,695	14,123,161	210,162,084
EXPENDITURES:				
Current:				
General government	-	16,926	449,328	18,216,483
Culture and recreation	-	242,037	579,253	23,862,880
Public safety	-	48,294	913,032	73,087,082
Development services	-	-	703,266	6,291,295
Highways and streets	-	5,332,379	799,250	21,610,293
Public works	-	-	1,008,269	6,384,151
Human services	-	-	1,184,926	1,184,926
Debt service:				
Principal payments	11,920,000	-	7,947,000	19,867,000
Interest and other charges	6,143,977	-	5,192,961	11,336,938
Capital outlay	-	8,333,724	11,625,372	29,367,979
Total expenditures	18,063,977	13,973,360	30,402,657	211,209,027
Excess (deficiency) of revenues over (under) expenditures	(2,237,287)	(4,182,665)	(16,279,496)	(1,046,943)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	3,000,000	3,000,000
Premium on bonds issued	-	-	108,061	108,061
Transfers in	1,183,752	-	9,374,656	17,925,171
Transfers out	-	-	(7,978,122)	(28,236,236)
Total other financing sources and uses	1,183,752	-	4,504,595	(7,203,004)
Net change in fund balances	(1,053,535)	(4,182,665)	(11,774,901)	(8,249,947)
Fund balances - beginning	26,583,502	33,900,225	67,090,838	254,449,553
Fund balances - ending	$ 25,529,967	$ 29,717,560	$ 55,315,937	$ 246,199,606

The accompanying notes are an integral part of the financial statements

PEORIA
ARIZONA

CITY OF PEORIA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds	$	(8,249,947)
Amounts reported for governmental activities in the statement of activities are different because:		
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(5,364,390)
Certain revenues are advances in the governmental funds because they do not provide current financial resources, but are considered revenue on the statement of activities.		(56,870)
Special assessment principal payments received are revenues on the govermental operating statement, but are reductions in the outstanding special assessment debt for government-wide reporting.		(2,036,876)
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.		2,069,543
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($29,367,977), plus other capital $0, is exceeded by depreciation ($33,515,777) in the current period.		(4,147,798)
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources Thus, the change in net position differs from the change in fund balance by the cost of the assets sold or disposed of. Also gains/losses on sales of capital assets are not shown in the governmental funds, but are revenues or expenses on the statement of activities.		234,215
Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities.		23,779,626
The issuance of long-term debt provides current financial resources in the governmental funds, but creates a long-term liability in the statement of activities.		(3,000,000)
Repayment of bonds principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. No effect on net position.		19,867,000
Bond premiums or discounts and gains or losses on bond refunding are sources or uses of current financial resources for governmental fund reporting but are deferred outflows or inflows of resources for government-wide reporting.		707,738
The donation of governmental capital assets from Enterprise Funds is not shown in the governmental fund statements but is a transfer in in the statement of activities		503,171
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		5,207,551
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension service costs, interest on the pension liability, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from the pensions is reported as pension expense.		(19,377,812)
Change in net position of governmental activities- statement of activities	$	10,135,151

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 50,948,948	$ 50,948,948	$ 53,825,755	$ 2,876,807
Intergovernmental	42,667,400	42,667,400	43,756,213	1,088,813
Charges for services	29,481,002	29,481,002	29,052,143	(428,859)
Licenses and permits	3,334,410	3,334,410	4,778,632	1,444,222
Fines and forfeitures	1,595,674	1,595,674	1,433,868	(161,806)
Rents	827,463	827,463	908,678	81,215
Investment earnings	215,000	215,000	210,097	(4,903)
Miscellaneous	1,056,803	1,056,803	1,632,257	575,454
Total revenues	130,126,700	130,126,700	135,597,643	5,470,943
EXPENDITURES:				
Current:				
General government:				
Mayor and council	686,642	686,642	625,290	(61,352)
City manager	4,786,189	4,803,211	4,536,783	(266,428)
Human resources	2,536,747	2,551,449	2,381,418	(170,031)
Attorney	3,349,167	3,457,967	3,297,426	(160,541)
City clerk	1,194,130	1,204,630	1,107,631	(96,999)
Court	1,972,926	1,972,926	1,795,657	(177,269)
Economic development	2,035,195	2,187,017	1,635,977	(551,040)
Finance	10,354,499	10,579,061	10,220,260	(358,801)
Non-departmental	1,842,488	3,002,889	2,092,604	(910,285)
Culture and recreation	23,918,437	24,229,159	23,041,590	(1,187,569)
Public safety:				
Police	44,511,949	44,370,288	42,848,828	(1,521,460)
Fire	30,015,194	30,449,411	29,585,884	(863,527)
Development services	8,810,593	8,901,568	5,588,029	(3,313,539)
Public works	5,774,681	5,797,081	5,375,882	(421,199)
Capital outlay	2,554,156	4,133,515	878,237	(3,255,278)
Total expenditures	144,342,993	148,326,814	135,011,496	(13,315,318)
Excess (deficiency) of revenues over (under) expenditures	(14,216,293)	(18,200,114)	586,147	18,786,261
OTHER FINANCING SOURCES (USES):				
Contingencies	(23,250,000)	(3,471,149)	-	3,471,149
Transfers in	6,225,605	6,225,605	6,366,763	141,158
Transfers out	(736,302)	(736,302)	(603,690)	132,612
Total other financing sources and uses	(17,760,697)	2,018,154	5,763,073	3,744,919
Net change in fund balances	(31,976,990)	(16,181,960)	6,349,220	22,531,180
Fund balances - beginning	52,894,963	52,894,963	62,644,144	9,749,181
Fund balances - ending	$ 20,917,973	$ 36,713,003	$ 68,993,364	$ 32,280,361

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Explanation of differences between budgetary basis and GAAP revenues and expenditures	
Sources/inflows of resources:	
Actual amounts (budgetary basis) "Total revenues" from the budgetary comparison statement	$ 135,597,643
Differences - budget to GAAP:	
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules	(14,749,191)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 120,848,452
Uses/outflows of resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison statement	$ 135,011,496
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(679,492)
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(14,749,191)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 119,582,813

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
HALF-CENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 19,670,044	$ 19,670,044	$ 21,022,729	$ 1,352,685
Investment earnings	35,000	35,000	67,415	32,415
Miscellaneous	15,000	15,000	45,772	30,772
Total revenues	19,720,044	19,720,044	21,135,916	1,415,872
EXPENDITURES:				
Current:				
General government	5,487,359	7,798,902	5,168,562	(2,630,340)
Capital outlay	1,223,800	4,072,669	3,894,281	(178,388)
Total expenditures	6,711,159	11,871,571	9,062,843	(2,808,728)
Excess (deficiency) of revenues over (under) expenditures	13,008,885	7,848,473	12,073,073	4,224,600
OTHER FINANCING SOURCES (USES):				
Contingencies	(8,000,000)	(2,764,543)	-	2,764,543
Transfers out	(11,823,889)	(11,823,889)	(11,823,889)	-
Total other financing sources and uses	(19,823,889)	(14,588,432)	(11,823,889)	2,764,543
Net change in fund balances	(6,815,004)	(6,739,959)	249,184	6,989,143
Fund balances - beginning	12,966,936	12,966,936	14,912,890	1,945,954
Fund balances - ending	$ 6,151,932	$ 6,226,977	$ 15,162,074	$ 8,935,097

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Uses/outflows of resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison statement	$ 9,062,843
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(1,090,916)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 7,971,927

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
HIGHWAY USER REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 4,346,474	$ 4,346,474	$ 4,346,022	$ (452)
Intergovernmental	9,709,867	9,709,867	10,962,296	1,252,429
Charges for services	402,000	402,000	368,234	(33,766)
Investment earnings	68,250	68,250	115,632	47,382
Miscellaneous	-	-	648	648
Total revenues	14,526,591	14,526,591	15,792,832	1,266,241
EXPENDITURES:				
Current:				
Highways and streets	10,681,804	10,676,474	13,777,044	3,100,570
Capital outlay	5,015,306	5,300,254	253,568	(5,046,686)
Total expenditures	15,697,110	15,976,728	14,030,612	(1,946,116)
Excess (deficiency) of revenues over (under) expenditures	(1,170,519)	(1,450,137)	1,762,220	3,212,357
OTHER FINANCING SOURCES (USES):				
Contingencies	(500,000)	(200,000)	-	200,000
Transfers in	1,704,949	1,704,949	1,000,000	(704,949)
Transfers out	(758,860)	(758,860)	(53,911)	704,949
Total other financing sources and uses	446,089	746,089	946,089	200,000
Net change in fund balances	(724,430)	(704,048)	2,708,309	3,412,357
Fund balances - beginning	17,064,246	17,064,246	18,720,501	1,656,255
Fund balances - ending	$ 16,339,816	$ 16,360,198	$ 21,428,810	$ 5,068,612

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "Total revenues" from the budgetary comparison schedule	$ 15,792,832
Differences - budget to GAAP:	
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB 34's allocation rules.	(295,000)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 15,497,832
Uses/outflows of resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison statement	$ 14,030,612
Differences - budget to GAAP:	
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(295,000)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 13,735,612

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
TRANSPORTATION SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 11,853,148	$ 11,853,148	$ 12,760,044	$ 906,896
Investment earnings	100,000	100,000	179,294	79,294
Total revenues	11,953,148	11,953,148	12,939,338	986,190
EXPENDITURES:				
Current:				
Highways and streets	261,757	255,727	2,006,268	1,750,541
Capital outlay	19,714,003	17,384,899	5,482,062	(11,902,837)
Total expenditures	19,975,760	17,640,626	7,488,330	(10,152,296)
Excess (deficiency) of revenues over (under) expenditures	(8,022,612)	(5,687,478)	5,451,008	11,138,486
OTHER FINANCING SOURCES (USES):				
Contingencies	(1,000,000)	(6,204,653)	-	6,204,653
Transfers out	(5,996,568)	(5,996,568)	(5,996,568)	-
Total other financing sources and uses	(6,996,568)	(12,201,221)	(5,996,568)	6,204,653
Net change in fund balances	(15,019,180)	(17,888,699)	(545,560)	17,343,139
Fund balances - beginning	27,017,588	27,017,588	30,597,453	3,579,865
Fund balances - ending	$ 11,998,408	$ 9,128,889	$ 30,051,893	$ 20,923,004

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Uses/outflows or resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison statement	$ 7,488,330
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(9,648)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 7,478,682

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
DEVELOPMENT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Charges for services	$ 6,200,000	$ 6,200,000	$ 9,587,729	$ 3,387,729
Investment earnings	13,100	13,100	202,966	189,866
Total revenues	6,213,100	6,213,100	9,790,695	3,577,595
EXPENDITURES:				
Current:				
General government	7,426	7,426	16,926	9,500
Culture and recreation	294,667	378,091	242,037	(136,054)
Public safety	18,000	66,294	48,294	(18,000)
Highways and streets	5,876,811	5,876,811	5,332,379	(544,432)
Capital outlay	12,043,762	12,828,861	8,333,724	(4,495,137)
Total expenditures	18,240,666	19,157,483	13,973,360	(5,184,123)
Excess (deficiency) of revenues over (under) expenditures	(12,027,566)	(12,944,383)	(4,182,665)	8,761,718
OTHER FINANCING SOURCES (USES):				
Contingencies	(4,200,000)	(3,404,375)	-	3,404,375
Total other financing sources and uses	(4,200,000)	(3,404,375)	-	3,404,375
Net change in fund balances	(16,227,566)	(16,348,758)	(4,182,665)	12,166,093
Fund balances - beginning	29,848,987	29,848,987	33,900,225	4,051,238
Fund balances - ending	$ 13,621,421	$ 13,500,229	$ 29,717,560	$ 16,217,331

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	**Wastewater Utility Fund**	**Solid Waste Utility Fund**
ASSETS			
Current assets:			
Pooled cash and investments	$ 46,190,690	$ 24,255,230	$ 16,673,024
Restricted pooled cash and investments	-	-	-
Accounts receivable, net	5,942,042	2,530,249	1,418,306
Interest receivable	72,179	30,808	26,403
Prepaid items	107,934	-	-
Supplies inventory	215,920	-	120,592
Total current assets	52,528,765	26,816,287	18,238,325
Non-current assets:			
Restricted assets:			
Cash with fiscal agents	6,255,690	960,759	-
Investments	-	-	-
Net restricted assets	6,255,690	960,759	-
Capital assets:			
Buildings and improvements	1,662,522	7,612,045	-
Distribution and collection systems	376,626,349	397,788,560	-
Water rights	12,889,809	-	-
Equipment & furniture	14,085,614	2,395,572	-
Vehicles	1,822,042	1,221,377	13,926,224
Less accumulated depreciation and amortization	(154,649,941)	(131,090,561)	(6,047,191)
Land and improvements	6,158,675	3,878,001	-
Construction in progress	14,080,914	3,108,313	-
Capital assets, net	272,675,984	284,913,307	7,879,033
Total assets	331,460,439	312,690,353	26,117,358
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,227,899	680,338	870,998
Deferred loss on bond refunding	134,044	8,159	-
Excess consideration provided for acquisition	2,461,917	-	-
Total deferred outflows of resources	3,823,860	688,497	870,998
LIABILITIES			
Current liabilities:			
Accounts payable	2,272,573	781,638	328,032
Accrued payroll	110,782	50,203	65,168
Interest payable	494,651	969,320	-
Due to other governments	241,011	-	-
Customer deposits	2,027,317	-	-
Other liabilities	73,291	-	-
Current portion of claims payable	-	-	-
Current portion of compensated absences	335,650	133,800	149,460
Current portion of bonds & loans payable	5,625,476	5,358,509	-
Unearned revenue-other	-	-	-
Total current liabilities	11,180,751	7,293,470	542,660
Non-current liabilities:			
Long-term portion of claims payable	-	-	-
Long-term portion of compensated absences	297,290	125,720	117,650
Long-term portion of bonds & loans payable	27,432,164	54,909,397	-
Net pension liability	5,989,332	3,318,487	4,248,471
Total non-current liabilities	33,718,786	58,353,604	4,366,121
Total liabilities	44,899,537	65,647,074	4,908,781
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	738,929	409,416	524,152
Total deferred inflows of resources	738,929	409,416	524,152
NET POSITION			
Net investment in capital assets	242,214,305	224,653,560	7,879,033
Restricted:			
Capital projects	15,992,420	5,192,413	5,820,495
Facilities maintenance	-	-	-
Trust purpose	-	-	-
Unrestricted	31,439,108	17,476,387	7,855,895
Total net position	$ 289,645,833	$ 247,322,360	$ 21,555,423

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-type Activities Major Enterprise Funds			Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	$ 1,428,888	$ 503,968	$ 89,051,800	$ 21,828,648
Restricted pooled cash and investments	-	-	-	8,641,777
Accounts receivable, net	936,700	104,072	10,931,369	1,160
Interest receivable	1,952	979	132,321	92,930
Prepaid items	-	-	107,934	65,200
Supplies inventory	-	-	336,512	197,752
Total current assets	2,367,540	609,019	100,559,936	30,827,467
Non-current assets:				
Restricted assets:				
Cash with fiscal agents	-	-	7,216,449	-
Investments	-	-	-	7,695,460
Net restricted assets	-	-	7,216,449	7,695,460
Capital assets:				
Buildings and improvements	70,065,391	-	79,339,958	148,102
Distribution and collection systems	-	96,784,134	871,199,043	-
Water rights	-	-	12,889,809	-
Equipment & furniture	1,785,665	-	18,266,851	37,385,073
Vehicles	112,767	-	17,082,410	27,219,030
Less accumulated depreciation and amortization	(20,723,675)	(33,669,833)	(346,181,201)	(50,160,104)
Land and improvements	6,703,349	-	16,740,025	-
Construction in progress	648,913	1,283,119	19,121,259	228,121
Capital assets, net	58,592,410	64,397,420	688,458,154	14,820,222
Total assets	60,959,950	65,006,439	796,234,539	53,343,149
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	377,018	75,767	3,232,020	2,168,101
Deferred loss on bond refunding	-	-	142,203	-
Excess consideration provided for acquisition	-	-	2,461,917	-
Total deferred outflows of resources	377,018	75,767	5,836,140	2,168,101
LIABILITIES				
Current liabilities:				
Accounts payable	410,556	65,083	3,857,882	1,558,411
Accrued payroll	39,247	5,820	271,220	196,119
Interest payable	-	-	1,463,971	-
Due to other governments	2,106	-	243,117	-
Customer deposits	-	-	2,027,317	-
Other liabilities	-	-	73,291	-
Current portion of claims payable	-	-	-	3,635,680
Current portion of compensated absences	97,470	14,390	730,770	604,780
Current portion of bonds & loans payable	-	-	10,983,985	-
Unearned revenue-other	71,857	-	71,857	-
Total current liabilities	621,236	85,293	19,723,410	5,994,990
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	1,285,429
Long-term portion of compensated absences	151,000	27,590	719,250	609,070
Long-term portion of bonds & loans payable	-	-	82,341,561	-
Net pension liability	1,838,985	369,572	15,764,847	10,575,364
Total non-current liabilities	1,989,985	397,162	98,825,658	12,469,863
Total liabilities	2,611,221	482,455	118,549,068	18,464,853
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	226,883	45,595	1,944,975	1,304,727
Total deferred inflows of resources	226,883	45,595	1,944,975	1,304,727
NET POSITION				
Net investment in capital assets	58,592,410	64,397,420	597,736,728	14,820,222
Restricted:				
Capital projects	484,675	-	27,490,003	-
Facilities maintenance	100,000	-	100,000	-
Trust purpose	-	-	-	11,472,885
Unrestricted	(678,221)	156,736	56,249,905	9,448,563
Total net position	$ 58,498,864	$ 64,554,156	681,576,636	$ 35,741,670
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.			3,126,576	
			$ 684,703,212	

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	**Wastewater Utility Fund**	**Solid Waste Utility Fund**
OPERATING REVENUES			
Charges for services	$ 41,087,328	$ 21,241,173	$ 11,723,948
Rents	-	-	-
Miscellaneous	1,213,145	91,547	-
Total operating revenues	42,300,473	21,332,720	11,723,948
OPERATING EXPENSES			
Salaries, wages and employee benefits	5,344,219	3,002,020	3,921,829
Contractual services, materials and supplies	19,258,755	8,182,933	7,270,773
Insurance claims and expenses	-	-	-
Depreciation and amortization	13,808,371	10,999,577	727,447
Total operating expenses	38,411,345	22,184,530	11,920,049
Operating income (loss)	3,889,128	(851,810)	(196,101)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	285,446	114,294	101,321
Interest expense	(769,790)	(1,877,571)	-
Gain(loss) on sale of capital assets	(137,139)	(8,508)	(247,781)
Total non-operating revenues (expenses)	(621,483)	(1,771,785)	(146,460)
Income (loss) before contributions and transfers	3,267,645	(2,623,595)	(342,561)
Capital contributions	10,806,376	7,385,654	-
Transfers in	1,483,219	5,292,694	29
Transfers out	(4,053,814)	(953,502)	(7,855)
Change in net position	11,503,426	9,101,251	(350,387)
Total net position - beginning, restated	278,142,407	238,221,109	21,905,810
Total net position - ending	$ 289,645,833	$ 247,322,360	$ 21,555,423

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities Major Enterprise Funds			Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 1,493,029	$ 896,452	$ 76,441,930	$ 43,775,036
Rents	2,328,112	-	2,328,112	-
Miscellaneous	77,513	-	1,382,205	454,669
Total operating revenues	3,898,654	896,452	80,152,247	44,229,705
OPERATING EXPENSES				
Salaries, wages and employee benefits	2,007,353	352,026	14,627,447	9,571,822
Contractual services, materials and supplies	3,435,076	751,890	38,899,427	14,454,804
Insurance claims and expenses	-	-	-	18,775,079
Depreciation and amortization	2,165,107	2,392,642	30,093,144	2,512,916
Total operating expenses	7,607,536	3,496,558	83,620,018	45,314,621
Operating income (loss)	(3,708,882)	(2,600,106)	(3,467,771)	(1,084,916)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	12,461	6,252	519,774	347,314
Interest expense	-	-	(2,647,361)	-
Gain(loss) on sale of capital assets	-	-	(393,428)	134,692
Total non-operating revenues (expenses)	12,461	6,252	(2,521,015)	482,006
Income (loss) before contributions and transfers	(3,696,421)	(2,593,854)	(5,988,786)	(602,910)
Capital contributions	109,952	2,396,038	20,698,020	-
Transfers in	4,317,585	779,060	11,872,587	3,511,760
Transfers out	(5,975)	(1,896)	(5,023,042)	(50,240)
Change in net position	725,141	579,348	21,558,779	2,858,610
Total net position - beginning, restated	57,773,723	63,974,808	660,017,857	32,883,060
Total net position - ending	$ 58,498,864	$ 64,554,156	681,576,636	$ 35,741,670
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			(70,237)	
Change in net position of business-type activities			$ 21,488,542	

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	**Wastewater Utility Fund**	**Solid Waste Utility Fund**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 41,918,060	$ 21,137,994	$ 11,632,168
Payments to suppliers	(16,311,259)	(6,814,954)	(2,299,868)
Payments to employees	(5,168,172)	(2,869,289)	(3,883,658)
Self-insurance costs	-	-	-
Payments to internal service funds	(2,511,316)	(1,137,716)	(4,905,519)
Net cash provided (used) by operating activities	17,927,313	10,316,035	543,123
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	1,483,219	5,292,694	29
Transfers out	(4,053,814)	(953,502)	(7,855)
Net cash provided (used) by non-capital financing activities	(2,570,595)	4,339,192	(7,826)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(11,316,056)	(4,313,212)	(2,113,321)
Disposal of capital assets	(137,139)	(8,508)	(247,781)
Capital contributions	4,913,520	1,355,169	-
Proceeds from loans	1,066,079	-	-
Principal payments on capital debt	(5,660,691)	(5,251,613)	-
Interest paid on capital debt	(897,524)	(1,960,855)	-
Net cash provided (used) by capital and related financing activities	(12,031,811)	(10,179,019)	(2,361,102)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	-	-
Interest received on investments	255,007	99,577	92,353
Net cash provided (used) by investing activities	255,007	99,577	92,353
Net increase (decrease) in cash and cash equivalents	3,579,914	4,575,785	(1,733,452)
Cash and cash equivalents at beginning of year	48,866,466	20,640,204	18,406,476
Cash and cash equivalents at end of year	$ 52,446,380	$ 25,215,989	$ 16,673,024

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities Major Enterprise Funds			Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 3,209,412	$ 888,387	$ 78,786,021	$ 44,234,393
Payments to suppliers	(2,608,773)	(508,303)	(28,543,157)	(14,705,616)
Payments to employees	(1,824,350)	(334,706)	(14,080,175)	(9,250,967)
Self-insurance costs	-	-	-	(17,951,841)
Payments to internal service funds	(604,962)	(209,537)	(9,369,050)	-
Net cash provided (used) by operating activities	(1,828,673)	(164,159)	26,793,639	2,325,969
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	4,317,585	779,060	11,872,587	3,511,760
Transfers out	(5,975)	(1,896)	(5,023,042)	(50,240)
Net cash provided (used) by non-capital financing activities	4,311,610	777,164	6,849,545	3,461,520
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,925,193)	(779,060)	(21,446,842)	(5,219,632)
Disposal of capital assets	-	-	(393,428)	142,770
Capital contributions	109,952	-	6,378,641	-
Proceeds from loans	-	-	1,066,079	-
Principal payments on capital debt	-	-	(10,912,304)	-
Interest paid on capital debt	-	-	(2,858,379)	-
Net cash provided (used) by capital and related financing activities	(2,815,241)	(779,060)	(28,166,233)	(5,076,862)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	(53,152)
Interest received on investments	11,539	5,941	464,417	293,771
Net cash provided (used) by investing activities	11,539	5,941	464,417	240,619
Net increase (decrease) in cash and cash equivalents	(320,765)	(160,114)	5,941,368	951,246
Cash and cash equivalents at beginning of year	1,749,653	664,082	90,326,881	29,519,179
Cash and cash equivalents at end of year	$ 1,428,888	$ 503,968	$ 96,268,249	$ 30,470,425

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities Major Enterprise Funds		
	Water Utility Fund	**Wastewater Utility Fund**	**Solid Waste Utility Fund**
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 3,889,128	$ (851,810)	$ (196,101)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	13,808,371	10,999,577	727,447
Add: Pension expense	269,948	216,345	208,364
Subtract: Employer pension contributions	(393,914)	(218,255)	(279,419)
(Increase) decrease in assets:			
Accounts receivable	(375,918)	(194,726)	(91,780)
Prepaid items	(18,256)	-	-
Supplies inventory	51,914	-	(67,527)
Other assets	(25,000)	-	-
Increase (decrease) in liabilities:			
Accounts payable	395,307	230,263	132,913
Accrued payroll	36,483	12,231	11,756
Due to other governments	26,649	-	-
Other liabilities	5,566	-	-
Deposits payable	(6,495)	-	-
Claims payable	-	-	-
Unearned revenue - other	-	-	-
Compensated absences	263,530	122,410	97,470
Total adjustments	14,038,185	11,167,845	739,224
Net cash provided (used) by operating activities	$ 17,927,313	$ 10,316,035	$ 543,123
Non-cash investing, capital and financing activities:			
Capital assets acquired through contributions from developers and property owners	$ 5,892,856	$ 6,030,485	$ -
Increase in fair market value of investments	14,994	4,573	6,126
Total non-cash investing, capital and financing activities	$ 5,907,850	$ 6,035,058	$ 6,126

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities Major Enterprise Funds			Governmental Activities -
	Stadium Fund	Storm Drain Utility Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ (3,708,882)	$ (2,600,106)	$ (3,467,771)	$ (1,084,916)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,165,107	2,392,642	30,093,144	2,512,916
Add: Pension expense	163,725	12,728	871,110	413,072
Subtract: Employer pension contributions	(120,949)	(24,306)	(1,036,843)	(695,534)
(Increase) decrease in assets:				
Accounts receivable	(544,848)	(8,065)	(1,215,337)	7,791
Prepaid items	-	-	(18,256)	37,032
Supplies inventory	-	-	(15,613)	(16,380)
Other assets	-	-	(25,000)	-
Increase (decrease) in liabilities:				
Accounts payable	228,678	34,050	1,021,211	(271,464)
Accrued payroll	9,927	1,298	71,695	61,607
Due to other governments	(4,832)	-	21,817	-
Other liabilities	(2,505)	-	3,061	-
Deposits payable	-	-	(6,495)	-
Claims payable	-	-	-	823,238
Unearned revenue - other	(144,394)	-	(144,394)	(3,103)
Compensated absences	130,300	27,600	641,310	541,710
Total adjustments	1,880,209	2,435,947	30,261,410	3,410,885
Net cash provided (used) by operating activities	$ (1,828,673)	$ (164,159)	$ 26,793,639	$ 2,325,969
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and property owners	$ -	$ 2,396,038	$ 14,319,379	$ -
Increase in fair market value of investments	308	43	26,044	13,633
Total non-cash investing, capital and financing activities	$ 308	$ 2,396,081	$ 14,345,423	$ 13,633

(concluded)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Firemen's Pension Fund	Agency Funds
ASSETS		
Pooled cash and investments	$ 31,041	$ 59,449
Interest receivable	62	84
Total assets	31,103	59,533
LIABILITIES		
Accounts payable	-	1,107
Other liabilities	-	58,426
Total liabilities	-	59,533
NET POSITION		
Net position restricted for pensions	$ 31,103	

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Firemen's Pension Fund
ADDITIONS	
Contributions:	
State insurance premium tax rebate	$ 379
Total contributions	379
Investment earnings:	
Interest and investment income	394
Total investment earnings	394
Total additions	773
DEDUCTIONS	
Retirement payments	20,400
Total deductions	20,400
Change in net position	(19,627)
Net position - beginning of the year	50,730
Net position - end of the year	$ 31,103

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

The Notes to the Basic Financial Statements include a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Peoria, Arizona (City) have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the City's more significant policies follows.

A. Financial Reporting Entity

The City of Peoria (City) was incorporated in 1954 under the Arizona Revised Statutes. The current City charter provides for the Council - Manager form of government and provides such services as authorized by the charter as limited by the constitution of the State of Arizona.

The City's major operations include police protection and fire and medical services, parks and recreation, development services, public works, certain social services and general administrative services. In addition, the City owns and operates enterprise funds, which include water, wastewater, solid waste and storm drain operations, and a baseball stadium complex.

The financial reporting entity presented in these financial statements consists of the City and its blended component units for which the City is financially accountable. The blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. These component units are governed by boards, wholly or substantially, comprised of the government's elected council.

Individual Component Units - Blended

City of Peoria Municipal Development Authority, Inc.

City of Peoria Municipal Development Authority, Inc. (Authority), an Arizona not-for-profit corporation, was organized for the purpose of financing the construction of municipal facilities within the City through the issuance of bonds. Concurrent with these bond issues, the City entered into contracts with the Authority whereby the City will pay, to the Authority, amounts sufficient to retire the Authority's bonds and related interest. The outstanding Municipal Development Authority, Inc. bonds are reported as a debt service fund in the City's financial statements. All of the outstanding debt of the Authority will be repaid by revenues of the City. No separate financial statements are prepared for the Municipal Development Authority, Inc.

Vistancia Community Facilities District

The Vistancia Community Facilities District (Vistancia) was formed by petition to the City Council in 2002. Vistancia's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, Vistancia can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Vistancia's property taxes, and thus for the costs of operating the district. The City Council serves as the Board of Directors of Vistancia and City management has operational responsibility for Vistancia. The City has no liability for the district's debt. For reporting purposes, the transactions of Vistancia are included as governmental funds as if they were part of the City's operations.

Vistancia West Community Facilities District

The Vistancia West Community Facilities District (Vistancia West) was formed by petition to the City Council in 2014. Vistancia West's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, Vistancia West can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for Vistancia West's property taxes, and thus for the costs of operating the district. The City Council serves as the Board of Directors of Vistancia West and City management has operational responsibility for Vistancia West. The City has no liability for the district's debt. For reporting purposes, the transactions of Vistancia West are included as governmental funds as if they were part of the City's operations.

City of Peoria Employee Benefit Trust

The City of Peoria Employee Benefit Trust (the Trust) was formed by petition to the City Council on January 1, 2010. The Trust's purpose is to fund health, welfare and related benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by Participants and the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

City of Peoria Workers' Compensation Trust

The City of Peoria Workers' Compensation Trust (the Trust) was formed by petition to the City Council in 2009. The Trust's purposes is to fund workers' compensation benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

Stand-alone financial statements are prepared for Vistancia, Vistancia West and the two trusts above. The accounting records of these are maintained by the City and the financial statements are available by contacting the City's Finance Department, 8401 West Monroe Street, Peoria, AZ 85345.

B. Basis of Presentation – Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report financial information on all of the non-fiduciary activities of the primary government and its component units.

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 fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses for 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 operation or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

The City does not currently employ an indirect cost allocation system. The General Fund and certain other funds charge administrative service fees to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration). These administrative fees are eliminated from the financial statements at both the government-wide and fund level like a reimbursement, by reducing revenues and expenditures/expenses in the allocating fund.

Separate financial statements are provided for governmental funds (general fund, special revenue funds, debt service funds and capital projects funds), proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund and is used to account for and report all financial resources not accounted for and reported in another fund.

The *Half-Cent Sales Tax Fund*, a special revenue fund, accounts for the revenues generated from a sales tax increase designated for specific uses per Council policy.

The *Highway User Revenue Fund*, a special revenue fund, is required by state statute to track receipts of specific state shared revenues and the expenditure of those funds.

The *Transportation Sales Tax Fund*, a special revenue fund, accounts for the revenues generated from a sales tax increase designated by public vote for use in funding transportation needs throughout the City.

The *Development Fee Fund*, a special revenue fund, accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities as governed by state statutes.

The *GO Bond Debt Service Fund* accounts for the principal and interest requirements of the City's general obligation bonds, with revenues generated from the general property tax levy sufficient to meet the debt service.

The City reports the following major proprietary funds:

The *Water Utility, Wastewater Utility, Solid Waste Utility and Storm Drain Utility Funds* all account for the revenues from charges to the customers of these services and the costs of these services.

The *Stadium Fund* accounts for the revenues generated by and the costs of operation of a sports complex owned by the City. This facility is used for spring training by two major league baseball teams as well as multiple other uses throughout the year.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for (1) Motor Pool, (2) Facilities Maintenance, (3) Self-Insurance which includes workers' compensation and health insurance programs, and (4) Information Technology which includes a computer replacement program.

The *Firemen's Pension Fund*, a trust fund, is used to account for assets held in a trustee capacity for the volunteer firemen's retirement plan. Trust funds can be expended for the trusts' intended purposes.

The *Agency Funds* are purely custodial (assets equal liabilities) and do not involve measurement of operations. The City currently maintains 2 agency funds, as one fund was closed during the year. One fund, PLAY Peoria, accounts for monies held on behalf of separate not-for-profit agencies for which the City operates as an administrator. Another fund accounts for monies held on behalf of Westside Fire Training IGA, a consortium of area fire departments that pool monies for training activities, for which the City acts as the administrator.

For the most part, the effect of the interfund activity has been removed from these statements. Quasi-external transactions, like the sale of utility services from the Enterprise Funds to the other funds, are not eliminated for the financial statements as elimination of these charges would distort the direct costs and program revenue reported for the various functions.

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 City's enterprise and internal service funds are charges for customer services including: water, sewer, solid waste, storm drain, vehicle purchase/maintenance, computer replacement and risk management charges. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for specified expenditures, generally, the City would first apply restricted resources when an expense is incurred.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust financial statements. Agency funds do not have a measurement focus. 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 earned and available to pay liabilities of the current period (generally these revenues are earned by June 30 and are expected to be collected within six months after year-end, except for property taxes). For property taxes, the City uses a 60 day collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to debt service, compensated absences and claims and judgments, which are recorded only when payment is due.

Entitlements, other taxes and shared revenues are all considered to be susceptible to accrual and revenue recognition in the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. For the governmental fund statements, grant revenue earned but not expected to be received within six months of year end is a deferred inflow of resources. Changes in fair value of investments are recognized in investment income at the end of the year.

All other revenue items are considered to be measurable and available only when the City receives cash.

Because different measurement focuses and bases of accounting are used in the government-wide statement of net position and in governmental fund balance sheets, amounts reported as *restricted fund balances* in governmental funds may be different from amounts reported as *restricted net position* in the statement of net position.

D. Budgets and Budgetary Accounting

The City prepares its annual budget on a basis consistent with generally accepted accounting principles with such exceptions as eliminating compensated absences. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.

- In April, the proposed budget for the following fiscal year is presented by the City Manager to the City Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.

- Prior to June 30, the City Council legally enacts the budget, through the passage of a resolution. The resolution sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution.

- The maximum legal expenditure permitted for the year is the total budget as adopted. The expenditure appropriations in the adopted budget are maintained in the City's financial system by department within individual funds. Departmental appropriations may be amended during the year, within administrative guidelines and adopted Council policies.

- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.

- The City Manager is generally authorized to transfer budgeted amounts within any specific fund's expenditure appropriation. Any budget revisions requiring a transfer between funds must be approved by the City Council. Additionally, budget revisions involving the use of contingency budgets must be approved by the City Council.

- All unencumbered expenditure appropriations expire at the end of the fiscal year.

- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office staff. Budgetary carry forwards are approved by the City Council.

- All funds of the City, except the agency funds, have legally adopted budgets. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

I. Deposits and Investments

Cash Equivalents
The City considers short-term investments (including restricted assets) in the State of Arizona investment pool, mutual fund money market, U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

Investments
The City's funds are invested in accordance with the City's investment policy and Arizona Revised Statutes. The City's policy is to invest in obligations of the U.S. Government or any of its agencies and instrumentalities, certificates of deposit, bankers' acceptances, commercial paper, money market funds, repurchase agreements, corporate securities, the State of Arizona local government investment pool and State of Arizona debt including counties, incorporated cities, towns or duly organized school districts.

Funds held by trustees related to the issuance of bonds and certain loan programs are invested in accordance with contractual agreements and trust documents.

The City generally reports investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. The fair value of participants' position in the Local Government Investment Pool approximates the value of the pool shares. Other non-pooled investments are also generally carried at fair value. The fair value of non-pooled investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the funds' current share price.

Except for certain specific investments, generally those held in trust for a specific purpose, the City maintains pooled cash and investments, and allocates interest income based on a fund's proportionate cash balance. Investment income related to certain special revenue funds is allocated to the General Fund. Non-pooled investment income is recorded in the fund that held the specific investments.

II. Receivables

All receivables are shown net of an allowance for uncollectible accounts. For trade accounts receivable (miscellaneous receivables and utility billing receivables), amounts outstanding in excess of 90 days are included in the allowance.

III. Inventory

Inventories are valued at cost and the City uses the first-in, first-out (FIFO) flow assumption in determining cost and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

IV. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet, or statement of net position, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

V. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $100,000 for Buildings and Improvements, Water and Sewer Systems, Storm Drainage Systems and Infrastructure systems (streets, etc.) and $25,000 for all other asset categories (except land) and an estimated useful life of greater than one year. Capital assets are recorded at the cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful life (Years)
Water rights	50
Buildings and improvements	20-40
Water and sewer systems	5-40
Storm drainage systems	40
Park facilities and landscape	40
Street system	20
Streetlights and traffic control devices	10
Equipment, furniture and fixtures	7
Vehicles	3-15
Computers/software	3

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation) or net realizable value, if lower, as of the date of the transfer.

VI. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary statements consists of unpaid, accumulated leave balances. Annual leave, based on a graduated scale of years of employment, is credited to each employee as it accrues. The maximum annual leave accrual for permanent employees is 360 hours while Fire department employees accrue at a maximum rate of 544 hours. Upon employment termination, payment is made to the employee for the unused leave.

City employees are granted 8 hours of sick leave per month. The maximum an employee may accumulate varies according to union status. Upon resignation, employees who have at least five years of employment with the City and accumulated 200 hours or more of sick leave are entitled to a 50% payout. Additionally upon retirement, employees who have accumulated 200 hours or more of sick leave are entitled to a 50% payout. Any sick time accrued above the maximum allowed to be carried is paid out annually in December or May at a rate of 25%, or 50%, according to union or employment status, and the corresponding employees' sick leave is reduced to the allowable maximum.

For the governmental fund financial statements, compensated absences are accrued only when due. For the government-wide financial statements, as well as the proprietary fund financial statements, all of the outstanding vacation, compensatory time and benefits, as well as an estimate of the retirement sick-time payout for eligible employees, are recorded as a liability. Compensated absences are liquidated when mature by the various operating funds accruing the liability.

VII. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest 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 in the period in which the bonds are issued. 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.

The long-term debt of the City is serviced by various debt service funds, according to the type of debt and the funds benefiting from that debt.

VIII.Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future periods(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The City reports deferred outflows related to pensions, deferred outflows related to bond refunding and excess consideration provided for acquisitions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to pensions and unavailable revenue reported from property taxes.

IX. Pensions

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

X. Net Position

In the government-wide and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. The net investment in capital assets balances are separately reported because capital assets make up a significant portion of net position. Restricted balances account for the portion of net position restricted by external resource providers or through enabling legislation. Unrestricted balances are the remaining balances not included in the previous two categories.

XI. Fund Balance policies

In the fund financial statements, governmental funds distinguish between nonspendable and spendable fund balances. Nonspendable balances include amounts that cannot be spent because they are not in a

spendable form, such as inventory or prepaid items, or because resources legally or contractually must remain intact. Spendable balances are further classified as restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amount can be spent.

Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (creditors, grantors, etc.) or through enabling legislation.

Committed fund balances includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Such commitments are created by legislative action of the City Council, the City's highest level of decision making authority, by resolution or ordinance and would require the same legislative action to reverse. Ordinances and resolutions both require public votes of the Council and, although the uses may differ, they are both considered to be of the highest level of decision making authority for the City.

Amounts in the *assigned* fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority to make assignments has been delegated by the City Council to the Chief Financial Officer. Much of the authority to commit fund balance is established in the City's *Principals of Sound Financial Management*.

Unassigned fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

As previously noted above, generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The order in which the City would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned.

XII. Stabilization arrangements

The City has set aside funds for various stabilization arrangements. The authority for the stabilization arrangements is in the Council adopted *Principals of Sound Financial Management*. The governmental fund stabilization arrangements are shown as committed fund balance on the governmental fund financial statements. The City has the following stabilization arrangements at June 30, 2017:

- Budget stabilization reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and the Half-Cent Sales Tax Fund (35% of the average fund revenues for the preceding five years). These reserves may be used to provide funding to deal with fluctuations in fiscal cycles and operating requirements that exceed $500,000. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the three fiscal years following the year in which the event occurred. Funding in excess of the stabilization reserve may be assigned by management for other purposes as approved by City Council, including debt service capital, economic development, community promotions or other specific city operational expenditures.

- Emergency reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and is for unexpected, large-scale events where damage in excess of $250,000 is incurred and immediate remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Usage of the emergency reserve must be approved by City Council, but the City Manager may utilize these funds when immediate action must be taken to protect the health and safety of residents. The City Manager must then provide a summary report to the City Council as soon as practical on the usage of these funds. The City shall strive to restore the Emergency Reserve to the 10% level within the next fiscal year following the fiscal year in which the event occurred.

- Operating Reserve - Maintained in the General Fund (15% of the average general fund revenues for the preceding five years) and is for unexpected events whose impact exceeds $500,000, such as failure of the State to remit shared revenues, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical city services due to unanticipated events, or to offset unexpected loss

of a significant funding source for the remainder of the fiscal year. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the two fiscal years following the year in which the event occurred.

- Enterprise Operating Fund Working Capital Reserve – Maintained in the Water Utility Fund (25% of the operating expenditures of the fund for the fiscal year), the Wastewater Utility Fund (25% of the operating expenditures of the fund for the fiscal year), and the Solid Waste Utility Fund (20% of the operating expenditures of the fund for the fiscal year). These reserves are to provide the City with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.

- Rate Stabilization Reserve – In the Water and Wastewater Utility Funds (5% of the average fund revenues for the preceding three fiscal years). These funds may be used to moderate significant rate increases. In the event these funds are used, the City shall strive to restore the reserve to the 5% level within the next three fiscal years following the year in which the funds were used.

- Debt Stabilization Reserve – In the Water and Wastewater Utility Funds (50% of the maximum annual debt service payment of the fund in the next five fiscal years) and the Half-Cent Sales Tax fund ($1,000,000). The Debt Stabilization Reserve is intended to provide additional security to insure the City's ability to meet debt service obligations. In the event the Debt Stabilization Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.

- Asset Maintenance Reserve - In the Water and Wastewater Utility Funds (2% of the enterprise fund infrastructure assets). The Asset Maintenance Reserve may be used to provide funding for the repair and maintenance of critical enterprise infrastructure. In the event the Asset Maintenance Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.

- Capital Equipment Replacement Reserves – The City maintains various capital equipment replacement reserves to fund future replacement of certain capital equipment, primarily vehicles and computers. The annual internal charges to the operating funds are determined as part of the annual budget process.

F. Property taxes

The City Council adopts the annual tax levy each year on or before the third Monday in August as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the value is determined as of January 1 of the tax year. The City has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent.

G. Tax Abatements

The City has entered into tax abatement agreements as defined by GASB Statement 77. The tax abatements include sales tax reimbursement incentives and the activation of a Foreign Trade Zone which reduces the property tax assessment ratio on commercial property from 18% to 5%. It's the City's policy to review each agreement individually and in the aggregate annually. For the fiscal year ended June 30, 2017, each agreement and all agreements in the aggregate are deemed immaterial for financial reporting purposes.

H. Use of Estimates

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

I. New Accounting Principles

For the year ended June 30 2017, the City implemented the provisions of the following GASB Statements:

- GASB Statement No. 77, *Tax Abatement Disclosures,* which establishes standards for disclosing tax abatement agreements the City entered into and agreements that other governments entered into that reduced the City's tax revenues.
- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,* which establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for certain pensions.

2. DEPOSITS AND INVESTMENTS

A. Deposits

The City maintains a cash and investment pool that is available for use by all funds. Certain restricted funds are not part of the City's pool, but rather are maintained with trustees as required by contractual commitments.

At June 30, 2017, the carrying amount of the City's deposits was $46,275,062 and the bank balance was $46,602,468. The entire bank balance was covered by federal depository insurance or collateralized by the City's agent in the City's name or in the Municipal Development Authority, Inc.'s name. The difference between the City's carrying amount and the bank balance of $327,406 represents deposits in transit, outstanding checks and other reconciling items.

The City maintains cash on hand balances in the form of petty cash and change funds. At June 30, 2017, the total amount of these balances was $6,910. In addition, the City has deposited $4,589,567 in a developer trust account with a fiscal agent in accordance with developer agreements for the construction and acquisition of water projects.

B. Investments

The City invests in obligations that fall within the authorization of State of Arizona laws, the City's regulations and investment policy and applicable legal and contractual commitments.

Interest rate risk: In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2017, 65.7% of the City's investments have a maturity of less than one year and 5.2% of investments have a maturity of greater than three years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed three years. The WAM at June 30, 2017 was 344 days.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy also limits the purchase of Corporate Bonds or Notes and Banker's Acceptances to those securities rated Aa or better by two nationally recognized rating agencies and with a maximum maturity of two years and 180 days, respectively. At June 30, 2017, the City's investments include $66.7 million in Commercial Paper, $27.0 million in Corporate Notes and no Banker's Acceptance securities. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a

quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a collateralization level of at least 102 percent of the market value of principal and accrued interest.

Investment Type	Moody's Rating
Agency coupon securities	Aaa
Commercial Paper	P-1
Corporate Bonds – Apple Inc.	Aa1
Corporate Bonds – all other	Aa2

The City's investment in the State of Arizona local government investment pool is limited to a pool (Pool 7) that invests only in government securities. Pool 7 is not rated.

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2017, the City's investments include 53.5% invested in U.S. Agency Coupon securities, 20.4% in Commercial Paper, 8.9% in Money Market investments, 8.8% in U.S. Treasury Notes and 8.2% in Corporate securities.

Custodial credit risk: To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly safekeeping statements.

The City 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 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified as Level 2 inputs are valued using a matrix pricing model. The City has the following recurring fair value measurements as of June 30, 2017:

- All U.S. Treasury securities are valued using other observable inputs (Level 2)
- All agency coupon securities are valued using other observable inputs (Level 2)
- All commercial paper is valued using other observable inputs (Level 2)
- All corporate bonds are valued using other observable inputs (Level 2)

The City's investment in the State of Arizona's local government investment pool and the money market funds are stated at fair value, which also approximates the value of the investment upon withdrawal.

At June 30, 2017, the City's total investments of $327,929,866 included the following:

	Investment Maturities in Years				
	Less than 1	**1-2**	**2-3**	**Over 3**	**Fair Value**
Investments:					
U.S Treasury notes	$ 9,023,828	19,972,270	-	-	$ 28,996,098
Agency coupon securities	82,888,939	53,027,195	22,438,991	17,000,090	175,355,215
Commercial paper	66,740,937	-	-	-	66,740,937
Corporate notes	26,981,511	-	-	-	26,981,511
Mutual fund-money market	29,276,611	-	-	-	29,276,611
State of Arizona LGIP	579,494	-	-	-	579,494
Total Investments	$ 215,491,320	72,999,465	22,438,991	17,000,090	$ 327,929,866

3. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2017, the following fund reported a deficit in net position.

- Internal Service Fund: Facilities Maintenance Fund

The Facilities Maintenance Fund deficit resulted from the implementation of accounting guidance related to reporting for pensions which requires pensions liabilities to be presented on the face of financial statements.

For the year ended June 30, 2017, expenditures, including capital outlay and transfers, did not exceed budget at the fund level (i.e. the level of budgetary control) in any funds.

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are recorded in the various funds and displayed in the financial statements net of an allowance for uncollectible accounts as follows at June 30, 2017.

Fund	Receivables	Allowance	Net
Governmental activities:			
General Fund	$ 7,410,390	34,544	7,375,846
Half-Cent Sales Tax Fund	2,739,467	-	2,739,467
Highway User Revenue Fund	537,360	4,582	532,778
Transportation Sales Tax Fund	1,668,714	-	1,668,714
GO Bond Debt Service Fund	208,793	165,401	43,392
Other Governmental Funds	13,787	2,811	10,976
Total governmental funds	$ 12,578,511	207,338	12,371,173
Internal Service Funds	$ 1,160	-	1,160
Business-type activities:			
Water Utility Fund	$ 7,045,645	1,103,603	5,942,042
Wastewater Utility Fund	3,145,726	615,477	2,530,249
Solid Waste Utility Fund	1,819,032	400,726	1,418,306
Stadium Fund	936,700	-	936,700
Storm Drain Utility Fund	137,171	33,099	104,072
Total enterprise funds	13,084,274	2,152,905	10,931,369
Grand totals	$ 25,663,945	2,360,243	23,303,702

5. DUE FROM OTHER GOVERNMENTS

The City has due from other government receivables from various governments, including the Federal, State and County government. At June 30, 2017, significant receivables due to the City included $2,565,455 from the State of Arizona for State Shared Sales Tax revenues, $242,947 for Auto Tax In-Lieu revenues recorded in the General fund, $946,860 Highway User Revenue Fees revenues recorded in the Highway User Revenue Fund, $1,063,000 due from the Arizona Department of Revenue under Intergovernmental agreements recorded in the Non-Bond Fund, and $173,122 from federal agencies for housing grant related revenues. Most other receivables are comprised of taxes or various grants due from other governments and agencies.

6. CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2017, follows:

	Balances June 30, 2016 (as restated)	Additions/ Transfers In	Disposals/ Transfers Out	Balances June 30, 2017
Governmental Activities:				
Non-Depreciable Assets:				
Work in Progress	$ 5,905,740	16,673,421	-	22,579,161
Land	352,823,861	14,318,799	-	367,142,660
Total Non-Depreciable Assets	358,729,601	30,992,220	-	389,721,821
Depreciable assets:				
Bulidings & Improvements	177,351,730	-	-	177,351,730
Equipment; Furniture	52,329,526	1,128,046	-	53,457,572
Vehicles	24,420,462	4,041,145	(1,242,576)	27,219,031
Street System	725,953,717	22,708,997	-	748,662,714
Park System	92,290,249	-	-	92,290,249
Total Depreciable Assets at Historical Cost	1,072,345,684	27,878,188	(1,242,576)	1,098,981,296
Less Accum. Depreciation:				
Bulidings & Improvements	(64,293,712)	(4,916,079)	-	(69,209,791)
Equipment; Furniture	(47,665,007)	(1,325,812)	-	(48,990,819)
Vehicles	(15,451,982)	(1,720,269)	1,234,498	(15,937,753)
Street System	(306,536,284)	(22,964,914)	-	(329,501,198)
Park System	(25,930,687)	(2,588,703)	-	(28,519,390)
Total Accum. Depreciation	(459,877,672)	(33,515,777)	1,234,498	(492,158,951)
Total Depreciable Assets, Net	612,468,012	(5,637,589)	(8,078)	606,822,345
Governmental Activities Capital Assets, Net	$ 971,197,613	25,354,631	(8,078)	996,544,166
Business-type Activities:				
Non-depreciable assets:				
Work in Progress	$ 8,160,258	10,961,001	-	19,121,259
Land	16,740,025	-	-	16,740,025
Total Non-Depreciable Assets	24,900,283	10,961,001	-	35,861,284
Depreciable assets:				
Bulidings & Improvements	78,355,816	984,142	-	79,339,958
Equipment; Furniture	14,516,593	3,750,258	-	18,266,851
Vehicles	15,210,615	2,434,282	(562,487)	17,082,410
Surface Water System	94,388,096	2,396,038	-	96,784,134
Water Rights	12,889,809	-	-	12,889,809
Water System	370,286,679	6,339,670	-	376,626,349
Wastewater System	388,887,728	8,900,832	-	397,788,560
Total Depreciable Assets at Historical Cost	974,535,336	24,805,222	(562,487)	998,778,071
Less Accum. Depreciation:				
Bulidings & Improvements	(20,456,804)	(2,276,163)	-	(22,732,967)
Equipment; Furniture	(6,639,051)	(2,653,974)	-	(9,293,025)
Vehicles	(7,178,938)	(902,610)	562,487	(7,519,061)
Surface Water System	(31,277,191)	(2,392,643)	-	(33,669,834)
Water Rights*	(2,320,165)	(257,796)	-	(2,577,961)
Water System	(133,071,436)	(10,768,556)	-	(143,839,992)
Wastewater System	(115,945,207)	(10,603,154)	-	(126,548,361)
Total Accum. Depreciation	(316,888,792)	(29,854,896)	562,487	(346,181,201)
Total Depreciable Assets, Net	657,646,544	(5,049,674)	-	652,596,870
Business-Type Activities Capital Assets, Net	$ 682,546,827	5,911,327	-	688,458,154

*The City's agreement with the Gila River Indian Community provides water rights to 7,000 acre-feet of water each year through 2057.

Depreciation expense was charged to governmental functions in the government-wide financial statements as follows:

General government	$ 2,652,923
Culture and recreation	4,435,381
Public safety	2,684,393
Development services	48,543
Highways and streets	23,546,099
Public works	54,064
Human services	94,374
Total depreciation expense	$ 33,515,777

For the year ended June 30, 2017, the City did not capitalize any net interest costs in the business-type activities of the government-wide financial statements (also in the Enterprise Funds on the proprietary fund statements). Total interest incurred, not including agent fees or other costs, of the business-type activities (and the Enterprise Funds on the proprietary fund statements) before capitalization was $2,647,361.

7. LONG-TERM DEBT

A. General obligation bonds

General: General obligation (GO) bonds are issued, after approval of the City of Peoria voters at an authorized bond election, to finance the purchase or construction of major capital facilities. GO bonds are backed by the "full faith and credit" of the City and are repaid through the City's levying of property (ad valorem) taxes. There is no legal limit on the secondary property tax used for debt service on GO bonds.

Statutory Debt Limitation: Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, (after January 1, 1974) parks and open space, and (after December 7, 2006) public safety and transportation purposes may not exceed 20 percent of a City's net limited assessed valuation. Also, outstanding general obligation bonded debt for all other purposes may not exceed 6 percent of a City's net limited assessed valuation.

B. Revenue bonds

Water and Sewer Revenue Bonds: Water and Wastewater Revenue Bonds are issued, pursuant to voter authorization, for the construction, acquisition, and equipping of water and wastewater facilities and related systems and infrastructure. The bonds are backed by the revenues of the water and wastewater utilities.

C. Municipal Development Authority debt obligations

Municipal Development Authority (MDA) debt obligations are issued by a non-profit corporation created by the City for the purpose of financing certain capital construction projects. The MDA issues its own debt obligations, which are repaid through a lease purchase agreement with the City equal to the debt service requirements. The City can utilize the City's excise tax, state shared revenues and other unrestricted revenues for lease payments.

D. Special assessment bonds with governmental commitment

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public auction, and the proceeds are used to offset the defaulted assessment. If there is no purchase at the public auction, the City is required to buy the property, and pay off the assessment, with funds appropriated from the General Fund.

As trustee for improvement districts, the City is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

At June 30, 2017, special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate to meet the scheduled maturities of the bonds payable and related interest. All assessment amounts have been paid as of June 30, 2017.

E. Community Facilities District bonds

Community Facilities Districts (CFD's), are special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City. CFD's are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued in accordance with relevant state laws and regulations. Operation and maintenance expenditures, bonds and the repayment of bonds issued by these separate legal entities is the responsibility of the district, not the City. As the administrator for the district, the City collects the property taxes and makes the debt payments on behalf of the district.

The City Council formed the Vistancia Community Facilities District (VCFD) in October 2002. VCFD was subsequently authorized, by the voters of the district in November 2002, to issue up to $100,000,000 in general obligation bonds to construct public infrastructure within VCFD. VCFD issued general obligations bonds of $21,250,000, $23,550,000 and $22,760,000 in fiscal years 2003, 2005, and 2007, respectively, against this authorization. The VCFD refunded all these obligations during fiscal year 2016 through the issuance of $36,985,000 in general obligation bonds.

The City Council formed the Vistancia West Community Facilities District (VWCFD) in August 2014. In December 2014, the VWCFD was authorized through an election to issue up to $9,000,000 of general obligation bonds to construct public infrastructure within the district. VWCFD issued taxable general obligation bonds of $35,000 in fiscal year 2015 and $3,000,000 during the current fiscal year.

F. Pledged revenues

The City has pledged certain future revenues to repay specific bonded debt as follows:

The City has pledged future water utility and wastewater utility revenues, net of specific operating expenses, to repay $15,780,000 in Revenue Refunding Bonds issued in 2010, $23,280,000 in Revenue Refunding Bonds issued in 2012 and $109,151,971 in Water Infrastructure Financing Authority loans issued between 2002-2016. The various bonds and loans were issued for the purchase or construction of various water or wastewater infrastructure including wells, treatment plants, pumping stations, a water utility and water and wastewater distribution or collection lines. At June 30, 2017, $92,264,903 in bonds and loans remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2017, the pledged revenues, net of operating expenses available for service of this debt were $34,513,695. The debt principal and interest paid on this debt in fiscal year 2017 was $13,257,274.

The City has pledged certain revenues for the repayment of $50,105,000 in Municipal Development Authority (MDA) Bonds issued in 2006, 2011 and 2012. Pledged revenues for these bonds include excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2017, $39,565,000 in bonds remained outstanding to be repaid by these future revenues. The bonds were issued to construct various City operational facilities and to purchase water rights. For the fiscal year ended June 30, 2017, the pledged revenues, net of operating expenses available to service this debt were $136,128,717. The debt principal and interest paid on this debt in fiscal year 2017 was $3,648,533.

The City has pledged certain revenues for the repayment of $47,000,000 in Municipal Development Authority Bonds issued in 2008. The bonds were issued to construct transportation infrastructure. The bonds have a senior lien on the .03% transportation sales tax and a secondary lien on the excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes (secondary after the MDA Bonds discussed above). At June 30, 2017, $28,040,000 of the bonds remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2017, the pledged revenues, net of operating expenses available to service this debt were $141,350,834. The debt principal and interest paid on this debt in fiscal year 2017 was $3,928,175.

The City has pledged certain revenues for the repayment of Special Assessment Bonds. The bonds were issued to purchase or construct infrastructure within the various special assessment districts. Pledged revenues for these bonds include the fund balance of the Special Assessment Debt Service Fund, plus the collections of assessments against property owners in the districts. At June 30, 2017, $2,130,000 in bonds are outstanding to be repaid by these revenues. For the fiscal year ended June 30, 2017, the net revenues available to service this debt were $2,787,558. The debt principal and interest paid on this debt in fiscal year 2017 was $476,250.

G. Advance Refundings

In prior years, the City refinanced various bond issues through advance refunding arrangements. Under the terms of the refunding bond issues, sufficient assets to pay all principal and interest on the refunded bond issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues refunded.

Prior year refundings (amounts not yet callable):

Series 2007A	General Obligation Bonds	$ 43,085,000
Series 2009A	General Obligation Bonds	26,165,000

H. Tables

The following schedule summarizes the City's long-term liability activity for the year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 160,160,000	$ -	$ 11,920,000	$ 148,240,000	$ 11,160,000
MDA debt obligations	72,260,000	-	4,655,000	67,605,000	4,850,000
Special assessment bonds	2,500,000	-	370,000	2,130,000	390,000
CFD bonds	37,020,000	3,000,000	2,922,000	37,098,000	2,773,000
Total bonds payable	271,940,000	3,000,000	19,867,000	255,073,000	19,173,000
Net pension liabilities	131,968,243	30,358,677	-	162,326,920	-
Compensated absences	7,481,040	16,002,475	10,096,375	13,387,140	6,405,280
Deferred bond premium	15,398,043	108,061	1,479,819	14,026,285	-
Governmental activities totals	$ 426,787,326	$ 49,469,213	$ 31,443,194	$ 444,813,345	$ 25,758,250
Business-type activities:					
Bonds and loans payable:					
Revenue bonds	$ 23,285,000	$ -	$ 5,250,000	$ 18,035,000	$ 5,435,000
WIFA loans	78,549,337	1,066,079	5,385,513	74,229,903	5,548,985
Net pension liabilities	14,804,919	959,928		15,764,847	-
Compensated absences	808,710	1,746,902	1,105,592	1,450,020	730,770
Deferred bond premium	1,337,434	-	276,790	1,060,644	-
Business-type activities totals	$ 118,785,400	$ 3,772,909	$ 12,017,895	$ 110,540,414	$ 11,714,755

Bonds and loans payable at June 30, 2017 are comprised of the following:

Governmental Activities Debt

General Obligation Bonds	Maturity Dates	Net Interest Rate	Issue Amount	Outstanding June 30, 2017
Series 2007A	7/1/07-17	4.27	$ 94,380,000	$ 3,885,000
Series 2007B	7/1/07-20	4.00	18,365,000	4,195,000
Series 2009	7/1/09-18	3.86	68,440,000	4,160,000
Series 2010	7/1/10-30	4.03	29,170,000	19,965,000
Series 2012A	7/1/12-32	3.32	14,715,000	12,360,000
Series 2012B	7/1/12-22	1.75	13,690,000	8,635,000
Series 2015A	7/15/16-35	2.98	30,325,000	29,660,000
Series 2015B	7/15/16-28	2.29	66,425,000	65,380,000
Total General Obligation Bonds			$ 335,510,000	$ 148,240,000

Municipal Development Authority Debt Obligations				
Series 2006	7/1/06-25	4.2	$ 6,675,000	$ 3,590,000
Series 2008	1/1/09-26	4.6	47,000,000	28,040,000
Series 2011	7/1/12-26	3.9	7,920,000	5,740,000
Series 2012	7/1/13-32	3.3	35,510,000	30,235,000
Total Municipal Development Authority Debt Obligations			$ 97,105,000	$ 67,605,000

Special Assessment Bonds				
Series 2006	1/1/09-22	4.25	$ 4,950,000	$ 2,130,000
Total Special Assessment Bonds			$ 4,950,000	$ 2,130,000

Community Facility District Bonds				
VCFD – Series 2015	7/15/16-26	3.47	$ 36,985,000	$ 34,080,000
VWCFD – Series 2015	7/15/17	1.97	35,000	18,000
VWCFD – Series 2016	7/15/18-29	4.15	3,000,000	3,000,000
Total Community Facility District Bonds			$ 40,020,000	$ 37,098,000

Business-Type Activities Debt

Revenue Bonds	Maturity Dates	Net Interest Rate	Issue Amount	Outstanding June 30, 2017
WWW Series 2010	7/1/11-20	3.21	$ 15,780,000	$ 7,850,000
WWW Series 2012	7/1/12-21	1.60	23,280,000	10,185,000
Total Revenue Bonds			$ 39,060,000	$ 18,035,000

WIFA Loans	Maturity Dates	Net Interest Rate	Issue Amount	Outstanding June 30, 2017
WIFA Series 2002	7/1/03-22	3.94	$ 1,964,789	$ 755,323
WIFA Series 2006	7/1/08-26	3.06	27,183,342	16,895,777
WIFA Series 2008	7/1/09-27	3.30	42,741,541	27,878,883
WIFA Series 2008	7/1/10-28	3.48	8,575,253	6,040,866
WIFA Series 2009	7/1/10-28	3.48	727,612	504,667
WIFA Series 2009	7/1/10-29	2.00	8,030,340	5,508,942
WIFA Series 2009	7/1/10-28	2.00	3,733,794	2,503,661
WIFA Series 2009	7/1/10-29	3.27	4,371,597	3,100,565
WIFA Series 2009	7/1/10-29	3.23	757,624	528,906
WIFA Series 2015	7/15/16-35	2.40	11,066,079	10,512,313
Total WIFA loans			$ 109,151,971	$ 74,229,903

The following table discloses the bond debt service requirements as of June 30, 2017, segregating principal and interest, for the next five years and in five-year increments thereafter.

	Governmental Activities			Business-type Activities		
Fiscal year	Principal	Interest	Total	Principal	Interest	Total
2018	$ 19,173,000	$ 9,948,996	$ 29,121,996	$ 10,983,986	$ 2,776,418	$ 13,760,404
2019	19,740,000	9,198,570	28,938,570	10,412,536	2,446,974	12,859,510
2020	20,530,000	8,437,708	28,967,708	9,361,324	2,110,060	11,471,384
2021	21,350,000	7,643,493	28,993,493	9,705,515	1,785,982	11,491,497
2022	20,975,000	6,821,468	27,796,468	7,055,281	1,509,641	8,564,922
2023-2027	105,260,000	20,056,798	125,316,798	33,672,573	4,488,724	38,161,297
2028-2032	36,800,000	4,852,738	41,652,738	10,653,598	814,912	11,468,510
2033-2036	11,245,000	588,109	11,833,109	420,090	163,171	583,261
Totals	$255,073,000	$67,547,880	$322,620,880	$92,264,903	$16,095,882	$108,360,785

Long-term compensated absences and net pension liabilities of governmental activities are expected to be liquidated by the operating funds (primarily the General Fund, Highway User Revenue Fund, Transit Fund and utility funds) as they come due.

8. RISK FINANCING ACTIVITIES

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; workers' compensation; and health insurance. The City maintains a Risk Management Fund, an Employee Benefits Trust Fund and a Workers' Compensation Trust Fund (presented in the Self-Insurance Fund of the Internal Service Funds) to account for and finance its uninsured risks of loss. Premiums are paid into the internal service funds by the other operating funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to fund claim expenses reported in the internal service funds. The City uses third party administrators to monitor the workers' compensation and health insurance claims programs. As with any risk retention program, the City is contingently liable with respect to claims beyond those actuarially projected.

Risk management -
The City is self-insured for public liability up to $1,000,000 with excess coverage insurance policies purchased through commercial insurance carriers covering individual claims in excess of these amounts up to $40,000,000. Also, the City is self-insured for damage to City vehicles valued up to $100,000. Vehicles with a value in excess of $100,000 have a $5,000 deductible. City property is insured through commercial insurance carriers with a $50,000 deductible.

The operating funds of the City pay monthly premiums to the risk management fund based upon a model taking into consideration multiple factors including prior loss experience, staffing, liability exposures, and operating budget.

Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

Workers' compensation -
On July 1, 2009, the City established a workers' compensation trust fund for work-related injuries to employees. For workers' compensation insurance, the City is self-insured up to $1,000,000 per claim on public safety employees and $750,000 for all other employees up to an aggregate stop loss of $4,555,982 for fiscal year 2017. Commercial insurance is purchased to cover claims above the self-insurance amounts.

Operating funds with employees covered under the workers' compensation insurance program pay monthly premiums to the workers' compensation fund based upon staffing levels.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the workers' compensation trust fund. Employee wages while off work for workers' compensation injuries (2/3rds of weekly wages) are also paid from this fund. There have been no settlements paid in excess of insurance in the last three years, nor has insurance coverage been significantly reduced in recent years.

Health insurance -
On January 1, 2010, the City established a health insurance trust fund for health insurance coverage for City employees and dependants. The City is self-insured for employee health claims up to $200,000 per claimant. Commercial insurance is purchased for claims in excess of those limits.

Premiums are collected through contributions from employee paychecks and department budgets. COBRA participants contribute 100% of the premiums for their insurance coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period by estimating the costs of claims and administration of the plan based on a number of factors including: the demographics of the group, previous claims history, plan design changes and any new mandated benefits.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the health insurance trust fund. There have been no settlements in excess of insurance in the past three years, nor has insurance coverage been significantly reduced in recent years.

Estimated liability –
The total claims liability of $4,921,109 reported in the Self-Insurance Fund at June 30, 2017, is based on the requirements of Governmental Accounting Standards Board Statement #10 which requires that liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claims liability consists of $1,113,384 for liability/property claims, $2,520,841 for workers' compensation claims and $1,286,884 for health insurance claims.

The claims liability includes an estimated amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. Non-incremental claims adjustment expenses are not included in the calculation. Changes in the Self-Insurance Fund's claims liability amount (claims only, exclusive of other insurance expenses) during the last two fiscal years are as follows:

Fiscal Year 2016:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	$ 1,277,971	$(305,603)	$ 531,339	$ (531,339)	$ 972,368
Workers' comp	2,087,668	347,324	776,692	(776,692)	2,434,992
Health insurance	566,407	124,104	13,162,934	(13,162,934)	690,511
	$ 3,932,046	$ 165,825	$ 14,470,965	$(14,470,965)	$ 4,097,871

Fiscal Year 2017:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	$ 972,368	$ 141,016	$ 1,188,374	$ (1,188,374)	$ 1,113,384
Workers' comp	2,434,992	85,849	1,192,337	(1,192,337)	2,520,841
Health insurance	690,511	596,373	13,802,358	(13,802,358)	1,286,884
	$ 4,097,871	$ 823,238	$ 16,183,069	$(16,183,069)	$ 4,921,109

9. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The City of Peoria contributes to the pension plans described below. The City of Peoria contributes to the Elected Officials Retirement Plan; however the plan is not described below because of its relative insignificance to the financial statements. The plans are component units of the State of Arizona.

The City of Peoria reported $12,042,819 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan Description. City of Peoria employees not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

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:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment 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 members' 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 current fiscal year, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement & health insurance benefits and 0.14 percent for long-term disability) of the members' annual covered payroll, and the City of Peoria was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 for health insurance premium benefit, and 0.14 percent for long-term disability) of the members' annual covered payroll. The City's contribution to the pension plan for the year ended June 30, 2017 was $5,758,658.

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.38 for retirement & health insurance benefits and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

The City of Peoria's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:		
2017	$ 299,151	$ 74,789
2016	254,102	60,979
2015	277,654	56,472

Pension Liability. At June 30, 2017, the City of Peoria reported a liability of $87,558,493 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. The City of Peoria's proportion of the net pension liability was based on a projection of the City of Peoria's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the City of Peoria's proportion was 0.54246 percent, which was an increase from the 0.526670 percent measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2017, the City of Peoria recognized pension expense for ASRS of $5,026,569 and 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	$ 532,087	$ 6,023,384
Changes of assumptions or other inputs	-	4,632,544
Net difference between projected and actual earnings on pension plan investments	9,488,426	-
Changes in proportion and differences between contributions and proportionate share	2,171,573	146,527
Contributions subsequent to the measurement date	5,758,658	-
Total	$ 17,950,744	$ 10,802,455

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension

liability in the year ended June 30, 2018. 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:

Year ending June 30:	
2018	$ (3,133,910)
2019	(2,165,596)
2020	4,028,610
2021	2,660,527
2022	-
Thereafter	-

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Discount rate	8.0%
Projected salary increases	3.0-6.75%
Inflation	3%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013 actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	3.90%
Fixed income	25%	0.93%
Real estate	10%	0.42%
Commodities	2%	0.08%
Multi-asset class	5%	0.17%
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City of Peoria's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City of Peoria's proportionate share of the net pension liability	$ 111,643,728	$ 87,558,493	$ 68,247,400

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

B. Public Safety Personnel Retirement System

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

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at www.psprs.com.

Benefits Provided. The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Certain retirement and disability benefits are calculated on the basis of age, average monthly compensation, and service credit as follows. See the publicly available PSPRS financial report for additional benefits information.

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012
Years of service and age required to receive benefit	20 years, any age 15 years, age 62	25 years, and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Survivor benefit:		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget committee analysis of the increase's effect on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms. At June 30, 2017, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS - Police	PSPRS - Fire
Inactive employees or beneficiaries currently receiving benefits	79	28
Inactive employees entitled to but not yet receiving benefits	33	19
Active employees	168	155
Total	280	202

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, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members - pension	11.65%	11.65%
City of Peoria		
Pension	32.75%	23.49%
Health Insurance	0.42%	0.23%

In addition, the City of Peoria was required by statute to contribute at the actuarially determined rate of 21.28 percent for the PSPRS Police, and 11.83 percent for the PSPRS Fire, of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to the PSPRS.

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended were:

	PSPRS - Police	PSPRS - Fire
Pension:		
Contributions made	$ 5,039,558	$ 2,976,968
Health insurance premium benefit:		
Annual OPEB cost	64,630	29,149
Contributions made	64,630	29,149

Pension Liability. At June 30, 2017, the City of Peoria reported $57,431,250 in net pension liability for police and $33,102,024 net pension liability for fire. The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liabilities as of June 30, 2016, reflect the following changes of benefit terms and actuarial assumptions.

- In May 2016, voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.

- Laws 2016, Chapter 2, changed the benefit formally and contribution requirements for members hired on or after July 1, 2017.
- The investment rate of return actuarial assumption was decreased from 7.85 percent to 7.5 percent for PSPRS plans.

The net pension liabilities measure as of June 30, 2017 will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the City's net pension liability as a result of the statutory adjustments is not known.

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

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Discount rate	7.50%
Projected salary increases	4.0 - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table, adjusted by 105% for both males and females

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.50 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Short-term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	100%	

Pension Discount Rates. At June 30 2016, the discount rate used to measure the PSPRS total pension liabilities was 7.50%, which was a decrease of 0.35 from the discount rate used as of June 30, 2015.

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 rates and the member rate. Based on those assumptions, PSPRS plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Agent Plans Net Pension Liability

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
PSPRS – Police			
Balances at June 30, 2016	$ 96,435,161	$ 51,806,949	$ 44,628,212
Changes for the year:			
Service cost	2,658,484	-	2,658,484
Interest on the total pension liability	7,450,121	-	7,450,121
Changes of benefit terms	6,569,592	-	6,569,592
Differences betw een expected and actual experience in the measurement of the pension liability	(1,372,059)	-	(1,372,059)
Changes of assumptions or other inputs	4,270,128	-	4,270,128
Contributions – employer	-	4,729,872	(4,729,872)
Contributions – employee	-	1,732,502	(1,732,502)
Net investment income	-	320,234	(320,234)
Benefit payments, including refunds of employee contributions	(5,716,802)	(5,716,802)	-
Administrative expense	-	(46,480)	46,480
Other changes	-	37,100	(37,100)
Balances at June 30, 2017	$ 110,294,625	$ 52,863,375	$ 57,431,250
PSPRS – Fire			
Balances at June 30, 2016	$ 68,911,324	$ 48,802,926	$ 20,108,398
Changes for the year:			
Service cost	2,379,652	-	2,379,652
Interest on the total pension liability	5,434,649	-	5,434,649
Changes of benefit terms	6,700,272		6,700,272
experience in the measurement of the	86,478	-	86,478
Changes of assumptions or other inputs	3,273,059	-	3,273,059
Contributions – employer	-	3,162,518	(3,162,518)
Contributions – employee	-	1,375,202	(1,375,202)
Net investment income	-	298,901	(298,901)
Benefit payments, including refunds of employee contributions	(1,739,905)	(1,739,905)	-
Administrative expense	-	(43,410)	43,410
Other changes	-	87,273	(87,273)
Balances at June 30, 2017	$ 85,045,529	$ 51,943,505	$ 33,102,024

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS – Police			
Rate	6.50%	7.50%	8.50%
Net pension liability	$ 73,251,398	$ 57,431,250	$ 44,547,744
PSPRS – Fire			
Rate	6.50%	7.50%	8.50%
Net pension liability	$ 45,554,534	$ 33,102,024	$ 22,939,360

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

Pension Expense. For the year ended June 30, 2017, the City of Peoria recognized the following as pension expense:

	Pension Expense
PSPRS – Police	$ 13,377,987
PSPRS – Fire	$ 10,843,687

Pension Deferred Outflows/Inflows of Resources. At June 30, 2017, the City of Peoria reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS – Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 223,386	$ 1,459,295
Changes of assumptions or other inputs	7,485,145	-
Net difference between projected and actual earnings on pension plan investments	4,280,414	981,718
Contributions subsequent to the measurement date	5,039,558	-
Total	$ 17,028,503	$ 2,441,013

PSPRS – Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,128,433	$ -
Changes of assumptions or other inputs	5,380,685	-
Net difference between projected and actual earnings on pension plan investments	4,081,185	885,309
Contributions subsequent to the measurement date	2,976,968	-
Total	$ 13,567,271	$ 885,309

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	PSPRS - Police	PSPRS - Fire
2018	$ 2,518,653	$ 1,690,745
2019	2,518,651	1,690,746
2020	2,854,743	2,133,400
2021	1,311,676	1,744,649
2022	344,209	1,015,916
Thereafter	-	1,429,538

Agent Plan OPEB Trend Information. The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS – Police			
June 30, 2017	$ 64,630	100%	$ -
June 30, 2016	$ 52,201	100%	-
June 30, 2015	$ 141,224	100%	-
PSPRS – Fire			
June 30, 2017	$ 29,149	100%	$ -
June 30, 2016	$ 29,029	100%	-
June 30, 2015	$ 109,573	100%	-

Agent Plan OPEB Actuarial Assumptions. Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plan as understood by the City of Peoria and plan's members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City of Peoria and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used to establish the fiscal year 2017 PSPRS contribution requirements, are as follows:

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market corridor)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%-8%
Wage growth	4%

The funded status of the PSPRS health insurance premium benefit plan in the June 30, 2016, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4%-8%
Wage growth	4%

Agent Plan OPEB Funded Status. The following table presents the funded status of the health insurance premium benefit plan as of the most recent valuation date, June 30, 2016.

	PSPRS - Police	PSPRS - Fire
Actuarial value of assets (a)	$ 1,940,247	$ 1,649,068
Actuarial accrued liability (b)	2,264,788	1,606,635
Unfunded actuarial accrued liability (funding excess) (b-a)	324,541	(42,433)
Funded ratio (a/b)	85.67%	102.64%
Annual covered payroll (c)	13,831,861	12,355,408
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((b-a)/c)	2.35%	0.00%

10. DEFERRED COMPENSATION PLAN

The City offers deferred compensation plans to its employees and management employees, created in accordance with Internal Revenue Code Section 457 and Section 401a. The plans permit participants to defer contributions into the plan until future years. The deferred compensation is not available to employees, under either plan, until termination, retirement, death or unforeseeable emergency. The City's fiduciary responsibility is that of exercising "due care" in selecting a third-party administrator. Federal legislation requires that Section 457 and 401a plan assets be held in trust for employees. This means that employee assets held in Section 457 and 401a plans are not the property of the City and are not subject to claims of the City's general creditors. Also, the City exercises no administrative control nor makes investment decisions. Therefore, the deferred compensation assets are not included in the City's Basic Financial Statements.

11. CONTINGENCIES, COMMITMENTS AND OTHER CLAIMS

The City is involved in litigation arising in the ordinary course of its operations. The City believes that it's ultimate liability, if any, in connection with these matters will not have a material adverse effect on the City's financial position, changes in financial position, or liquidity. The City is self-insured for the first $1,000,000 of any occurrence and then has additional coverage up to $25.0 million.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City has development agreements where, in return for developers constructing public infrastructure, the City agreed to reimburse the developer for the cost of such infrastructure at some future time contingent on the collection of impact fees and sales tax revenues.

The City had the following significant commitments as of June 30, 2017:

- $3,009,570 in the Water utility fund for the construction of new wells and New River Utility infrastructure improvements.
- $586,978 in the Wastewater utility fund for construction of new sewer lines.
- $800,287 in the Transportation Sales Tax fund for streets improvements.
- $875,431 in the GO Bond fund for streets improvements.
- $3,367,197 in the Development Fee fund for construction of the Northern Community Park, North Peoria Public Safety Building and the widening of Happy Valley road.
- $616,406 in the Non-Bond fund for P83 Entertainment District improvements.

In the lawsuits of Hall v. Elected Official Retirement Plan (EORP) and the Parker v. Public Safety Personnel Retirement System Plan (PSPRS) the courts found that a 2011 law's increase in employee contribution

rates for active PSPRS plan and EORP members hired prior to the law's effective date were unconstitutional. The court has ruled that these members were entitled to refunds of their excess employee contributions, plus interest. As a result, the City of Peoria has included these liabilities as current claims on the face of the financial statements.

12. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES

At June 30, 2017, there was an interfund loan from the General Fund to the GO Bonds Capital Projects Fund to cover a deficit cash balance for funds expended but not yet reimbursed from bond proceeds. The loan is expected to be repaid in the following year.

The interfund transfers generally fall within one of the following categories: 1) debt service payments made from a debt service fund but funded from an operating fund; 2) subsidy transfers; 3) transfers to fund internal service equipment replacement funds; or 4) capital assets purchased or constructed in one fund, but capitalized in another. There were no significant transfers during fiscal year 2017 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

The following interfund transfers are reflected in the fund financial statements for the year ended June 30, 2017:

Fund		Transfers out	Transfers in
Governmental funds:			
General Fund	$	1,283,182	6,366,763
Half-Cent Sales Tax Fund		12,914,805	-
Highway User Revenue Fund		53,911	1,000,000
Transportation Sales Tax Fund		6,006,216	-
GO Bond Debt Service		-	1,183,752
Non-Major Governmental Funds		7,978,122	9,374,656
Total governmental funds		28,236,236	17,925,171
Enterprise funds:			
Water Utility Fund		4,053,814	1,483,219
Wastewater Utility Fund		953,502	5,292,694
Solid Waste Utility Fund		7,855	29
Stadium Fund		5,975	4,317,585
Storm Drain Utility Fund		1,896	779,060
Total enterprise funds		5,023,042	11,872,587
Internal Service funds		50,240	3,511,760
Grand totals	$	33,309,518	33,309,518

13. STABILIZATION ARRANGEMENTS

The committed and assigned fund balances of the governmental funds are shown on the fund financial statements. The following table presents the City's stabilization reserves included in the proprietary fund financial statements at June 30, 2017:

Water Utility Fund:	
Working capital policy reserve	$ 6,150,743
Rate stabilization	1,813,819
Debt stabilization	5,823,969
System asset maintenance	8,154,021
Capital equipment replacement	745,971
	$ 22,688,523

Wastewater Utility Fund:	
Working capital policy reserve	$ 2,796,238
Rate stabilization	975,788
Debt stabilization	2,284,800
System asset maintenance	8,241,458
Capital equipment replacement	670,656
	14,968,940
Solid Waste Utility Fund:	
Working capital policy reserve	2,238,520
Capital equipment replacement	2,047,836
	4,286,356
Stadium Fund:	
Capital equipment replacement	474,549
Total enterprise funds	42,418,368
Internal Service Funds:	
Capital equipment replacement	10,194,545
Risk management purpose	8,693,490
Total internal service funds	$ 18,888,035

14. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Both the Water Utility Fund and the Wastewater Utility Fund have revenue streams pledged in support of outstanding revenue bonds but since both segments are discretely presented in the proprietary fund financial statements, all required segment information is presented on the face of those statements.

15. RESTATEMENT OF BEGINNING BALANCES

Net position beginning balances on the government-wide Statement of Activities and on the Statement of Revenues, Expenses and Changes in Fund Net Position have been restated due to adjustments to the City's capital asset balances as of July 1, 2016. The restatement is due to (1) a change in accounting estimate for the City's adjustment to the capitalization thresholds, (2) for the transfer of storm drain capital assets from Governmental funds to the City's Storm Drain Utility Enterprise fund and (3) for other adjustments to capital asset balances and related accumulated depreciation due to prior year errors. The table below summarizes the changes.

	Governmental Activities	Enterprise Funds/Business-Type Activities	Internal Service Funds
Net position/fund balances as of June 30, 2016, as previously reported	$ 1,029,669,342	$ 670,578,904	$ 40,942,334
Restatement for capitalization threshold change in the capital asset policy	(13,490,126)	(5,997,240)	(832,167)
Restatement for transfer of assets	(51,595,182)	51,595,182	-
Restatement for prior year errors	(118,904,657)	(52,962,176)	(7,227,107)
Net position/fund balances as of July 1, 2016, as restated	$ 845,679,377	$ 663,214,670	$ 32,883,060

16. SUBSEQUENT EVENTS

Solar Projects Lease Purchase Agreement

In September 2017, the City entered into an equipment lease purchase agreement to provide financing for solar renewable energy projects at several locations throughout the City. The City will borrow $5,199,304 for a term of 20 years, at a rate of 4.23%. The majority of the debt service payments will be funded from expected savings on the City's electricity bills.

Municipal Development Authority Debt Refunding

In October 2017, the City issued debt to refund the Series 2006 and Series 2008 Municipal Development Authority (MDA) Bonds. Direct purchase refunding debt, maturing in 2026, was issued in amounts of $3,220,000 and $25,755,000 with net interest cost of 2.01% and 1.97% for the Series 2006 and Series 2008 MDA Bonds, respectively. The direct purchase proceeds along with certain amounts contributed by the City have been placed in escrow trust accounts to be used exclusively for related costs of issuance and the servicing of debt until the refunded bonds are paid off (11/3/2017 & 1/1/2018). The total net present value savings from the refunding of MDA debt is expected to be $3,209,926.

Required Supplementary Information

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY COST-SHARING PENSION PLAN
JUNE 30, 2017

Arizona State Retirement System	**Reporting Fiscal Year (Measurement Date)**		
	2017 (2016)	**2016 (2015)**	**2015 (2014)**
Proportion of the net pension liability	0.542460%	0.526670%	0.520455%
Proportionate share of the net pension liability	$ 87,558,493	$ 82,036,552	$ 77,009,675
Covered payroll	$ 50,820,065	$ 47,561,194	$ 46,266,286
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	172.29%	172.49%	166.45%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

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

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2017

Public Safety Personnel Retirement System	**Reporting Fiscal Year (Measurement Date)**		
	2017 (2016)	**2016 (2015)**	**2015 (2014)**
Peoria Police Department			
Total pension liability			
Service cost	$ 2,658,484	$ 2,557,053	$ 2,556,976
Interest on the total pension liability	7,450,121	7,075,581	6,074,980
Changes in benefit terms	6,569,592	-	1,228,208
Differences between expected and actual experience in the measurement of the pension liability	(1,372,059)	341,776	(672,105)
Changes of assumptions or other inputs	4,270,128	-	8,103,978
Benefit payments, including refunds of employee contributions	(5,716,802)	(4,791,028)	(4,300,112)
Net change in total pension liability	13,859,464	5,183,382	12,991,925
Total pension liability - beginning	96,435,161	91,251,779	78,259,854
Total pension liability - ending (a)	$ 110,294,625	$ 96,435,161	$ 91,251,779
Plan fiduciary net position			
Contributions - employer	$ 4,729,872	$ 3,254,563	$ 2,907,800
Contributions - employee	1,732,502	1,689,030	1,491,406
Net investment income	320,234	1,821,818	5,954,387
Benefit payments, including refunds of employee contributions	(5,716,802)	(4,791,028)	(4,300,112)
Administrative expense	(46,480)	(44,835)	-
Other changes	37,100	(56,762)	(1,313,936)
Net change in plan fiduciary net position	1,056,426	1,872,786	4,739,545
Plan fiduciary net position - beginning	51,806,949	49,934,163	45,194,618
Plan fiduciary net position - ending (b)	$ 52,863,375	$ 51,806,949	$ 49,934,163
Net pension liability/(asset) - ending (a)-(b)	57,431,250	44,628,212	41,317,616
Plan fiduciary net position as a percentage of the total pension liability	47.93%	53.72%	54.72%
Covered valuation payroll	$ 13,992,947	$ 13,449,859	$ 13,035,510
Net pension liability/(asset) as a percentage of covered-employee payroll	410.43%	331.81%	316.96%

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

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2017

Public Safety Personnel Retirement System	**Reporting Fiscal Year (Measurement Date)**		
	2017 (2016)	**2016 (2015)**	**2015 (2014)**
Peoria Fire Department			
Total pension liability			
Service cost	$ 2,379,652	$ 2,056,517	$ 2,013,025
Interest on the total pension liability	5,434,649	4,952,998	4,197,224
Changes in benefit terms	6,700,272	-	453,523
Differences between expected and actual experience in the measurement of the pension liability	86,478	809,490	660,641
Changes of assumptions or other inputs	3,273,059	-	3,815,327
Benefit payments, including refunds of employee contributions	(1,739,905)	(1,949,881)	(1,117,704)
Net change in total pension liability	16,134,205	5,869,124	10,022,036
Total pension liability - beginning	68,911,324	63,042,200	53,020,164
Total pension liability - ending (a)	$ 85,045,529	$ 68,911,324	$ 63,042,200
Plan fiduciary net position			
Contributions - employer	$ 3,162,518	$ 1,866,365	$ 1,885,422
Contributions - employee	1,375,202	1,238,541	1,168,186
Net investment income	298,901	1,710,692	5,369,649
Benefit payments, including refunds of employee contributions	(1,739,905)	(1,949,881)	(1,117,704)
Administrative expense	(43,410)	(42,126)	-
Other changes	87,273	(35,356)	(1,063,021)
Net change in plan fiduciary net position	3,140,579	2,788,235	6,242,532
Plan fiduciary net position - beginning	48,802,926	46,014,691	39,772,159
Plan fiduciary net position - ending (b)	$ 51,943,505	$ 48,802,926	$ 46,014,691
Net pension liability/(asset) - ending (a)-(b)	33,102,024	20,108,398	17,027,509
Plan fiduciary net position as a percentage of the total pension liability	61.08%	70.82%	72.99%
Covered valuation payroll	$ 11,796,929	$ 11,068,029	$ 10,934,868
Net pension liability/(asset) as a percentage of covered-employee payroll	280.60%	181.68%	155.72%

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

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
JUNE 30, 2017

	Reporting Fiscal Year			
	2017	**2016**	**2015**	**2014**
Arizona State Retirement System				
Statutorily required contribution	$ 5,758,658	$ 5,513,977	$ 5,458,945	$ 5,019,946
Actual contributions in relation to the statutorily required contribution	5,758,658	5,513,977	5,458,945	5,019,946
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 53,419,833	$ 50,820,065	$ 47,561,194	$ 46,266,286
Actual contribution as a percentage of covered payroll	10.78%	10.85%	11.48%	10.85%
Public Safety Personnel Retirement System				
Peoria Police Department				
Statutorily required contribution	$ 5,039,558	$ 4,406,379	$ 3,235,398	$ 2,907,800
Actual contributions in relation to the statutorily required contribution	5,039,558	4,696,546	3,235,398	2,907,800
Contribution deficiency (excess)	$ -	$ (290,167)	$ -	$ -
Covered payroll	$ 15,387,963	$ 13,992,947	$ 13,449,859	$ 13,035,510
Actual contribution as a percentage of covered payroll	32.75%	33.56%	24.06%	22.31%
Peoria Fire Department				
Statutorily required contribution	$ 2,711,485	$ 2,568,191	$ 1,842,016	$ 1,885,422
Actual contributions in relation to the statutorily required contribution	2,976,968	2,747,609	1,842,016	1,885,422
Contribution deficiency (excess)	$ (265,483)	$ (179,418)	$ -	$ -
Covered payroll	$ 11,543,146	$ 11,796,929	$ 11,068,029	$ 10,934,868
Actual contribution as a percentage of covered payroll	25.79%	23.29%	16.64%	17.24%

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

See accompanying notes to pension plan schedules

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2017

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 method
Amortization method	Level percent-of-pay, Closed
Remaining amortization period	21 years
Asset valuation method	7-year smoothed market value 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0%-8.0%
Wage growth	4.0%
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 to June 30, 2011
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2 – Factors that Affect Trends

In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases. These changes are included in the PSPRS' changes in total pension liability for fiscal year 2015 (measurement date 2014) in the schedule of changes in the City's net pension liability and related ratios. These changes also increased the PSPRS required contributions beginning in fiscal year 2016 in the schedule of pension contributions.

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2017

Health Insurance Premium Benefit

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b)-(a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll ((b-a)/c)
PSPRS Police						
6/30/2016	$ 1,940,247	$ 2,264,788	$ 324,541	85.67%	$ 13,831,861	2.35%
6/30/2015	1,850,516	2,056,739	206,223	89.97%	13,479,502	1.53%
6/30/2014	1,687,575	1,819,628	132,053	92.74%	13,283,045	0.99%
PSPRS Fire						
6/30/2016	$ 1,649,068	$ 1,606,635	$ (42,433)	102.64%	$ 12,355,408	-0.34%
6/30/2015	1,536,525	1,458,202	(78,323)	105.37%	10,819,517	-0.72%
6/30/2014	1,375,003	1,352,871	(22,132)	101.64%	10,735,468	-0.21%

See accompanying notes to schedule of agent OPEB plans' funding progress

CITY OF PEORIA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2017

Note 1 – Factors that Affect the Identification of Trends

Beginning in fiscal year 2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.

PEORIA
ARIZONA

Combining Statements & Budgetary Schedules

Combining Fund Financial Statements and Budgetary Schedules

This section contains the combining financial statements for non-major governmental funds, internal service funds and fiduciary funds as well as the budget schedules other than those for the general fund and major special revenue funds (which may be found immediately following the governmental fund financial statements).

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MAJOR GOVERNMENTAL FUNDS OTHER THAN GENERAL FUND & SPECIAL REVENUE FUNDS
Budgetary Comparison Schedules

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

General Obligation (GO) Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the City's general obligation bonds. Provisions are made in the City's general property tax levy for funds sufficient to meet the general obligation debt service.

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 15,590,236	$ 15,590,236	$ 15,715,050	$ 124,814
Investment earnings	120,000	120,000	111,640	(8,360)
Total revenues	15,710,236	15,710,236	15,826,690	116,454
EXPENDITURES:				
Current:				
Debt service:				
Principal payments	11,920,000	11,920,000	11,920,000	-
Interest and other charges	9,402,010	9,402,010	6,143,977	(3,258,033)
Total expenditures	21,322,010	21,322,010	18,063,977	(3,258,033)
Excess (deficiency) of revenues over (under) expenditures	(5,611,774)	(5,611,774)	(2,237,287)	3,374,487
OTHER FINANCING SOURCES (USES):				
Contingencies	(150,000)	-		-
Transfers in	-	-	1,183,752	1,183,752
Total other financing sources and uses	(150,000)	-	1,183,752	1,183,752
Net change in fund balances	(5,761,774)	(5,611,774)	(1,053,535)	4,558,239
Fund balances - beginning	24,376,629	24,376,629	26,583,502	2,206,873
Fund balances - ending	$ 18,614,855	$ 18,764,855	$ 25,529,967	$ 6,765,112

NON-MAJOR GOVERNMENTAL FUNDS

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Public Transit Fund

This fund receives and expends the City's allocation of Federal Transit Authority grant money as well as the City's allocation of the Local Transportation Assistance Fund money. The amount of Federal Transportation Authority funds available to each city is based on the total funding available and the total requests for funds. The amount of Local Transportation Assistance funds available to each city is allocated on a population basis, which is determined by the latest federal census. Expenditures are for the administration and operating costs of the public transit system.

Other Grants Fund

This fund receives and expends much of the City's grant fund money. The amount of grants received is generally based upon application to granting agencies by the City and availability of funding by grantors. Grant money may be used only for the purpose of the approved budget and is subject to grantor expenditure guidelines.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

Municipal Development Authority (MDA) Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the Municipal Development Authority's bonds. Provisions are made in the City's transaction privilege tax for funds sufficient to meet the Municipal Development Authority's debt service.

Community Facilities District (CFD) Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the Vistancia Communities Facilities District and Vistancia West Communities Facilities District (blended component units) general obligation bonds. Provisions are made in the District's general property tax levy for funds sufficient to meet the general obligation debt service.

Special Assessment Bonds Debt Service Fund

This fund accounts for the collection of special assessment district revenues and the payment of the special assessment bonds.

Capital Projects Funds

A capital project fund is established to account for the acquisition and construction of major capital facilities other than those financed by Special Revenue Fund and Enterprise Fund resources. A capital project fund enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

Community Facilities District (CFD) Bonds Capital Projects Fund

This fund accounts for the expenditure of Vistancia Community Facilities District and Vistancia West Community Facilities District bond proceeds for the construction of capital assets for the District. Once the capital assets are completed, they are turned over to the City for operation and maintenance**.**

General Obligation (GO) Bond Capital Projects Fund

This fund accounts for the receipt of proceeds from General Obligation bonds and the expenditure of those funds to purchase or construct capital assets for the City.

Non-Bond Capital Projects Fund

This fund accounts for the purchase or construction of capital assets with funds other than bond proceeds. This includes monies received from outside sources, i.e. developers or other governments, and also City pay-as-you-go monies.

CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Other Grants Fund	Municipal Development Authority Debt	CFD Bonds	Special Assessment Bonds
ASSETS & DEFERRED OUTFLOWS					
Pooled cash and investments	$ 1,182,431	$ 5,121,226	$ 4,008,562	$ 139,121	$ 2,263,746
Accounts receivable, net	4,560	-	-	6,416	-
Interest receivable	1,239	7,894	6,897	699	2,299
Due from other governments	113,797	509,564	-	31,596	-
Restricted cash with fiscal agents	-	-	3,633,179	3,663,400	45,263
Restricted investments	-	-	-	-	-
Total assets	1,302,027	5,638,684	7,648,638	3,841,232	2,311,308
Total assets & deferred outflows	$ 1,302,027	$ 5,638,684	$ 7,648,638	$ 3,841,232	$ 2,311,308
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES					
Liabilities:					
Accounts payable	$ 987	$ 111,796	$ -	$ 15	$ -
Accrued payroll	10,165	18,401	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	500	1,826	-	-	-
Unearned revenue-other	-	25,247	-	-	-
Total liabilities	11,652	157,270	-	15	-
Deferred inflows of resources:					
Unavailable revenue-property taxes	-	-	-	6,416	-
Total deferred inflows of resources	-	-	-	6,416	-
Fund balances:					
Restricted for:					
Debt service	-	-	7,648,638	3,834,801	2,311,308
Capital projects	-	-	-	-	-
Grant purposes	1,290,375	1,308,743	-	-	-
Committed for:					
Arts capital	-	4,172,671	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Total fund balance	1,290,375	5,481,414	7,648,638	3,834,801	2,311,308
Total liabilities, deferred inflows & fund balance	$ 1,302,027	$ 5,638,684	$ 7,648,638	$ 3,841,232	$ 2,311,308

(continued)

CITY OF PEORIA, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Capital Project Funds			Total
	CFD Bonds	GO Bond Capital Projects Fund	Non-Bond	Non-Major Governmental Funds
ASSETS & DEFERRED OUTFLOWS				
Pooled cash and investments	$ 4,223	$ -	$ 20,279,301	$ 32,998,610
Accounts receivable, net	-	-	-	10,976
Interest receivable	-	41,626	35,349	96,003
Due from other governments	244	-	1,119,489	1,774,690
Restricted cash with fiscal agents	3,159,657		-	10,501,499
Restricted investments	118,002	13,639,952	-	13,757,954
Total assets	3,282,126	13,681,578	21,434,139	59,139,732
Total assets & deferred outflows	$ 3,282,126	$ 13,681,578	$ 21,434,139	$ 59,139,732
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 423,734	$ 268,871	$ 805,403
Accrued payroll	-	-	-	28,566
Due to other funds	-	1,749,436	-	1,749,436
Other liabilities	-	-	72,087	74,413
Unearned revenue-other	-	-	1,134,314	1,159,561
Total liabilities	-	2,173,170	1,475,272	3,817,379
Deferred inflows of resources:				
Unavailable revenue-property taxes	-	-	-	6,416
Total deferred inflows of resources	-	-	-	6,416
Fund balances:				
Restricted for:				
Debt service	-	-	-	13,794,747
Capital projects	3,282,126	11,508,408	-	14,790,534
Grant purposes	-	-	-	2,599,118
Committed for:				
Arts capital	-	-	-	4,172,671
Assigned to:				
Capital projects	-	-	19,958,867	19,958,867
Total fund balance	3,282,126	11,508,408	19,958,867	55,315,937
Total liabilities, deferred inflows & fund balance	$ 3,282,126	$ 13,681,578	$ 21,434,139	$ 59,139,732

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Other Grants Fund	Municipal Development Authority Debt	CFD Bonds	Special Assessment Bonds
REVENUES:					
Taxes	$ -	$ -	$ -	$ 2,865,834	$ -
Intergovernmental	797,850	3,257,813	-		-
Charges for service	45,526	358,194	-	-	-
Fines and forfeitures	-	137,920	-	-	-
Investment earnings	7,912	50,434	44,041	4,339	14,681
Special assessments	-	-	-	-	2,171,319
Miscellaneous	-	224,556	-	1,600,690	-
Total revenues	851,288	4,028,917	44,041	4,470,863	2,186,000
EXPENDITURES:					
Current:					
General government	-	414,365	-	29,963	-
Culture and recreation	-	579,253	-	-	-
Public safety	-	913,032	-	-	-
Development services	-	703,266	-	-	-
Highways and streets	-	-	-	-	-
Public works	-	8,269	-	-	-
Human services	1,059,198	125,728	-	-	-
Debt service:					
Principal payments	-	-	4,655,000	2,922,000	370,000
Interest and other charges	-	-	2,931,708	1,768,703	106,550
Capital outlay	-	-	-	-	-
Total expenditures	1,059,198	2,743,913	7,586,708	4,720,666	476,550
Excess (deficiency) of revenues over expenditures	(207,910)	1,285,004	(7,542,667)	(249,803)	1,709,450
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	300,000	-	9,074,656	-	-
Transfers out	(1,896)	(1,278,951)	-	-	-
Total other financing sources and uses	298,104	(1,278,951)	9,074,656	-	-
Net change in fund balances	90,194	6,053	1,531,989	(249,803)	1,709,450
Fund balances - beginning	1,200,181	5,475,361	6,116,649	4,084,604	601,858
Fund balances - ending	$ 1,290,375	$ 5,481,414	$ 7,648,638	$ 3,834,801	$ 2,311,308

(continued)

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Capital Project Funds			Total Non-Major Governmental Funds
	CFD Bonds	GO Bond Capital Projects Fund	Non-Bond	
REVENUES:				
Taxes	$ -	$ -	$ -	$ 2,865,834
Intergovernmental	-	-	1,322,408	5,378,071
Charges for service	-	-	-	403,720
Fines and forfeitures	-	-	-	137,920
Investment earnings	1,569	119,450	191,108	433,534
Special assessments	-	-	-	2,171,319
Miscellaneous	-	-	907,517	2,732,763
Total revenues	1,569	119,450	2,421,033	14,123,161
EXPENDITURES:				
Current:				
General government	5,000	-	-	449,328
Culture and recreation	-	-	-	579,253
Public safety	-	-	-	913,032
Development services	-	-	-	703,266
Highways and streets	-	790,384	8,866	799,250
Public works	1,000,000	-	-	1,008,269
Human services	-	-	-	1,184,926
Debt service:				
Principal payments	-	-	-	7,947,000
Interest and other charges	386,000	-	-	5,192,961
Capital outlay	281,517	5,998,717	5,345,138	11,625,372
Total expenditures	1,672,517	6,789,101	5,354,004	30,402,657
Excess (deficiency) of revenues over expenditures	(1,670,948)	(6,669,651)	(2,932,971)	(16,279,496)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	3,000,000	-	-	3,000,000
Premium on bonds issued	108,061	-	-	108,061
Transfers in	-	-	-	9,374,656
Transfers out	(2,600,583)	(3,502,514)	(594,178)	(7,978,122)
Total other financing sources and uses	507,478	(3,502,514)	(594,178)	4,504,595
Net change in fund balances	(1,163,470)	(10,172,165)	(3,527,149)	(11,774,901)
Fund balances - beginning	4,445,596	21,680,573	23,486,016	67,090,838
Fund balances - ending	$ 3,282,126	$ 11,508,408	$ 19,958,867	$ 55,315,937

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental	$ 250,000	$ 250,000	$ 797,850	$ 547,850
Charges for services	33,000	33,000	45,526	12,526
Investment earnings	3,000	3,000	7,912	4,912
Miscellaneous	20,000	20,000	-	(20,000)
Total inflows	306,000	306,000	851,288	545,288
EXPENDITURES:				
Current:				
Human services	1,091,924	1,161,924	1,059,198	(102,726)
Total expenditures	1,091,924	1,161,924	1,059,198	(102,726)
Excess (deficiency) of revenues over (under) expenditures	(785,924)	(855,924)	(207,910)	648,014
OTHER FINANCING SOURCES (USES):				
Contingencies	(25,000)	(25,000)	-	25,000
Transfers in	300,000	300,000	300,000	-
Transfers out	(1,896)	(1,896)	(1,896)	-
Total other financing sources and uses	273,104	273,104	298,104	25,000
Net change in fund balances	(512,820)	(582,820)	90,194	673,014
Fund balances - beginning	528,659	528,659	1,200,181	671,522
Fund balances - ending	$ 15,839	$ (54,161)	$ 1,290,375	$ 1,344,536

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental	$ 6,184,040	$ 6,184,040	$ 3,257,813	$ (2,926,227)
Charges for services	300,000	300,000	358,194	58,194
Fines and forfeitures	160,000	160,000	137,920	(22,080)
Investment earnings	20,250	20,250	50,434	30,184
Miscellaneous	229,345	229,345	224,556	(4,789)
Total revenues	6,893,635	6,893,635	4,028,917	(2,864,718)
EXPENDITURES:				
Current:				
General government	343,538	507,903	414,365	(93,538)
Culture and recreation	465,741	526,616	579,253	52,637
Public safety	469,462	1,269,260	913,032	(356,228)
Development services	1,232,880	1,312,666	703,266	(609,400)
Public works	-	-	8,269	8,269
Human Services	781,882	750,890	125,728	(625,162)
Capital outlay	1,516,400	1,751,868	691,881	(1,059,987)
Total expenditures	4,809,903	6,119,203	3,435,794	(2,683,409)
Excess (deficiency) of revenues over (under) expenditures	2,083,732	774,432	593,123	(181,309)
OTHER FINANCING SOURCES (USES):				
Contingencies	(3,225,000)	(1,585,765)	-	1,585,765
Transfers out	(313,301)	(313,301)	(587,070)	(273,769)
Total other financing sources and uses	(3,538,301)	(1,899,066)	(587,070)	1,311,996
Net change in fund balances	(1,454,569)	(1,124,634)	6,053	1,130,687
Fund balances - beginning	5,517,038	5,517,038	5,475,361	(41,677)
Fund balances - ending	$ 4,062,469	$ 4,392,404	$ 5,481,414	$ 1,089,010

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Uses/outflows of resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison schedule	$ 3,435,794
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(691,881)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 2,743,913

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) DEBT, DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	$ 15,000	$ 15,000	$ 44,041	$ 29,041
Total revenues	15,000	15,000	44,041	29,041
EXPENDITURES:				
Debt service:				
Principal payments	4,655,000	4,655,000	4,655,000	-
Interest and other charges	2,931,708	2,931,708	2,931,708	-
Total expenditures	7,586,708	7,586,708	7,586,708	-
Excess (deficiency) of revenues over (under) expenditures	(7,571,708)	(7,571,708)	(7,542,667)	29,041
OTHER FINANCING SOURCES (USES):				
Contingencies	(150,000)	-	-	-
Transfers in	9,074,656	9,074,656	9,074,656	-
Total other financing sources and uses	8,924,656	9,074,656	9,074,656	-
Net change in fund balances	1,352,948	1,502,948	1,531,989	29,041
Fund balances - beginning	6,090,809	6,090,809	6,116,649	25,840
Fund balances - ending	$ 7,443,757	$ 7,593,757	$ 7,648,638	$ 54,881

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 2,877,363	$ 2,877,363	$ 2,865,834	$ (11,529)
Investment earnings	-	-	4,339	4,339
Miscellaneous	2,508,537	2,508,537	1,600,690	(907,847)
Total revenues	5,385,900	5,385,900	4,470,863	(915,037)
EXPENDITURES:				
Current:				
General government	570,000	570,000	29,963	(540,037)
Debt service:				
Principal payments	2,923,000	2,923,000	2,922,000	(1,000)
Interest and other charges	1,887,900	1,887,900	1,768,703	(119,197)
Total expenditures	5,380,900	5,380,900	4,720,666	(660,234)
Excess (deficiency) of revenues over (under) expenditures	5,000	5,000	(249,803)	(254,803)
OTHER FINANCING SOURCES (USES):				
Contingencies	(5,000)	(5,000)	-	5,000
Total other financing sources and uses	(5,000)	(5,000)	-	5,000
Net change in fund balances	-	-	(249,803)	(249,803)
Fund balances - beginning	4,084,604	4,084,604	4,084,604	-
Fund balances - ending	$ 4,084,604	$ 4,084,604	$ 3,834,801	$ (249,803)

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	$ 3,000	$ 3,000	$ 14,681	$ 11,681
Special assessments	476,550	476,550	2,171,319	1,694,769
Total revenues	479,550	479,550	2,186,000	1,706,450
EXPENDITURES:				
Debt service:				
Principal payments	370,000	370,000	370,000	-
Interest and other charges	106,550	106,550	106,550	-
Total expenditures	476,550	476,550	476,550	-
Excess (deficiency) of revenues over (under) expenditures	3,000	3,000	1,709,450	1,706,450
OTHER FINANCING SOURCES (USES):				
Contingencies	(100,000)	(100,000)	-	100,000
Total other financing sources and uses	(100,000)	(100,000)	-	100,000
Net change in fund balances	(97,000)	(97,000)	1,709,450	1,806,450
Fund balances - beginning	694,199	694,199	601,858	(92,341)
Fund balances - ending	$ 597,199	$ 597,199	$ 2,311,308	$ 1,714,109

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	$ -	$ -	$ 1,569	$ 1,569
Total revenues	-	-	1,569	1,569
EXPENDITURES:				
Current:				
General government	-	-	5,000	5,000
Public Works	-	-	1,000,000	1,000,000
Debt service:				
Interest and other charges	600,000	600,000	386,000	(214,000)
Capital outlay	6,780,000	6,780,000	2,882,100	(3,897,900)
Total expenditures	7,380,000	7,380,000	4,273,100	(3,106,900)
Excess (deficiency) of revenues over (under) expenditures	(7,380,000)	(7,380,000)	(4,271,531)	3,108,469
OTHER FINANCING SOURCES (USES):				
Issuance of debt	6,120,000	6,120,000	3,000,000	(3,120,000)
Premium on bonds issued	-	-	108,061	108,061
Total other financing sources and uses	6,120,000	6,120,000	3,108,061	(3,011,939)
Net change in fund balances	(1,260,000)	(1,260,000)	(1,163,470)	96,530
Fund balances - beginning	1,260,000	1,260,000	4,445,596	3,185,596
Fund balances - ending	$ -	$ -	$ 3,282,126	$ 3,282,126

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Uses/outflows of resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison schedule	$ 4,273,100
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(2,600,583)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 1,672,517

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	$ 67,000	$ 67,000	$ 119,450	$ 52,450
Total revenues	67,000	67,000	119,450	52,450
EXPENDITURES:				
Current:				
Highways and streets	1,025,373	1,068,817	790,384	(278,433)
Capital outlay	21,197,389	23,100,985	8,317,480	(14,783,505)
Total expenditures	22,222,762	24,169,802	9,107,864	(15,061,938)
Excess (deficiency) of revenues over (under) expenditures	(22,155,762)	(24,102,802)	(8,988,414)	15,114,388
OTHER FINANCING SOURCES (USES):				
Issuance of debt	11,700,000	11,700,000	-	(11,700,000)
Contingencies	(2,500,000)	(2,937,962)	-	2,937,962
Transfers out	-	-	(1,183,751)	(1,183,751)
Total other financing sources and uses	9,200,000	8,762,038	(1,183,751)	(9,945,789)
Net change in fund balances	(12,955,762)	(15,340,764)	(10,172,165)	5,168,599
Fund balances - beginning	17,992,450	17,992,450	21,680,573	3,688,123
Fund balances - ending	$ 5,036,688	$ 2,651,686	$ 11,508,408	$ 8,856,722

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Uses/outflows of resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison schedule	$ 9,107,864
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(2,318,763)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 6,789,101

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Intergovernmental revenue	$ -	$ -	$ 1,322,408	$ 1,322,408
Investment earnings	60,000	60,000	191,108	131,108
Miscellaneous	8,664,176	8,664,176	907,517	(7,756,659)
Total revenues	8,724,176	8,724,176	2,421,033	(6,303,143)
EXPENDITURES:				
Current:				
Highways and streets	59,408	61,753	8,866	(52,887)
Capital outlay	12,907,799	15,746,369	5,939,316	(9,807,053)
Total expenditures	12,967,207	15,808,122	5,948,182	(9,859,940)
Excess (deficiency) of revenues over (under) expenditures	(4,243,031)	(7,083,946)	(3,527,149)	3,556,797
OTHER FINANCING SOURCES (USES):				
Contingencies	(2,000,000)	(735,000)	-	735,000
Total other financing sources and uses	(2,000,000)	(735,000)	-	735,000
Net change in fund balances	(6,243,031)	(7,818,946)	(3,527,149)	4,291,797
Fund balances - beginning	10,353,302	10,353,302	23,486,016	13,132,714
Fund balances - ending	$ 4,110,271	$ 2,534,356	$ 19,958,867	$ 17,424,511

Explanation of differences between budgetary basis and GAAP revenues and expenditures

Uses/outflows or resources:	
Actual amounts (budgetary basis) "Total expenditures" from the budgetary comparison schedule	$ 5,948,182
Differences - budget to GAAP:	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(594,178)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 5,354,004

PEORIA
ARIZONA

INTERNAL SERVICE FUNDS

Motor Pool Fund

The Motor Pool Fund is responsible for the maintenance and operation of the City's fleet of vehicles and various other equipment.

Self-Insurance Fund

The Self-Insurance Fund is responsible for the administration of the self-insurance programs, including liability and property damage, workers' compensation insurance, and employee health insurance. This fund provides the excess insurance coverage for claims over the self-insurance limits; claims under the limits are charged directly to the Self-Insurance Fund.

Facilities Maintenance Fund

The Facilities Maintenance Fund is responsible for the maintenance and operations of the City's buildings and grounds.

Information Technology Fund

The Information Technology Fund is responsible for the maintenance and operations of the City's computer hardware and software systems.

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Motor Pool Fund	Self-Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Pooled cash and investments	$ 8,222,039	$ 9,816,808	$ 307,855	$ 3,481,946	$21,828,648
Restricted pooled cash and investments	-	8,641,777	-	-	8,641,777
Accounts receivable, net	-	97	242	821	1,160
Interest receivable	12,101	76,036	477	4,316	92,930
Prepaid items	-	65,200	-	-	65,200
Supplies inventory	197,752	-	-	-	197,752
Total current assets	8,431,892	18,599,918	308,574	3,487,083	30,827,467
Non-current assets:					
Restricted assets:					
Investments	-	7,695,460	-	-	7,695,460
Total restricted assets	-	7,695,460	-	-	7,695,460
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment & furniture	922,766	-	-	36,462,307	37,385,073
Vehicles	27,219,030	-	-	-	27,219,030
Less accumulated depreciation	(16,803,983)	-	-	(33,356,121)	(50,160,104)
Construction in progress	-	-	-	228,121	228,121
Total capital assets, net	11,337,813	-	-	3,482,409	14,820,222
Total assets	19,769,705	26,295,378	308,574	6,969,492	53,343,149
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	217,965	-	697,134	1,253,002	2,168,101
Total deferred outflows of resources	217,965	-	697,134	1,253,002	2,168,101
LIABILITIES					
Current liabilities:					
Accounts payable	169,929	1,194,676	42,796	151,010	1,558,411
Accrued payroll	18,998	1,768	57,009	118,344	196,119
Current portion of claims payable	-	3,635,680	-	-	3,635,680
Current portion of compensated absences	68,340	10,260	194,380	331,800	604,780
Total current liabilities	257,267	4,842,384	294,185	601,154	5,994,990
Non-current liabilities:					
Long-term portion of claims payable	-	1,285,429	-	-	1,285,429
Compensated absences	43,460	1,190	241,490	322,930	609,070
Net pension liability	1,063,168	-	3,400,418	6,111,778	10,575,364
Total non-current liabilities	1,106,628	1,286,619	3,641,908	6,434,708	12,469,863
Total liabilities	1,363,895	6,129,003	3,936,093	7,035,862	18,464,853
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	131,167	-	419,524	754,036	1,304,727
Total deferred inflows of resources	131,167	-	419,524	754,036	1,304,727
NET POSITION					
Net investment in capital assets	11,337,813	-	-	3,482,409	14,820,222
Restricted - trust purpose	-	11,472,885	-	-	11,472,885
Unrestricted	7,154,795	8,693,490	(3,349,909)	(3,049,813)	9,448,563
Total net position	$18,492,608	$20,166,375	$ (3,349,909)	$ 432,596	$35,741,670

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Motor Pool Fund	Self-Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
OPERATING REVENUES					
Charges for services	$ 6,902,091	$ 21,109,653	$ 5,973,091	$ 9,790,201	$ 43,775,036
Miscellaneous	96,083	342,580	833	15,173	454,669
Total operating revenues	6,998,174	21,452,233	5,973,924	9,805,374	44,229,705
OPERATING EXPENSES					
Salaries, wages and employee benefits	1,001,544	74,707	3,013,055	5,482,516	9,571,822
Contractual services, materials and supplies	3,861,283	1,054,456	3,066,345	6,472,720	14,454,804
Insurance claims and expenses	-	18,775,079	-	-	18,775,079
Depreciation and amortization	1,788,964	-	-	723,952	2,512,916
Total operating expenses	6,651,791	19,904,242	6,079,400	12,679,188	45,314,621
Operating income (loss)	346,383	1,547,991	(105,476)	(2,873,814)	(1,084,916)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	77,270	239,443	3,043	27,558	347,314
Gain (Loss) on sale of capital assets	134,692	-	-	-	134,692
Total non-operating revenues	211,962	239,443	3,043	27,558	482,006
Income (loss) before transfers	558,345	1,787,434	(102,433)	(2,846,256)	(602,910)
Transfers in	1,006,060	-	-	2,505,700	3,511,760
Transfers out	(4,904)	(30,439)	(14,897)	-	(50,240)
Change in net position	1,559,501	1,756,995	(117,330)	(340,556)	2,858,610
Total net position - beginning, restated	16,933,107	18,409,380	(3,232,579)	773,152	32,883,060
Total net position - ending	$ 18,492,608	$ 20,166,375	$ (3,349,909)	$ 432,596	$ 35,741,670

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Motor Pool Fund	Self-Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
Increase (decrease) in cash and cash equivalents					
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 7,002,594	$ 21,449,130	$ 5,973,682	$ 9,808,987	$ 44,234,393
Payments to suppliers	(3,822,748)	(1,124,192)	(3,114,510)	(6,644,166)	(14,705,616)
Payments to employees	(915,827)	(252,281)	(2,930,780)	(5,152,079)	(9,250,967)
Self-insurance costs	-	(17,951,841)	-	-	(17,951,841)
Net cash provided (used) by operating activities	2,264,019	2,120,816	(71,608)	(1,987,258)	2,325,969
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	1,006,060	-	-	2,505,700	3,511,760
Transfers out	(4,904)	(30,439)	(14,897)	-	(50,240)
Net cash provided (used) by non-capital financing activities	1,001,156	(30,439)	(14,897)	2,505,700	3,461,520
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(4,041,145)	-	-	(1,178,487)	(5,219,632)
Disposal of capital assets	142,770	-	-	-	142,770
Net cash flows used by capital and related financing activities	(3,898,375)	-	-	(1,178,487)	(5,076,862)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(53,152)	-	-	(53,152)
Interest received on investments	73,477	191,067	2,949	26,278	293,771
Net cash provided (used) by investing activities	73,477	137,915	2,949	26,278	240,619
Net increase (decrease) in cash and cash equivalents	(559,723)	2,228,292	(83,556)	(633,767)	951,246
Cash and cash equivalents at beginning of year	8,781,762	16,230,293	391,411	4,115,713	29,519,179
Cash and cash equivalents at end of year	$ 8,222,039	$ 18,458,585	$ 307,855	$ 3,481,946	$ 30,470,425
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	$ 346,383	$ 1,547,991	$ (105,476)	$ (2,873,814)	$ (1,084,916)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,788,964	-	-	723,952	2,512,916
Add: Pension expense	99,001	(176,519)	90,972	399,618	413,072
Subtract: Employer pension contributions	(69,924)	-	(223,643)	(401,967)	(695,534)
(Increase) decrease in assets:					
Accounts receivable	4,420	-	(242)	3,613	7,791
Prepaid items	-	-	-	37,032	37,032
Supplies inventory	(16,380)	-	-	-	(16,380)
Increase (decrease) in liabilities:					
Accounts payable	54,915	(69,736)	(48,165)	(208,478)	(271,464)
Accrued payroll	5,530	(485)	15,376	41,186	61,607
Claims payable	-	823,238	-	-	823,238
Deferred revenue	-	(3,103)	-	-	(3,103)
Compensated absences	51,110	(570)	199,570	291,600	541,710
Total adjustments	1,917,636	572,825	33,868	886,556	3,410,885
Net cash provided (used) by operating activities	$ 2,264,019	$ 2,120,816	$ (71,608)	$ (1,987,258)	$ 2,325,969
Non-cash investing, capital and financing activities:					
Decrease in fair market value of investments	$ -	$ 12,812	$ 69	$ 752	$ 13,633
Total non-cash investing, capital and financing activities	$ -	$ 12,812	$ 69	$ 752	$ 13,633

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others and therefore are not available to support City programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

Agency Funds

Account for assets the City holds as an agent for individuals, private organizations, other governments or other funds in a temporary custodial capacity.

Terramar Infrastructure Fund

Accounts for the monies collected from developers in one area of the City and held in trust by the City until reimbursed by the City to a developer that made certain infrastructure improvements in that area.

PLAY Peoria NFP Fund

Accounts for monies held on behalf of PLAY Peoria, a separate not-for profit agency for which the City operates as the administrator. PLAY Peoria was formed for the purpose of accepting charitable donations and seeking grants that require a not-for-profit status, for the benefit of recreation programs and participants.

Westside Fire Training IGA Fund

Accounts for monies on behalf of the Westside Fire Training, a consortium of west valley fire departments for which the City operates as the administrator. This consortium was formed through an intergovernmental agreement to fund joint training opportunities for the member fire departments.

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2017

	Terramar Infrastructure Fund	PLAY Peoria NFP Fund	Westside Fire Training IGA Fund	Total
ASSETS				
Pooled cash and investments	$ -	$ 26,052	$ 33,397	$ 59,449
Interest receivable	-	33	51	84
Total assets	-	26,085	33,448	59,533
LIABILITIES				
Accounts payable	-	1,107	-	1,107
Other liabilities	-	24,978	33,448	58,426
Total liabilities	$ -	$ 26,085	$ 33,448	$ 59,533

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Terramar Infrastructure Fund				
Assets:				
Pooled cash and investments	$ 384,970	$ -	$ 384,970	$ -
Total Assets	384,970	-	384,970	-
Liabilities:				
Other liabilities	384,970	-	384,970	-
PLAY Peoria NFP Fund				
Assets:				
Pooled cash and investments	24,123	34,562	32,633	26,052
Interest receivable	17	32	16	33
Total Assets	24,140	34,594	32,649	26,085
Liabilities:				
Accounts payable	1,800	2,559	3,252	1,107
Other liabilities	22,340	2,638	-	24,978
Total Liabilities	24,140	5,197	3,252	26,085
Westside Fire Training IGA Fund				
Assets:				
Pooled cash and investments	30,172	39,334	36,109	33,397
Interest receivable	31	51	31	51
Total Assets	30,203	39,385	36,140	33,448
Liabilities:				
Accounts payable	-	2,553	2,553	-
Other liabilities	30,203	3,245	-	33,448
Total Liabilities	30,203	5,798	2,553	33,448
Totals - All Agency Funds				
Assets:				
Pooled cash and investments	439,265	73,896	453,712	59,449
Interest receivable	48	83	47	84
Total Assets	439,313	73,979	453,759	59,533
Liabilities:				
Accounts payable	1,800	5,112	5,805	1,107
Other liabilities	437,513	5,883	384,970	58,426
Total Liabilities	439,313	10,995	390,775	59,533

PEORIA
ARIZONA

Statistical Section

Statistical Section

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

Statistical information is different from financial statements in that the statistics usually cover more than one fiscal year and may present non-accounting information. The following tables present financial trends, information about the fiscal capacity of the government, and social and economic information, as necessary for complete disclosure and understanding of the City's financial activity. The information presented in these tables is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore not covered by the auditor's opinion.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources - sales and use taxes, property taxes and utility user fees.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Statistical Section

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CITY OF PEORIA, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table I

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Governmental Activities										
Net investment in capital assets	$ 602,715,532	$ 690,708,494	$ 782,205,232	$ 803,835,704	$ 816,149,271	$ 829,001,871	$ 855,286,264	$ 885,716,419	$ 899,648,174	$ 747,243,866
Restricted	65,528,725	54,945,644	37,649,086	118,382,244	118,105,425	131,550,563	151,624,692	139,143,949	162,959,546	149,717,064
Unrestricted	220,374,709	207,958,657	192,278,995	109,550,684	111,579,103	149,159,571	84,211,745	(29,002,988)	(32,938,378)	(41,146,402)
Total governmental activities net position	$ 888,618,966	$ 953,612,795	$ 1,012,133,313	$ 1,031,768,632	$ 1,045,833,799	$ 1,109,712,005	$ 1,091,122,701	$ 995,857,380	$ 1,029,669,342	$ 855,814,528
Business-type Activities										
Net investment in capital assets	$ 427,331,359	$ 429,764,018	$ 469,854,140	$ 478,230,446	$ 478,738,661	$ 493,788,885	$ 533,623,141	$ 568,223,130	$ 589,629,061	$ 597,736,728
Restricted	32,967,702	33,558,490	19,474,349	22,733,731	24,912,356	21,575,445	23,153,024	23,830,354	31,926,587	27,590,003
Unrestricted	41,967,371	36,507,370	53,422,064	54,791,580	61,033,753	71,130,874	68,382,971	54,351,770	49,023,256	59,376,481
Total business-type activities net position	$ 502,266,432	$ 499,829,878	$ 542,750,553	$ 555,755,757	$ 564,684,770	$ 586,495,204	$ 625,159,136	$ 646,405,254	$ 670,578,904	$ 684,703,212
Primary Government										
Net investment in capital assets	$ 1,030,046,891	$ 1,120,472,512	$ 1,252,059,372	$ 1,282,066,150	$ 1,294,887,932	$ 1,322,790,756	$ 1,388,909,405	$ 1,453,939,549	$ 1,489,277,235	$ 1,344,980,594
Restricted	98,496,427	88,504,134	57,123,435	141,115,975	143,017,781	153,126,008	174,777,716	162,974,303	194,886,133	177,307,067
Unrestricted	262,342,080	244,466,027	245,701,059	164,342,264	172,612,856	220,290,445	152,594,716	25,348,782	16,084,878	18,230,079
Total primary government net position	$ 1,390,885,398	$ 1,453,442,673	$ 1,554,883,866	$ 1,587,524,389	$ 1,610,518,569	$ 1,696,207,209	$ 1,716,281,837	$ 1,642,262,634	$ 1,700,248,246	$ 1,540,517,740

Source: Statement of Net Position
City financial records and reports

CITY OF PEORIA, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table II

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Expenses										
Governmental Activities										
General Government	$ 17,077,115	$ 23,226,263	$ 24,518,718	$ 27,523,428	$ 20,935,141	$ 19,175,790	$ 20,038,112	$ 21,210,452	$ 22,250,673	$ 21,623,532
Culture & Recreation	21,834,144	23,185,665	21,167,750	21,066,722	23,499,906	22,434,968	25,559,518	25,982,440	26,447,013	28,371,539
Public Safety*	54,428,181	58,702,675	56,118,123	56,780,852	58,218,954	56,757,540	60,213,181	64,261,923	70,342,389	97,665,783
Development Services	6,542,413	6,354,769	6,539,886	6,135,184	5,437,784	8,374,619	9,193,743	9,544,919	7,123,106	6,630,945
Highways & Streets	22,909,823	24,046,432	22,414,044	25,598,067	31,778,203	29,967,207	31,411,752	33,658,672	34,620,944	44,979,242
Public Works	7,782,967	7,688,062	9,642,355	8,441,912	7,416,026	6,989,988	7,015,316	7,259,675	7,507,311	6,705,095
Human Services	2,887,625	2,382,604	2,188,730	1,992,977	1,655,935	2,196,801	1,629,118	1,177,275	1,788,130	1,283,420
Interest on long-term debt	11,168,041	12,610,988	12,571,503	12,616,562	12,595,752	12,739,029	12,009,243	11,373,755	11,549,457	8,451,596
Unallocated Depreciation	574,942	574,550	574,550	574,550	574,550	574,557	574,550	-	-	-
Total governmental activities expenses	$ 145,205,251	$ 158,772,008	$ 155,735,659	$ 160,730,254	$ 162,112,251	$ 159,210,499	$ 167,644,533	$ 174,469,111	$ 181,629,023	$ 215,711,152
Business-type Activities										
Water Utility	$ 28,677,086	$ 32,164,325	$ 29,715,038	$ 29,582,708	$ 30,777,765	$ 29,094,123	$ 30,836,235	$ 34,566,373	$ 33,221,797	$ 39,316,668
Wastewater Utility	17,324,471	31,039,534	30,212,381	19,891,729	21,923,061	20,342,376	21,083,666	21,737,995	22,001,744	24,075,245
Solid Waste Utility	13,250,526	10,624,589	9,985,889	9,773,553	10,859,872	10,503,928	10,806,101	10,939,896	11,137,739	11,867,773
Stadium	6,921,044	5,235,258	5,186,732	5,019,605	5,284,940	5,140,500	5,176,689	6,372,954	6,742,573	7,579,975
Storm Drain Utility	-	-	-	-	802,246	806,658	823,780	813,636	1,052,977	3,497,956
Housing	382,067	331,785	368,007	367,644	400,405	273,528	-	-	-	-
Total business-type activities expenses	$ 66,555,194	$ 79,395,491	$ 75,468,047	$ 64,635,239	$ 70,048,289	$ 66,161,113	$ 68,726,471	$ 74,430,854	$ 74,156,830	$ 86,337,617
Total primary government expenses	$ 211,760,445	$ 238,167,499	$ 231,203,706	$ 225,365,493	$ 232,160,540	$ 225,371,612	$ 236,371,004	$ 248,899,965	$ 255,785,853	$ 302,048,769
Program Revenues										
Governmental Activities										
Charges for services	$ 25,523,896	$ 20,130,962	$ 17,489,464	$ 17,722,889	$ 17,331,656	$ 18,745,123	$ 19,221,921	$ 25,696,523	$ 29,321,181	$ 32,311,277
Operating grants and contributions	14,382,484	12,574,749	13,096,036	13,709,669	11,071,988	12,440,760	12,693,535	13,485,788	14,329,168	14,666,090
Capital grants and contributions	41,598,499	51,366,296	55,978,635	34,932,888	30,063,998	21,485,029	11,703,447	22,908,863	27,259,727	25,638,030
Total governmental activities program revenues	$ 81,504,879	$ 84,072,007	$ 86,564,135	$ 66,365,446	$ 58,467,642	$ 52,670,912	$ 43,618,903	$ 62,091,174	$ 70,910,076	$ 72,615,397
Business-type Activities										
Charges for services	$ 61,936,451	$ 59,577,008	$ 62,457,821	$ 60,595,686	$ 66,048,140	$ 67,197,303	$ 69,499,963	$ 68,417,721	$ 76,106,994	$ 80,152,247
Operating grants and contributions	145,841	158,627	177,710	209,878	140,461	67,915	-	-	-	-
Capital grants and contributions	22,321,213	12,186,331	50,899,343	5,408,859	8,418,314	7,323,482	9,325,636	29,760,720	17,518,669	20,698,020
Total business-type activities program revenues	$ 84,403,505	$ 71,921,966	$ 113,534,874	$ 66,214,423	$ 74,606,915	$ 74,588,700	$ 78,825,599	$ 98,178,441	$ 93,625,663	$ 100,850,267
Total primary government program revenues	$ 165,908,384	$ 155,993,973	$ 200,099,009	$ 132,579,869	$ 133,074,557	$ 127,259,612	$ 122,444,502	$ 160,269,615	$ 164,535,739	$ 173,465,664
Net (Expense)/Revenue										
Governmental Activities	$ (63,700,372)	$ (74,700,001)	$ (69,171,524)	$ (94,364,808)	$ (103,644,609)	$ (106,539,587)	$ (124,025,630)	$ (112,377,937)	$ (110,718,947)	$ (143,095,755)
Business-type Activities	17,848,311	(7,473,525)	38,066,827	1,579,184	4,558,626	8,427,587	10,099,128	23,747,587	19,468,833	14,512,650
Total primary government net expense	$ (45,852,061)	$ (82,173,526)	$ (31,104,697)	$ (92,785,624)	$ (99,085,983)	$ (98,112,000)	$ (113,926,502)	$ (88,630,350)	$ (91,250,114)	$ (128,583,105)

* Beginning in fiscal year 2015, the Police and Fire line items have been combined and are being presented in the Public Safety line item.

CITY OF PEORIA, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table II

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purposes	$ 3,728,615	$ 3,629,629	$ 3,833,445	$ 3,628,286	$ 3,187,679	$ 2,848,691	$ 2,744,900	$ 2,889,150	$ 2,994,905	$ 3,207,433
Property taxes, levied for debt service	22,569,309	28,162,003	26,225,535	22,406,879	19,030,940	16,628,634	15,479,771	16,891,026	17,537,813	18,532,683
Sales and use taxes	68,466,910	59,004,816	56,276,937	58,082,217	60,719,648	65,950,235	70,213,953	74,556,024	79,410,364	84,236,770
Franchise taxes	3,848,746	4,019,182	3,955,416	4,037,897	4,084,163	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681
Intergovernmental										
State shared sales taxes - unrestricted	12,695,890	10,991,095	10,137,682	11,649,489	12,087,651	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512
Urban revenue sharing - unrestricted	19,539,768	20,395,663	17,469,936	13,408,996	13,231,006	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613
Auto in-lieu taxes - unrestricted	5,546,558	5,018,384	4,634,263	4,548,154	4,944,181	5,155,206	5,495,225	5,886,971	6,385,294	6,728,814
Investment Earnings	13,328,215	7,896,100	2,199,984	1,354,607	959,479	599,263	878,164	843,648	1,693,475	1,667,892
Gain on sale of capital assets	40,953	115,412	102,409	76,640	50,192	66,465	111,342	-	-	-
Elimination of development agreement debt	2,358,431	-	-	801,394	-	630,104	-	-	-	-
Miscellaneous	3,555,171	3,528,043	5,885,847	5,124,916	3,965,187	4,397,616	3,920,109	3,216,595	2,732,726	4,120,882
Special Item: Close out of Section 8 Housing	-	-	-	-	(464,390)	-	-	-	-	-
Transfers in (out)	(9,779,262)	(3,066,497)	(3,029,412)	(11,119,348)	(3,335,912)	(9,394,454)	(28,205,646)	(11,931,172)	(3,994,967)	(6,346,374)
Total governmental activities	$ 145,899,304	$ 139,693,830	$ 127,692,042	$ 114,000,127	$ 118,459,824	$ 118,108,913	$ 105,436,326	$ 129,454,727	$ 144,530,909	$ 153,230,906
Business-type Activities										
Investment Earnings	$ 3,314,515	$ 1,970,474	$ 444,698	$ 306,672	$ 284,427	$ 176,176	$ 359,158	$ 348,717	$ 709,850	$ 519,774
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	109,744
Forgiveness of debt	-	-	1,379,738	-	-	-	-	-	-	-
Special Item: Close out of Public Housing	-	-	-	-	-	(2,101,809)	-	-	-	-
Transfers in (out)	9,779,262	3,066,497	3,029,412	11,119,348	3,335,912	9,394,454	28,205,646	11,931,172	3,994,967	6,346,374
Total business-type activities	$ 13,093,777	$ 5,036,971	$ 4,853,848	$ 11,426,020	$ 3,620,339	$ 7,468,821	$ 28,564,804	$ 12,279,889	$ 4,704,817	$ 6,975,892
Total primary government	$ 158,993,081	$ 144,730,801	$ 132,545,890	$ 125,426,147	$ 122,080,163	$ 125,577,734	$ 134,001,130	$ 141,734,616	$ 149,235,726	$ 160,206,798
Change in Net Position										
Governmental Activities	$ 71,199,303	$ 70,522,306	$ 33,327,234	$ 10,355,518	$ 11,920,237	$ 11,569,326	$ (18,589,304)	$ 17,076,790	$ 33,811,962	$ 10,135,151
Business-type Activities	5,620,252	43,103,798	6,433,032	15,984,646	12,047,926	15,896,408	38,663,932	36,027,476	24,173,650	21,488,542
Total primary government	$ 76,819,555	$ 113,626,104	$ 39,760,266	$ 26,340,164	$ 23,968,163	$ 27,465,734	$ 20,074,628	$ 53,104,266	$ 57,985,612	$ 31,623,693

Source: Statement of Activities
City financial records and reports

CITY OF PEORIA, ARIZONA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table III

	Fiscal Year									
	2008	**2009**	**2010**	**2011 ***	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General Fund										
Reserved	$ 264,489	$ 275,184	$ 241,678	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	77,741,727	67,102,145	60,238,418	-	-	-	-	-	-	-
Nonspendable	-	-	-	537,000	1,163,721	259,643	262,852	163,703	115,042	113,859
Restricted	-	-	-	30,671	70,016	108,517	54,193	67,084	388,375	354,566
Committed	-	-	-	34,288,769	33,590,254	33,229,466	37,028,922	36,911,493	38,464,678	40,221,571
Assigned	-	-	-	3,891,174	3,705,809	3,330,705	3,340,512	3,056,458	2,859,523	2,618,447
Unassigned	-	-	-	13,429,595	12,878,675	13,996,657	17,308,306	21,584,005	20,816,526	25,684,922
Total General Fund	$ 78,006,216	$ 67,377,329	$ 60,480,096	$ 52,177,209	$ 51,408,475	$ 50,924,988	$ 57,994,785	$ 61,782,743	$ 62,644,144	$ 68,993,365
All Other Governmental Funds										
Reserved	$ 143,600,643	$ 165,129,365	$ 147,974,858	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	62,170,663	57,506,689	55,546,744	-	-	-	-	-	-	-
Capital projects funds	23,589,696	29,428,677	22,203,699	-	-	-	-	-	-	-
Nonspendable	-	-	-	108,919	95,828	98,819	131,641	70,579	67,986	69,711
Restricted	-	-	-	169,837,817	168,127,814	188,434,944	145,352,432	127,294,490	150,498,066	137,842,918
Committed	-	-	-	11,040,682	10,064,814	10,004,379	10,300,556	10,572,297	10,885,668	11,315,062
Assigned	-	-	-	30,055,251	40,566,996	25,988,041	23,410,508	22,821,310	30,353,689	27,978,550
Unassigned	-	-	-	-	(84,673)	-	-	(6,638,667)	-	-
Total All Other Governmental Funds	$ 229,361,002	$ 252,064,731	$ 225,725,301	$ 211,042,669	$ 218,770,779	$ 224,526,183	$ 179,195,137	$ 154,120,009	$ 191,805,409	$ 177,206,241

* The City implemented GASB Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011. Previous years have not been restated to the new required format.

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Balance Sheet - Governmental Funds
City financial records and reports

CITY OF PEORIA, ARIZONA **Table IV**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	$ 98,358,262	$ 93,896,013	$ 90,783,641	$ 88,244,772	$ 87,203,131	$ 89,948,724	$ 93,731,980	$ 98,629,880	$ 104,369,837	$ 110,535,434
Intergovernmental	52,612,549	62,718,223	45,621,921	43,917,343	54,562,371	49,831,144	50,132,922	55,289,472	65,237,794	60,096,580
Charges for Services	37,609,937	18,479,664	18,137,718	16,356,566	18,359,757	21,405,623	17,684,357	19,355,378	21,812,733	24,367,635
Licenses and Permits	3,020,436	1,802,759	1,599,957	1,672,072	2,106,545	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632
Fines and Forfeitures	2,666,731	3,733,047	2,755,104	3,068,861	2,757,022	2,257,477	2,128,289	1,856,640	1,747,528	1,571,788
Rents	358,215	395,834	421,289	403,321	486,932	1,101,082	731,901	889,053	915,846	908,678
Investment Earnings	12,125,018	7,174,109	1,992,817	1,238,174	859,146	537,732	757,747	725,208	1,462,408	1,320,578
Special Asessments	1,803,344	2,200,782	2,214,167	2,201,463	2,069,613	1,217,271	1,137,018	381,761	381,950	2,171,319
Miscellaneous	7,882,947	7,488,740	8,485,570	18,441,696	4,588,218	5,880,511	5,060,343	3,536,024	3,278,730	4,411,440
Total Revenues	$ 216,437,439	$ 197,889,171	$ 172,012,184	$ 175,544,268	$ 172,992,735	$ 174,743,639	$ 174,165,451	$ 183,795,594	$ 203,287,036	$ 210,162,084
Expenditures										
General Government	$ 14,544,047	$ 17,798,947	$ 16,330,159	$ 15,818,173	$ 14,470,822	$ 15,094,866	$ 15,866,612	$ 17,085,501	$ 19,424,865	$ 18,216,483
Culture & Recreation	21,769,313	22,303,852	19,475,634	18,784,735	18,396,187	19,668,598	21,762,725	22,181,064	21,797,069	23,862,880
Public Safety [1]	52,461,747	56,974,453	53,876,911	53,390,368	54,390,977	56,702,266	58,976,873	60,840,413	68,151,428	73,087,082
Development Services	6,669,979	6,489,199	6,529,594	6,051,667	5,328,403	8,568,013	9,311,964	9,714,954	7,129,814	6,291,295
Highways & Streets	14,632,287	15,469,695	13,070,648	13,891,078	14,754,432	16,355,505	17,098,590	19,400,893	19,086,404	21,610,293
Public Works	6,408,150	6,187,633	7,955,394	6,748,102	4,884,713	4,914,720	5,110,924	5,261,842	5,325,264	6,384,151
Human Services	2,817,716	2,343,847	2,145,702	1,952,861	1,586,315	2,213,374	1,604,288	1,147,341	1,725,328	1,184,926
Other	-	-	-	-	-	-	-	-	-	-
Capital Outlay	74,142,416	77,515,142	60,269,181	29,176,335	26,336,595	39,612,698	17,728,188	26,491,974	12,332,241	29,367,979
Debt Service										
Interest	10,340,704	11,917,582	13,166,242	12,658,032	13,098,263	12,534,039	12,543,974	11,933,264	10,606,558	11,336,938
Principal	31,143,531	25,988,554	44,700,092	34,309,287	25,566,028	20,120,163	21,937,761	17,305,000	18,010,000	19,867,000
Payment to bond escrow agent	-	-	-	-	-	-	-	-	6,707,216	-
Total Expenditures	$ 234,929,890	$ 242,988,904	$ 237,519,557	$ 192,780,638	$ 178,812,735	$ 195,784,242	$ 181,941,899	$ 191,362,246	$ 190,296,187	$ 211,209,027
Excess of Revenues over (under) Expenditures	$ (18,492,451)	$ (45,099,733)	$ (65,507,373)	$ (17,236,370)	$ (5,820,000)	$ (21,040,603)	$ (7,776,448)	$ (7,566,652)	$ 12,990,849	$ (1,046,943)
Other Financing Sources (Uses)										
Refunding bonds issued	$ -	$ -	$ -	$ -	$ 13,690,000	$ -	$ -	$ -	$ 103,410,000	$ -
Issuance of debt	47,000,000	68,440,000	29,170,000	7,920,000	14,715,000	35,510,000	112,000	35,000	30,325,000	3,000,000
Premium on bonds issued	273,310	808,192	495,890	16,960	645,188	1,039,481	-	-	14,096,688	108,061
Payments to bond refunding escrow agent	-	-	-	-	(13,690,000)	-	-	-	(114,802,841)	-
Special Item: Close out Section 8 Housing	-	-	-	-	(464,390)	-	-	-	-	-
Transfers In	16,426,715	18,855,279	23,567,886	28,388,910	16,740,587	16,968,105	20,159,941	16,357,492	12,890,960	17,925,171
Transfers Out	(36,035,044)	(30,928,896)	(20,963,066)	(42,075,019)	(18,106,961)	(27,205,066)	(48,650,688)	(30,113,010)	(20,363,855)	(28,236,236)
Total Other Financing Sources (Uses)	$ 27,664,981	$ 57,174,575	$ 32,270,710	$ (5,749,149)	$ 13,529,424	$ 26,312,520	$ (28,378,747)	$ (13,720,518)	$ 25,555,952	$ (7,203,004)
Net Change in Fund Balance	$ 9,172,530	$ 12,074,842	$ (33,236,663)	$ (22,985,519)	$ 7,709,424	$ 5,271,917	$ (36,155,195)	$ (21,287,170)	$ 38,546,801	$ (8,249,947)
Debt Service as a percentage of noncapital expenditures	25.80%	22.91%	32.65%	28.71%	25.36%	20.91%	21.00%	17.73%	16.08%	17.16%

[1] Beginning in Fiscal Year 2015, Police and Fire expenditures were combined into the Public Safety category.

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
City financial records and reports

CITY OF PEORIA, ARIZONA
CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY
LAST TEN FISCAL YEARS

Table V

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Retail Sales	$ 30,721,220	$ 26,694,348	$ 26,857,263	$ 29,247,900	$ 31,483,859	$ 34,115,601	$ 36,878,825	$ 38,908,327	$ 41,216,781	$ 43,666,206
Contracting	11,271,722	7,014,131	4,550,512	3,611,614	3,305,409	4,716,985	6,301,005	6,257,112	7,394,036	8,587,978
Rentals	7,190,660	7,107,109	6,927,724	6,980,633	7,414,803	7,918,121	7,214,392	7,522,177	8,123,884	8,383,946
Utilities	6,584,854	6,836,000	6,906,904	6,917,391	7,232,286	7,343,965	7,388,831	7,498,115	7,904,665	8,022,722
Telecom/Cable TV	1,492,871	1,437,589	1,405,352	1,294,565	1,304,092	1,258,991	1,262,651	1,217,583	1,151,941	942,239
Restaurant/Bar	7,032,488	7,026,265	7,114,625	7,469,189	7,776,190	8,168,064	8,505,082	9,284,232	9,833,912	10,335,218
Amusement	838,550	727,023	814,694	856,274	896,320	992,752	960,332	1,036,941	1,034,959	1,021,968
Use	985,505	599,537	374,659	426,017	566,453	474,842	624,795	718,931	740,179	1,243,655
Other	2,349,040	1,562,814	1,325,204	1,278,634	740,236	960,914	2,101,228	2,112,606	2,010,007	2,032,838
Total	$ 68,466,910	$ 59,004,816	$ 56,276,937	$ 58,082,217	$ 60,719,648	$ 65,950,235	$ 71,237,141	$ 74,556,024	$ 79,410,364	$ 84,236,770
% Growth by Year										
Retail Sales	-0.8%	-13.1%	0.6%	8.9%	7.6%	8.4%	8.1%	5.5%	5.9%	5.9%
Contracting	-19.0%	-37.8%	-35.1%	-20.6%	-8.5%	42.7%	33.6%	-0.7%	18.2%	16.1%
Rentals	9.7%	-1.2%	-2.5%	0.8%	6.2%	6.8%	-8.9%	4.3%	8.0%	3.2%
Utilities	9.6%	3.8%	1.0%	0.2%	4.6%	1.5%	0.6%	1.5%	5.4%	1.5%
Telecom/Cable TV	19.8%	-3.7%	-2.2%	-7.9%	0.7%	-3.5%	0.3%	-3.6%	-5.4%	-18.2%
Restaurant/Bar	3.7%	-0.1%	1.3%	5.0%	4.1%	5.0%	4.1%	9.2%	5.9%	5.1%
Amusement	3.0%	-13.3%	12.1%	5.1%	4.7%	10.8%	-3.3%	8.0%	-0.2%	-1.3%
Use	25.7%	-39.2%	-37.5%	13.7%	33.0%	-16.2%	31.6%	15.1%	3.0%	68.0%
Other	29.7%	-33.5%	-15.2%	-3.5%	-42.1%	29.8%	118.7%	0.5%	-4.9%	1.1%
Total	-0.6%	-13.8%	-4.6%	3.2%	4.5%	8.6%	8.0%	4.7%	6.5%	6.1%

Note: Includes all governmental fund types

Source: City financial records and reports

CITY OF PEORIA, ARIZONA **Table VI**

DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

	Year Taxes Are Payable									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
City Direct Rates (1):										
Retail Sales (excluding groceries)	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Groceries	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.60%	1.60%	1.60%
Contracting	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Rentals	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Hotel/Transient Lodging	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Utilities	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Telecommunications	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Restaurant/Bar	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Amusement	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
All Others	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
County Rates:										
Retail Sales (excluding groceries)	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Groceries	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Rental Occupancy	-	-	-	-	-	-	-	-	-	-
Hotel/Transient Lodging	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
Mining - Nonmetal	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
All Others	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
State Rates (2):										
Retail Sales (excluding groceries)	5.60%	5.60%	6.60%	6.60%	6.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Hotel/Transient Lodging	5.50%	5.50%	6.50%	6.50%	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Mining - Nonmetal	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
Mining - Severance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
All Others	5.60%	5.60%	6.60%	6.60%	6.60%	5.60%	5.60%	5.60%	5.60%	5.60%

Notes:

(1) Pursuant to City Charter, increases in the City transaction privilege (sales) tax rates are subject to voter approval. Prior to January 2017, the City collected its own sales tax. In January 2017, the state began collecting and remitting the sales tax to the City. The City has earmarked 0.8% of its sales tax for payment of Excise Tax and State Shared Revenue Obligations.

(2) The State transaction privilege (sales) tax is levied against the same categories of business activity as the City's sale tax with the exception of groceries and prescription drugs, which the State exempts from tax. The State collects and distributes a portion of its sales tax revenues to all cities and towns based on the city or town's population relative to the aggregate population of all cities and towns as shown by the latest census.

Source: ADOR Transaction Privilege And Other Tax Rate Tables

CITY OF PEORIA, ARIZONA
SALES TAX PAYERS - BY CATEGORY
CURRENT YEAR AND NINE YEARS AGO

Table VII

	2017				2008			
Category	**# of Payers**	**Percentage of Total Payers**	**Sales Tax Paid**	**Percentage of Total City Sales Tax Revenue**	**# of Payers**	**Percentage of Total Payers**	**Sales Tax Paid**	**Percentage of Total City Sales Tax Revenue**
Retail Sales	3,753	24.8%	$ 43,666,206	51.8%	3,003	22.7%	$ 30,721,220	44.9%
Contracting	2,741	18.1%	8,587,978	10.2%	4,383	33.1%	11,271,722	16.5%
Restaurant/Bar	423	2.8%	10,335,218	12.3%	308	2.3%	7,032,488	10.3%
Rental	6,323	41.8%	8,383,946	10.0%	4,098	31.0%	7,190,660	10.5%
Utilities	12	0.1%	8,022,722	9.5%	14	0.1%	6,584,854	9.6%
Telecom/Cable TV	170	1.1%	942,239	1.1%	120	0.9%	1,492,871	2.2%
Use	1,577	10.4%	1,243,655	1.5%	697	5.3%	985,505	1.4%
Amusement	59	0.4%	1,021,968	1.2%	56	0.4%	838,550	1.2%
Others	83	0.5%	2,032,838	2.4%	552	4.2%	2,349,040	3.4%
Total	15,141	100.00%	$ 84,236,770	100.00%	13,231	100.00%	$ 68,466,910	100.00%

Source: City Sales Tax system
City financial records

CITY OF PEORIA, ARIZONA
ASSESSED VALUES BY PROPERTY CLASSIFICATION
LAST TEN FISCAL YEARS

Table VIII

	Fiscal Year 2008	2009	2010	2011	2012	2013	2014	2015	2016(b)	2017
Residential (Owner occupied)	$ 1,041,693,334	$ 1,219,595,280	$ 1,048,710,389	$ 818,535,888	$ 687,456,278	$ 620,970,965	$ 546,593,560	$ 614,234,433	$ 626,696,840	$ 674,378,782
Residential (Renter occupied)	116,115,688	146,413,989	155,720,660	147,284,152	122,978,913	119,387,647	161,107,937	199,613,372	214,086,717	230,466,048
Commercial, Industrial, Mining & Utilities	334,323,557	419,192,584	495,336,050	495,318,990	378,992,788	341,042,160	304,844,019	298,078,633	291,761,032	297,883,403
Agriculture & Vacant	148,077,787	207,476,727	193,685,182	147,216,152	85,330,391	54,523,204	43,659,181	42,347,136	44,305,284	40,513,630
Railroad	1,918,660	1,837,324	1,647,040	1,563,689	1,429,130	1,399,678	1,118,206	1,205,775	1,137,482	1,040,707
Historic & Environmental	58,450	76,020	64,530	53,641	140,493	103,122	83,177	59,907	24,540	396,725
Public Property Improvements	-	-	-	-	7,869	7,964	7,124	48,182	5,100	-
Net Assessed Value	$ 1,642,187,476	$ 1,994,591,924	$ 1,895,163,851	$ 1,609,972,512	$ 1,276,335,862	$ 1,137,434,740	$ 1,057,413,204	$ 1,155,587,438	$ 1,178,016,995	$ 1,244,679,295
% Growth	47.2%	21.5%	-5.0%	-15.0%	-20.7%	-10.9%	-7.0%	9.3%	1.9%	5.7%
Net Assessed Value Per Capita	$ 10,557	$ 12,524	$ 12,301	$ 10,377	$ 8,141	$ 7,087	$ 6,444	$ 6,860	$ 6,879	$ 7,186
Population	155,560	159,263	154,065	155,148	156,780	160,504	164,104	168,450	171,237	173,208
Total Direct Secondary Tax Rate	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Full Cash Value	15,118,988,316	18,279,838,277	17,162,776,025	14,588,623,722	11,862,384,776	10,635,350,631	10,057,364,678	11,162,489,178	13,968,351,523	15,264,587,035
% Growth	51.2%	20.9%	-6.1%	-15.0%	-18.7%	-10.3%	-5.4%	11.0%	25.1%	9.3%
Full Cash Value Per Capita	$ 97,191	$ 114,778	$ 111,400	$ 94,030	$ 75,663	$ 66,262	$ 61,287	$ 66,266	$ 81,573	$ 88,129
Net Assessed Value as a Percentage of Full Cash Value	10.9%	10.9%	11.0%	11.0%	10.8%	10.7%	10.5%	10.4%	8.4%	8.2%

Note: All property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each classification is defined by property use and has an assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for the major classes of property are as follows:

Property Tax Assessment Ratios (a)

Fiscal Year	Commercial, Industrial, Mining & Utilities	Residential	Agriculture and Vacant Land	Railroad
2008	24.0%	10%	16%	21%
2009	23.0%	10%	16%	20%
2010	22.0%	10%	16%	18%
2011	21.0%	10%	16%	17%
2012	20.0%	10%	16%	15%
2013	20.0%	10%	16%	15%
2014	19.5%	10%	16%	15%
2015	19.0%	10%	16%	16%
2016	18.5%	10%	16%	15%
2017	18.0%	10%	15%	14%

(a) Several additional classes of property exist, but seldom amount to a significant portion of an entity's total valuation.

(b) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service.
Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values.
Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Source: Arizona Department of Revenue - Property Tax Division-Abstract of the Assessment Roll
City Financial Records

CITY OF PEORIA, ARIZONA
COMPARATIVE ASSESSED VALUES
LAST TEN FISCAL YEARS

Table IX

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016 (a)**	**2017**
City of Peoria	$ 1,642,187,476	$ 1,994,591,924	$ 1,895,163,851	$ 1,609,972,512	$ 1,276,335,862	$ 1,137,434,740	$ 1,057,413,204	$ 1,155,587,438	$ 1,178,016,995	$ 1,244,679,295
Peoria Unified School District No. 11	2,064,548,189	2,484,660,275	2,393,720,410	2,030,314,508	1,581,371,147	1,460,442,551	1,350,310,615	1,471,213,352	1,475,721,803	1,549,607,885
Maricopa County	49,534,573,831	58,303,635,287	57,984,051,727	49,662,543,618	38,760,296,498	34,400,455,712	32,229,006,810	35,079,646,593	34,623,670,323	36,135,494,474
State of Arizona	71,852,630,420	86,183,351,753	86,525,272,506	75,664,423,588	61,764,402,437	56,283,023,907	52,598,341,678	55,349,948,120	54,840,074,052	56,573,588,295

(a) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service.
Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values.
Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Source: Arizona Department of Revenue - Property Tax Division Abstract of the Assessment Roll
City financial records

CITY OF PEORIA, ARIZONA **Table X**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

(rate per $100 assessed value)

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Total Direct City										
Primary	$ 0.24	$ 0.19	$ 0.19	$ 0.19	$ 0.19	$ 0.19	$ 0.19	$ 0.19	$ 0.19	$ 0.19
Secondary	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Total	1.49	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
Peoria Unified School District No. 11 (1)										
Primary	3.82	3.77	2.99	3.24	3.71	4.01	4.18	4.43	4.93	4.78
Secondary	2.72	1.90	2.46	2.09	1.68	3.02	3.35	2.84	2.84	3.26
Total	6.54	5.67	5.45	5.33	5.39	7.03	7.53	7.27	7.77	8.04
Maricopa County (2)										
Primary	1.92	1.78	2.05	2.20	2.68	2.87	3.08	3.11	3.13	3.14
Secondary	0.59	0.59	0.59	0.64	0.54	0.78	0.79	0.86	0.97	1.01
Total	2.51	2.37	2.64	2.84	3.22	3.65	3.87	3.98	4.10	4.15
Total										
Primary	5.98	5.74	5.23	5.63	6.58	7.07	7.45	7.73	8.25	8.11
Secondary	4.56	3.74	4.30	3.98	3.47	5.05	5.39	4.95	5.06	5.52
Total	10.54	9.48	9.53	9.61	10.05	12.12	12.84	12.69	13.31	13.63

(1) Peoria Unified School District serves the majority of the City of Peoria. Other areas of the City are served by the Deer Valley Unified School District whose most recent rates are as follows:

	Primary	Secondary
Deer Valley Unified School District	$ 4.25	$ 2.45

(2) The Maricopa County rates includes the rates for the County, State Education Equalization Assistance and other county districts and special districts as follows:

	Primary	Secondary
Maricopa County	$ 1.40	$ -
State Education Equalization Asistance	0.50	-
Maricopa County Community College District	1.24	0.23
Maricopa County Flood Control District	-	0.18
Maricopa County Fire District Assistance	-	0.01
Maricopa County Library District	-	0.06
Maricopa County Special Health Care District	-	0.31
West Maricopa Education Center	-	0.08
Central Arizona Water Conservation District	-	0.14
Fiscal Year 2017 Tax Rate	$ 3.14	$ 1.01

Note: All rates rounded to two decimal places from the four shown by the County

Source: Maricopa County Assessor - Tax Rates Publication

CITY OF PEORIA, ARIZONA **Table XI**
DIRECT AND OVERLAPPING PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS

	Tax Levy Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Total Direct City										
Primary	$ 3,002,150	$ 2,849,397	$ 3,202,665	$ 2,901,540	$ 2,411,739	$ 2,154,484	$ 1,998,305	$ 2,115,212	$ 2,238,232	$ 2,364,891
Secondary	20,527,343	24,932,399	23,689,548	20,124,656	15,954,198	14,217,934	13,217,665	14,444,843	14,725,212	15,558,491
Total	23,529,493	27,781,796	26,892,213	23,026,196	18,365,937	16,372,418	15,215,970	16,560,055	16,963,444	17,923,382
Peoria Unified School District No. 11 (1)										
Primary	61,400,326	71,071,459	63,259,063	63,956,114	60,801,278	58,370,644	56,069,720	62,749,751	72,782,246	74,140,908
Secondary	56,465,081	47,095,296	58,903,282	43,487,879	27,635,770	44,104,877	45,266,377	41,807,627	41,966,017	50,494,525
Maricopa County (2)										
Primary	751,042,721	811,397,481	1,016,398,826	1,030,448,332	1,031,164,830	982,926,843	986,315,014	1,043,203,072	1,083,409,268	1,134,787,546
Secondary	272,271,935	312,172,569	312,960,824	295,233,122	264,170,408	249,995,761	251,345,124	274,744,408	234,978,404	337,146,316
Total										
Primary	815,445,197	885,318,337	1,082,860,554	1,097,305,986	1,094,377,847	1,043,451,971	1,044,383,039	1,108,068,035	1,158,429,746	1,211,293,345
Secondary	349,264,359	384,200,264	395,553,654	358,845,657	307,760,376	308,318,572	309,829,166	330,996,878	291,669,633	403,199,332
Total	1,164,709,556	1,269,518,601	1,478,414,208	1,456,151,643	1,402,138,223	1,351,770,543	1,354,212,205	1,439,064,913	1,450,099,379	1,614,492,677

(1) The Peoria Unified School District serves the majority of the City of Peoria. Other ares of the City are served by Deer Valley Unified School District, whose most recent tax levies are as follows:

	Primary	Secondary
Deer Valley Unified School District	$ 97,776,264	$ 56,241,537

(2) The tax levies for Maricopa County include those for the County, State Education Equalization, and other county and special districts whose most recent tax levies are as follows:

	Primary	Secondary
Maricopa County	$ 506,222,142	$ -
State Education Equalization Asistance	181,352,524	
Maricopa County Community College District	447,212,880	82,211,035
Maricopa County Flood Control District	-	58,463,580
Maricopa County Fire District Assistance	-	4,030,569
Maricopa County Library District	-	20,091,335
Maricopa County Special Health Care District	-	110,524,141
West Maricopa Education Center	-	11,148,304
Central Arizona Water Conservation District	-	50,677,352
Fiscal Year 2017 Tax Levy	$ 1,134,787,546	$ 337,146,316

Source: Maricopa County Assessor - Tax Rates and Levies publication

CITY OF PEORIA, ARIZONA **Table XII**

LIMITED PROPERTY VALUE TOP TEN TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

		2017 (a)			2008		
Taxpayer	**Type of Business**	**Limited Property Assessed Value**	**Rank**	**% of Limited Property Assessed Value**	**Taxable Secondary Assessed Value**	**Rank**	**% of Taxable Secondary Assessed Value**
Arizona Public Service	Gas & Electric Utility	$ 24,395,235	1	1.96%	$ 18,043,880	1	1.10%
Vestar LPTC LLC	Property Development	8,959,020	2	0.72%	-		
Sprint Wireless	Telecommunications	7,002,852	3	0.56%	-		
Parke West Retail I LLC	Shopping Center	5,440,536	4	0.44%	-		
Southwest Gas Corporation	Gas Utility	4,789,877	5	0.38%	4,596,191	10	0.28%
DDRA Arrowhead Crossing LLC	Shopping Center	4,702,289	6	0.38%	4,799,328	9	0.29%
Miller Family Real Estate LLC	Shopping Center	4,404,480	7	0.35%	-		
BCC Development Inc	Property Development	3,773,154	8	0.30%	-		
Freedom Plaza Limited Partnership Lease	Retirement Housing	3,484,971	9	0.28%	-		
Cypress Lake Pleasant Center LLC	Property Development	3,417,681	10	0.28%	-		
Qwest Corporation	Telecommunications	-			10,224,146	2	0.62%
Vistancia LLC	Multi-family Housing	-			10,192,385	3	0.62%
Sprint Spectrum LP	Telecommunications	-			8,040,561	4	0.49%
Inland Western Glendale LLC	Shopping Center	-			5,716,817	5	0.35%
Larry Miller Real Estate - Peoria LLC	Shopping Center	-			5,679,524	6	0.35%
Safeway	Grocery Store	-			4,844,798	7	0.30%
Courtland Homes Inc	Multi-family Housing	-			4,842,960	8	0.29%
Total		$ 70,370,095		5.65%	$ 76,980,590		4.69%

(a) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service.
Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values
Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For fiscal year 2017, the assessed value of Salt River Project property within the City of Peoria is $19,552,127.

Source - Maricopa County Treasurer's or Assessor's Office

CITY OF PEORIA, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table XIII

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year [1]	Collected with the Fiscal Year of the Levy [2]		Collections in Subsequent Years [2]	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	$ 17,923,382	$ 17,596,843	98.18%	$ -	$ 17,596,843	98.18%
2016	16,963,444	16,695,651	98.42%	158,134	16,853,785	99.35%
2015	16,560,055	16,290,571	98.37%	180,312	16,470,883	99.46%
2014	15,215,970	14,882,168	97.81%	229,620	15,111,788	99.32%
2013	16,372,418	15,962,490	97.50%	247,161	16,209,651	99.01%
2012	18,365,937	17,628,300	95.98%	373,758	18,002,058	98.02%
2011	23,026,196	21,884,397	95.04%	544,345	22,428,742	97.41%
2010	26,892,213	25,561,505	95.05%	788,747	26,350,252	97.98%
2009	27,781,796	26,280,210	94.60%	933,656	27,213,866	97.96%
2008	23,529,493	22,741,557	96.65%	718,352	23,459,909	99.70%

Notes: [1] Levy figures obtained from Maricopa County Tax Levy Books-February Publication.
[2] Collection amount obtained from Maricopa County Treasurer's Secured Levy Report at 6/30/2017.

Source: Maricopa County Treasurer's Office
Maricopa County Assessor's Office
City financial records and reports

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA
LAST TEN FISCAL YEARS

Average Utility Bill Amounts
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016 (c)	2017
Water										
Average bill	$35.59	$36.73	$35.46	$34.36	$38.00	$37.41	$37.31	$35.54	$37.53	$39.13
% Increase	2.12%	3.20%	-3.46%	-3.10%	10.59%	-1.55%	-0.27%	-4.74%	5.60%	4.26%
Wastewater										
Average bill	21.24	21.36	21.45	20.45	21.49	24.16	23.36	23.99	24.64	25.22
% Increase	-1.30%	0.56%	0.42%	-4.66%	5.09%	12.42%	-3.31%	2.70%	2.71%	2.35%
Residential Solid Waste										
Average bill	14.85	15.18	15.36	15.35	15.40	13.38	13.38	13.35	13.44	13.39
% Increase	-0.40%	2.22%	1.19%	-0.07%	0.33%	-13.12%	0.00%	-0.22%	0.67%	-0.37%

Utility Service Connections
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016 (c)	2017
Water										
# of Accounts	46,146	46,902	47,606	47,793	48,509	49,416	50,399	51,405	55,558	57,011
% Increase	1.13%	1.64%	1.50%	0.39%	1.50%	1.87%	1.99%	2.00%	8.08%	2.62%
Wastewater										
# of Accounts	48,759	49,923	50,383	50,715	51,527	52,674	53,548	54,599	56,235	57,909
% Increase	1.94%	2.39%	0.92%	0.66%	1.60%	2.23%	1.66%	1.96%	3.00%	2.98%
Residential Solid Waste										
# of Accounts	47,146	48,006	48,382	48,752	49,506	50,727	51,609	52,640	54,262	55,828
% Increase	1.81%	1.82%	0.78%	0.76%	1.55%	2.47%	1.74%	2.00%	3.08%	2.89%

Charges for Water Services
Base Minimum Monthly Bill
As of June 30, 2017

Multi Family Customers	Resid., Commerc. & Landscape Customers	
	Meter Size	Charge
	5/8"-3/4"	$ 15.61
Base Charge per Meter	1"	18.62
$9.60	1 1/2"	29.62
	2"	41.65
	3"	73.76
Charge per Dwelling Unit	4"	109.84
	6"	210.02
$3.61	8"	330.29

Charges for Wastewater Services
Base Minimum Monthly Bill
As of June 30, 2017

Multi Family Customers	Resid., Commerc. & Landscape Customers		
	Meter Size	Charge	
	5/8"-3/4"	$ 9.08	(& Resid. 1")
Base Charge per Meter	1"	11.55	
$4.14	1 1/2"	20.60	
	2"	30.48	
	3"	56.87	
Charge per Dwelling Unit	4"	86.53	
	6"	168.87	
$2.97	8"	267.73	

(a) Base service charge is based on each bill rendered.
(b) For residential & multi-plex users, volume is measured as the rate per 1,000 gallons of a four-month winter average (December - March).
For commercial customers, the volume charge is based on actual monthly usage.
(c) Water account total includes the acquisition of New River System. These accounts were excluded from the FY16 average water bill calculation, but included beginning in FY17.
Source: City customer service and billing records

(continued)

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA

Volume Charges for Water Services
Usage Per Month
As of June 30, 2017

Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)
0 - 4,000	$ 1.09	$ -	$ -
4,001 - 10,000	2.83	-	-
10,001 - 20,000	4.01	-	-
10,001 - 25,000	4.38	-	-
1,000+	-	2.83	-
0 - 10,000	-	-	1.09
10,001 - 50,000	-	-	2.83
50,001+	-	-	4.01

Charges for Residential Solid Waste
As of June 30, 2017

	Monthly fee
Single container & recycling	$ 13.10
Additional container	10.50

Water Meter Permit Charges
As of June 30, 2017

Meter Size	Charge
3/4"	$ 317
1 1/2"	493
2"	629 - 1,033
3"	1,751 - 2,662
4"	2,231 - 3,172
6"	3,781 - 5,086
Hydrant meter	1,280
Commercial accounts	By meter size

Charges for Storm Water
As of June 30, 2017

Monthly	All Customers
Base charge	$ 1.00

(a) Base service charge is based on each bill rendered.
(b) For residential & multiplex users, volume is measured as the rate per 1,000 gallons of a three-month winter average (December - February). For commercial customers, the volume charge is based on actual monthly usage.

Source: City customer service and billing records

(continued)

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA
TEN LARGEST WATER USERS
CURRENT YEAR AND TEN YEARS AGO

Table XIV

		2017			2008		
Entity	**Type of User**	**Avg Monthly Water Usage**	**Rank**	**Monthly Water Usage**	**Avg Monthly Water Usage**	**Rank**	**Monthly Water Usage**
Desert Harbor Lake	Homeowner's Association	7,072	1	0.89%	7,351	1	1.02%
City of Peoria Padre's Pump Station	Sports Complex	6,396	2	0.81%	5,983	2	0.83%
Trilogy at Vistancia	Commercial Landscape	2,614	3	0.33%	3,161	3	0.44%
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	2,032	4	0.26%	1,330	6	0.19%
Sun Garden Park II HOA	Homeowner's Association	1,885	5	0.24%	2,237	4	0.31%
Sun Garden Mobile Home Park	Homeowner's Association	1,512	6	0.19%			
Desert Harbor Landscape	Homeowner's Association	1,501	7	0.19%			
Equity Lifestyle Prop Inc - Casa Del Sol East	Multi-Family Residential	1,403	8	0.18%	1,120	10	0.16%
Equity Lifestyle Prop Inc - Casa Del Sol West	Multi-Family Residential	1,288	9	0.16%			
Polynesian Village	Homeowner's Association	1,248	10	0.16%	1,444	5	0.20%
Centennial High School	Public School				1,323	7	0.18%
Ventana Lakes S. of Beardsley Lake	Multi-Family Residential				1,213	8	0.17%
Equity Lifestyle Prop Inc - Casa Del Sol	Multi-Family Residential				1,207	9	0.17%

Source: City customer service and billing records

(concluded)

CITY OF PEORIA, ARIZONA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table XV

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Governmental Activities										
General Obligation Bonds	$ 126,195,000	$ 183,060,000	$ 184,960,000	$ 167,580,000	$ 170,960,000	$ 162,375,000	$ 152,820,000	$ 145,088,146	$ 170,995,550	$ 158,031,697
Municipal Development Authority Debt Obligations	65,795,653	60,985,393	55,943,338	58,365,965	52,480,000	85,230,000	81,035,000	77,797,482	73,257,994	68,529,573
Highway User Revenue Bonds	3,295,000	3,005,000	-	-	-	-	-	-	-	-
Special Assessment Bonds	12,027,427	10,402,812	8,042,321	6,155,000	4,660,000	3,520,000	3,195,000	2,865,416	2,508,814	2,137,211
Community Facilities District Bonds	64,610,000	63,060,000	60,890,000	58,615,000	56,230,000	53,725,000	51,095,000	48,409,540	40,575,685	40,400,804
Business-type Activities										
Water and Sewer Revenue Bonds	19,555,000	18,000,000	15,780,000	15,780,000	38,480,000	37,295,000	32,720,000	29,669,224	24,622,433	19,095,643
WIFA Loans	127,917,495	117,346,302	130,298,508	121,975,538	89,803,906	82,212,652	77,780,535	73,235,496	78,549,337	74,229,903
Municipal Development Authority Debt Obligations	1,579,347	1,229,607	861,662	449,034	-	-	-	-	-	-
Long-Term Loan Payable	1,235,000	1,064,632	6,883,276	-	-	-	-	-	-	-
Total Primary Government	$ 422,209,922	$ 458,153,746	$ 463,659,105	$ 428,920,537	$ 412,613,906	$ 424,357,652	$ 398,645,535	$ 377,065,304	$ 390,509,813	$ 362,424,831
Total Debt Per Capita	$ 2,714.13	$ 2,876.71	$ 3,009.50	$ 2,764.59	$ 2,631.80	$ 2,643.91	$ 2,429.22	$ 2,238.44	$ 2,280.52	$ 2,092.43
Total Debt as a % of Personal Income	7.1%	7.6%	8.5%	7.8%	7.4%	7.1%	6.4%	5.8%	5.7%	5.1%

Source: City financial records. Debt schedule exhibits and Long-term liability activity footnote

CITY OF PEORIA, ARIZONA
RATIO OF NET GENERAL BONDED DEBT
TO FULL CASH VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Table XVI

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Bonded Debt (1)	$ 126,195,000	$ 183,060,000	$ 184,960,000	$ 167,580,000	$ 170,960,000	$ 162,375,000	$ 152,820,000	$ 145,088,146	$ 170,995,550	$ 158,031,697
Less:										
Debt Service Reserves (2)	36,464,380	44,978,714	35,352,142	31,849,469	30,782,503	30,825,566	28,924,537	25,859,071	26,583,502	25,529,967
Net Bonded Debt	$ 89,730,620	$ 138,081,286	$ 149,607,858	$ 135,730,531	$ 140,177,497	$ 131,549,434	$ 123,895,463	$ 119,229,075	$ 144,412,048	$ 132,501,730
Percentage of Net Bonded Debt to Full Cash Value	0.6%	0.8%	0.9%	0.9%	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%
Percentage of Net Bonded Debt to Assessed Value (3)	5.5%	6.9%	7.9%	8.4%	11.0%	11.6%	11.7%	10.3%	12.3%	10.6%
Net Bonded Debt Per Capita	$577	$867	$971	$875	$894	$820	$755	$708	$843	$765
Net Bonded Debt as a % of Personal Income	1.50%	2.30%	2.74%	2.47%	2.53%	2.20%	1.99%	1.83%	2.12%	1.87%

(1) Represents face value of general obligation debt outstanding plus deferred bond premiums
(2) Fund balance of GO Bond Debt Service Fund per the fund financial statements
(3) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service.
Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values.
Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Note: Personal income and population information may be found on Table XXV
Full cash value information may be found on Table VIII

Sources - City debt service schedules & Long-term liability footnote.

CITY OF PEORIA, ARIZONA **Table XVII**

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT - CURRENT FISCAL YEAR

AS OF JUNE 30, 2017

Governmental Unit	Limited Assessed Valuation	General Obligation Bonds Outstanding (2)	Percentage Applicable to City of Peoria (1)	Amount Applicable to City of Peoria	Secondary Tax Rate per $100 Assessed
Overlapping:					
State of Arizona	$ 56,573,588,295	$ -	2.20%	$ -	$ -
Maricopa County	36,135,494,474	-	3.44%	-	-
Maricopa County Community College District	36,135,494,474	509,430,000	3.44%	17,547,206	0.23
Maricopa County Flood Control District	32,624,765,419	-	3.82%	-	0.18
Maricopa County Library District	36,135,494,474	-	3.44%	-	0.06
Maricopa County Fire District Assistance	36,135,494,474	-	3.44%	-	0.01
Maricopa County Special Health Care District	36,198,108,538	73,000,000	3.44%	2,510,120	0.31
Central AZ Water Conservation	36,198,108,538	-	3.44%	-	0.14
West MEC Vocational District	13,271,790,771	141,255,000	9.38%	13,247,434	0.08
Sub-total - City-wide overlapping				33,304,760	
Total City-wide debt levies (3)				191,336,457	
Unified School Districts:					
Peoria No. 11	1,067,596,292	217,615,000	85.77%	186,654,480	3.26
Deer Valley No. 97	171,947,005	219,675,000	13.81%	30,347,141	2.45
Nadaburg No. 81	1,334,523	540,000	0.11%	579	0.35
Sub-total - Unified school district overlapping				217,002,200	
Total overlapping				250,306,960	
Direct:					
City of Peoria	$ 1,244,679,295	$ 158,031,697	100.00%	158,031,697	$ 1.25
Total direct and overlapping debt				$ 408,338,657	

Notes: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city. This table estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses in the city. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Does not include debt amount of Vistancia Community Facilities District ($34,098,000) or Vistancia West Community Facilities District ($3,000,000).

(1) Percentage applicable to the City is computed on the ratio of secondary assessed valuation.

(2) Includes total stated principal amount of general obligation bonds outstanding. Does not include certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed.

(3) Total City-wide debt levies are County debt plus City debt.

Sources:
- City of Peoria financial records
- Maricopa County Treasurer
- Individual jurisdictions' CAFRs and official statements
- Maricopa County Assessor
- State of Arizona, Department of Revenue, Abstract of the Assessment Roll

CITY OF PEORIA, ARIZONA **Table XVIII**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - CURRENT FISCAL YEAR

AS OF JUNE 30, 2017

Governmental Unit	Limited Assessed Valuation	Debt Outstanding (2)	Percentage Applicable to City of Peoria (1)	Amount Applicable to City of Peoria	Secondary Tax Rate per $100 Assessed
Overlapping:					
State of Arizona	$ 56,573,588,295	$ -	2.20%	$ -	$ -
Maricopa County	36,135,494,474	-	3.44%	-	-
Maricopa County Community College District	36,135,494,474	509,430,000	3.44%	17,547,206	0.23
Maricopa County Flood Control District	32,624,765,419	-	3.82%	-	0.18
Maricopa County Library District	36,135,494,474	-	3.44%	-	0.06
Maricopa County Fire District Assistance	36,135,494,474	-	3.44%	-	0.01
Maricopa County Special Health Care District	36,198,108,538	-	3.44%	-	0.31
Central AZ Water Conservation	36,198,108,538	-	3.44%	-	0.14
West MEC Vocational District	13,271,790,771	141,255,000	9.38%	13,247,434	0.08
Sub-total - City-wide overlapping				30,794,640	
Total City-wide debt levies (3)				188,826,337	
Unified School Districts:					
Peoria No. 11	1,067,596,292	217,615,000	85.77%	186,654,480	3.26
Deer Valley No. 97	171,947,005	219,675,000	13.81%	30,347,141	2.45
Nadaburg No. 81	1,334,523	540,000	0.11%	579	0.35
Sub-total - Unified school district overlapping				217,002,200	
Total overlapping				247,796,840	
Direct:					
City of Peoria	1,244,679,295	$ 158,031,697	100.00%	158,031,697	$ 1.25
Total direct and overlapping debt				$ 405,828,537	

Notes: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city. This table estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses in the city. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Does not include debt amount of Vistancia Community Facilities District ($34,098,000) or Vistancia West Community Facilities District ($3,000,000).

(1) Percentage applicable to the City is computed on the ratio of secondary assessed valuation.

(2) Includes total stated principal amount of general obligation bonds outstanding. Does not include certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed.

(3) Total City-wide debt levies are County debt plus City debt.

Sources:
- City of Peoria financial records
- Maricopa County Treasurer
- Individual jurisdictions' CAFRs and official statements
- Maricopa County Assessor
- State of Arizona, Department of Revenue, Abstract of the Assessment Roll

CITY OF PEORIA, ARIZONA **Table XIX**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS

Governmental Unit	Fiscal Year 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overlapping:										
State of Arizona	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maricopa County	-	-	-	-	-	-	-	-	-	-
Community College District	18,505,348	17,301,999	21,354,408	23,908,932	22,084,125	25,357,414	23,384,382	21,550,210	20,203,810	17,547,206
County Flood Control District	-	-	-	-	-	-	-	-	-	-
County Free Library	-	-	-	-	-	-	-	-	-	-
Fire District Assistance	-	-	-	-	-	-	-	-	-	-
Education Equalization	-	-	-	-	-	-	-	-	-	-
West MEC Vocational District	-	-	-	-	-	3,241,000	3,198,843	3,025,964	6,722,916	13,247,434
Central AZ Water Conservation	-	-	-	-	-	-	-	-	-	-
Sub-total - City-wide overlapping	18,505,348	17,301,999	21,354,408	23,908,932	22,084,125	28,598,414	26,583,225	24,576,174	26,926,726	30,794,640
Total City-wide levies (1)	331,783,787	393,645,062	405,549,288	384,534,551	371,967,077	394,056,576	317,946,402	298,736,758	314,264,769	188,826,337
Unified School Districts:										
Peoria No. 11	224,219,333	210,241,616	166,217,415	196,735,864	177,729,492	163,033,794	208,200,535	180,916,246	219,811,259	186,654,480
Deer Valley No. 97	15,471,750	21,558,687	26,201,313	24,618,198	25,445,126	25,160,995	27,264,686	25,506,618	26,927,344	30,347,141
Nadaburg No. 81	-	-	-	7,800	4,524	284,900	2,286	1,212	789	579
Sub-total - Unified school district overlapping	239,691,083	231,800,303	192,418,728	221,361,862	203,179,142	188,479,689	235,467,507	206,424,076	246,739,392	217,002,200
Total overlapping	258,196,431	249,102,302	213,773,136	245,270,794	225,263,267	217,078,103	262,050,732	231,000,250	273,666,118	247,796,840
Direct (2):										
City of Peoria	313,278,439	376,343,063	384,194,880	360,625,619	349,882,952	365,458,162	291,363,177	274,160,584	287,338,043	158,031,697
Total direct and overlapping debt	$ 571,474,870	$ 625,445,365	$ 597,968,016	$ 605,896,413	$ 575,146,219	$ 582,536,265	$ 553,413,909	$ 505,160,834	$ 561,004,161	$ 405,828,537

(1) - Total City-wide debt levies are County debt plus City debt.

(2) - Due to a recommended change in accounting principle, the contracts payable category is no longer being used to calculate direct governmental activities debt.

Sources: City Financial Records
- Maricopa County Treasurer for debt of other entities

CITY OF PEORIA, ARIZONA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

Table XX

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Property Assessed Value (1)	$ 1,642,187,476	$ 1,994,591,924	$ 1,895,163,851	$ 1,609,972,512	$ 1,276,335,862	$ 1,137,434,740	$ 1,057,413,204	$ 1,155,587,438	$ 1,178,016,995	$ 1,244,679,295
6% Limitation										
Debt limit	$ 98,531,249	$ 119,675,515	$ 113,709,831	$ 96,598,351	$ 76,580,152	$ 68,246,084	$ 63,444,792	$ 69,335,246	$ 70,681,020	$ 74,680,758
Total net debt applicable to limit	13,310,000	6,745,000	5,565,000	4,570,000	2,735,000	1,665,000	350,000	-	4,814,727	4,149,727
Legal 6% Debt Margin	$ 85,221,249	$ 112,930,515	$ 108,144,831	$ 92,028,351	$ 73,845,152	$ 66,581,084	$ 63,094,792	$ 69,335,246	$ 65,866,293	$ 70,531,031
Total net debt applicable to the limit as a percentage of debt limit	13.5%	5.6%	4.9%	4.7%	3.6%	2.4%	0.6%	0.0%	6.8%	5.6%
20% Limitation										
Debt limit	$ 328,437,495	$ 398,918,385	$ 379,032,770	$ 321,994,502	$ 255,267,172	$ 227,486,948	$ 211,482,641	$ 231,117,488	$ 235,603,399	$ 248,935,859
Total net debt applicable to limit	112,885,000	176,315,000	179,395,000	163,010,000	168,225,000	160,710,000	152,470,000	142,925,000	155,345,273	144,090,273
Legal 20% Debt Margin	$ 215,552,495	$ 222,603,385	$ 199,637,770	$ 158,984,502	$ 87,042,172	$ 66,776,948	$ 59,012,641	$ 88,192,488	$ 80,258,126	$ 104,845,586
Total net debt applicable to the limit as a percentage of debt limit	34.4%	44.2%	47.3%	50.6%	65.9%	70.6%	72.1%	61.8%	65.9%	57.9%

(1) Prior to FY2015-16, Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service.
Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values.
Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Source: Maricopa County Assessor and City records

CITY OF PEORIA, ARIZONA **Table XXI**

PLEDGED REVENUE COVERAGE - MUNICIPAL DEVELOPMENT AUTHORITY DEBT OBLIGATIONS
GOVERNMENTAL PORTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Senior Lien MDA Debt (excludes 2008 Transportation MDA Debt)										
Pledged Revenues										
Sales and use taxes (1)	$ 58,145,253	$ 50,215,336	$ 47,957,886	$ 49,541,810	$ 51,737,833	$ 56,145,066	$ 60,587,446	$ 63,331,915	$ 67,425,794	$ 71,476,726
State-shared sales tax	12,695,890	10,991,095	10,137,682	11,649,489	12,087,651	12,665,191	13,431,637	14,139,128	14,760,029	15,631,512
Urban revenue sharing	19,539,768	20,395,663	17,469,936	13,408,996	13,231,006	14,425,958	17,172,500	18,650,521	18,549,406	20,949,613
Franchise taxes	3,848,746	4,019,182	3,955,416	4,037,897	4,084,163	4,136,004	4,194,371	4,312,836	4,461,864	4,501,681
License and permits	3,020,436	1,802,759	1,599,957	1,672,072	2,106,545	2,564,075	2,800,894	3,132,178	4,080,210	4,778,632
Fines and forefeitures	2,404,459	3,309,210	2,525,753	2,813,535	2,521,407	2,058,925	1,933,142	1,699,818	1,601,014	1,433,868
User fees and charges	16,137,447	11,420,810	10,185,728	10,502,078	10,895,825	11,889,776	12,535,479	12,703,987	11,998,841	14,376,186
Miscellaneous	6,247,418	3,781,537	1,674,775	2,692,430	1,656,235	2,534,262	1,379,952	2,146,784	2,341,988	2,980,499
Total Pledged Revenues	$ 122,039,417	$ 105,935,592	$ 95,507,133	$ 96,318,307	$ 98,320,665	$ 106,419,257	$ 114,035,421	$ 120,117,167	$ 125,219,146	$ 136,128,717
Senior Lien Debt Service Requirements										
Principal (2)	3,185,000	3,400,000	3,575,000	3,990,000	1,569,999	665,000	2,010,000	2,020,000	2,085,000	2,165,000
Interest (2)	1,005,806	842,867	670,386	482,594	505,827	1,065,571	1,708,383	1,642,083	1,567,808	1,483,533
Total Senior Lien Debt Service Requirements	4,190,806	4,242,867	4,245,386	4,472,594	2,075,826	1,730,571	3,718,383	3,662,083	3,652,808	3,648,533
Estimated Coverage	29.12	24.97	22.50	21.54	47.36	61.49	30.67	32.80	34.28	37.31
2008 Transportation MDA Debt (3)										
Net Pledged Revenues from above (4)	117,848,611	101,692,725	91,261,747	91,845,713	96,244,839	104,688,686	110,317,038	116,455,084	121,566,339	132,480,184
Additional Pledged Revenues (5)	10,978,453	9,356,675	8,491,097	8,682,846	9,088,210	9,927,436	10,861,145	11,334,889	12,231,059	12,939,338
Total	128,827,064	111,049,400	99,752,844	100,528,559	105,333,049	114,616,122	121,178,183	127,789,973	133,797,398	145,419,522
Debt Service Requirements										
Principal	-	1,760,000	1,835,000	1,920,000	2,005,000	2,095,000	2,185,000	2,285,000	2,385,000	2,490,000
Interest	-	1,659,171	2,005,188	1,940,963	1,873,763	1,803,588	1,730,263	1,648,325	1,545,500	1,438,175
Total Annual Requirements	-	3,419,171	3,840,188	3,860,963	3,878,763	3,898,588	3,915,263	3,933,325	3,930,500	3,928,175
Estimated Coverage	-	32.48	25.98	26.04	27.16	29.40	30.95	32.49	34.04	37.02

Note: (1) Excludes the 0.3% Transportation Sales Tax approved by voters in September 2005 for the 2008 Transportation MDA Debt.

(2) Debt service requirements reflect all outstanding MDA issues other than the 2008 MDA Transportation issue discussed below. Although the debt service on some MDA debt obligations, including the 2011 MDA Debt Obligation, are funded by Enterprise Funds, the pledged revenue for all MDA debt is excise taxes and state shared revenues.

(3) The 2008 Transportation MDA Debt Obligation is backed by a senior lien on the .03% transaction priviledge tax approved by voters in 2005 and a subordinated lien of the Excise Taxes and State Shared revenues.

(4) Pledged revenues on the non-transportation MDA Debt Obligations, less the debt requirements for the non-transportation MDA Debt Obligations.

(5) Revenues of the Transportation Sales Tax Fund, primarily consisting of the 0.3% transaction priviledge tax discussed above.

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

CITY OF PEORIA, ARIZONA **Table XXII**

PLEDGED REVENUE COVERAGE - WATER AND WASTEWATER REVENUE BONDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009 [2]	2010	2011	2012 [6]	2013	2014	2015	2016	2017
Gross Revenue (1)	$ 49,812,486	$ 46,956,831	$ 48,087,688	$ 46,141,098	$ 50,720,705	$ 52,680,761	$ 54,515,296	$ 52,770,260	$ 64,032,933	$ 64,032,933
Operating and Maintenance Expenses (2)	34,287,751	33,751,517	28,067,908	28,610,625	28,823,261	28,974,990	30,942,736	35,326,061	35,787,927	35,787,927
Net Revenue Available for Debt Service	$ 15,524,735	$ 13,205,314	$ 20,019,780	$ 17,530,473	$ 21,897,444	$ 23,705,771	$ 23,572,560	$ 17,444,199	$ 28,245,006	$ 28,245,006
Development Fee Revenue	5,821,318	1,841,126	1,616,718	1,899,935	2,820,416	3,205,623	4,311,153	4,418,565	5,116,972	6,268,689
Total Net Revenue	$ 21,346,053	$ 15,046,440	$ 21,636,498	$ 19,430,408	$ 24,717,860	$ 26,911,394	$ 27,883,713	$ 21,862,764	$ 33,361,978	$ 34,513,695
Debt Service Requirements										
Principal (3)	4,220,006	4,372,224	7,362,889	7,025,129	7,941,123	8,776,254	9,007,117	9,210,038	9,456,159	10,635,513
Interest (4)	3,316,344	4,852,315	4,332,089	4,501,266	4,242,754	3,579,904	3,343,413	3,097,542	3,026,940	2,621,761
Total Debt Service Requirements	$ 7,536,350	$ 9,224,539	$ 11,694,978	$ 11,526,395	$ 12,183,877	$ 12,356,158	$ 12,350,530	$ 12,307,580	$ 12,483,099	$ 13,257,274
Ratio of Total Net Revenue/ Total Bond Expense	2.83	1.63	1.85	1.69	2.03	2.18	2.26	1.78	2.67	2.60
Ratio of Net Available/ Total Bond Expense (5)	2.06	1.43	1.71	1.52	1.80	1.92	1.91	1.42	2.26	2.13

(1) Includes total operating revenues and investment income of the Water Utility and Wastewater Utility Enterprise Funds.

(2) Includes total operating expenses of the Water Utility and Wastewater Utility Enterprise Funds, less depreciation amortization. For FY09 also excludes a one-time insurance claim ($7,930,000) and a one-time charge from Central Arizona Project for back billed water capital recovery charges ($3,670,364).

(3) Includes principal for Water and Sewer Revenue bonds and Water Infrastructure Finance Authority loans. Although some MDA bonds are financed by the Utility Funds, the pledged revenue is excise tax therefore the debt is included in the MDA Bond debt coverage calculations on Table XXI.

(4) Bond interest payments only. Does not include amortization of loss on refunding, capitalized interest, agent fees or amortization of bond issuance costs that are included in interest expense on the statement of revenues, expenses, and changes in net position.

(5) Excludes Development Fee Revenue.

(6) In FY2012 $24,810,509 in principal and $405,829 in interest were defeased. These additional debt payments have been removed from the FY12 debt service requirements so as not to distort the ratios.

Source: Statement of Revenues, Expenses, and Changes in Fund Net Position
Repayment schedules for debt serviced by Water and Wastewater Utility Enterprise funds

CITY OF PEORIA, ARIZONA **Table XXIII**

PLEDGED REVENUE COVERAGE - SPECIAL ASSESSMENT BONDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Pledged Revenues (1)	$ 3,167,933	$ 3,365,342	$ 3,402,865	$ 2,645,451	$ 2,262,112	$ 1,484,283	$ 1,259,303	$ 1,168,526	$ 1,078,196	$ 2,787,558
Debt Service Requirements										
Principal	1,264,637	1,624,615	2,360,492	1,887,322	1,495,000	1,140,000	325,000	340,000	355,000	370,000
Interest (2)	697,840	675,958	559,205	432,302	316,720	222,820	149,600	135,788	121,338	106,250
Total Annual Requirements	$ 1,962,477	$ 2,300,573	$ 2,919,697	$ 2,319,624	$ 1,811,720	$ 1,362,820	$ 474,600	$ 475,788	$ 476,338	$ 476,250
Estimated Coverage	1.61	1.46	1.17	1.14	1.25	1.09	2.65	2.46	2.26	5.85

(1) - Pledged revenues equals Special Assessment Debt Service Fund current year fund balance plus current year principal & interest payments.

(2) - Bond interest payments only. Does not include agent fees included in interest expense on the Statement of Revenues, Expenditures and Changes in Fund Balance.

Source: City financial records
Governmental Fund Financial Statements

CITY OF PEORIA, ARIZONA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

Table XXIV

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014 (3)**	**2015 (4)**	**2016 (5)**	**2017 (6)**
Current Assessments Due	$ 1,749,724	$ 2,196,027	$ 2,211,609	$ 2,171,435	$ 1,849,026	$ 1,213,646	$ 455,116	$ 381,761	$ 381,950	$344,741
Assessments Collected	1,749,246	2,193,992	2,211,599	2,171,435	1,848,788	1,213,646	455,116	381,761	381,950	344,741
Prepaid Assessments Collected	44,061	2,041	38,301	-	205,901	-	675,958	-	-	1,809,173
Total Assessments Collected (1)	$ 1,793,307	$ 2,196,033	$ 2,249,900	$ 2,171,435	$ 2,054,689	$ 1,213,646	$ 1,131,074	$ 381,761	$ 381,950	$2,153,914
Ratio of Current Collections to Amount Due	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Outstanding Assessment Principal (2)	$ 11,476,365	$ 9,871,061	$ 8,141,515	$ 6,328,423	$ 4,551,324	$ 3,520,000	$ 2,603,127	$ 2,326,112	$ 2,036,876	$0.00

(1) Does not include penalties or administrative fees which are included in special assessment revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

(2) Principal only. Assessments Receivable on Balance Sheet-Governmental Funds may include delinquent administrative charges, interest and penalties.

(3) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately $25,957,000 for Lot No. 1, $17,577,500 for Lot No. 2 and $669,500 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

(4) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately $25,957,000 for Lot No. 1, $23,400,000 for Lot No. 2 and $669,500 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

(5) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately $30,000,000 for Lot No. 1, $21,066,600 for Lot No. 2 and $770,300 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

(6) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately $30,000,000 for Lot No. 1, $25,285,800 for Lot No. 2 and $733,200 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

Source: City financial records and reports

CITY OF PEORIA, ARIZONA **Table XXV**
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

	2008	2009	2010 *	2011	2012	2013	2014	2015	2016	2017
City Of Peoria										
Population	155,560	159,263	154,065	155,148	156,780	160,504	164,104	168,450	171,237	173,208
% growth	1.3%	2.4%	-3.3%	0.7%	1.1%	2.4%	2.2%	2.6%	1.7%	1.2%
Unemployment Rate	3.6%	6.7%	7.0%	8.7%	7.1%	6.8%	6.0%	5.0%	4.9%	4.2%
Personal income ($000's) **	5,964,948	5,998,322	5,462,529	5,489,757	5,547,504	5,966,094	6,236,937	6,526,595	6,823,110	7,068,792
Maricopa County										
Population	3,987,492	4,105,623	4,217,427	4,328,379	4,438,459	3,922,600	3,944,859	4,008,651	4,076,438	4,137,076
% growth	2.8%	3.0%	2.7%	2.6%	2.5%	-11.6%	0.6%	1.6%	1.7%	1.5%
Unemployment Rate	5.1%	9.4%	9.7%	9.0%	7.6%	7.1%	6.4%	5.3%	5.3%	4.5%
Per Capita Income	39,530	38,811	36,530	36,643	38,411	39,300	40,030	41,222	42,092	NA
State of Arizona										
Population	6,629,455	6,812,137	6,999,810	7,186,070	7,370,993	6,553,800	6,581,054	6,667,241	6,828,065	6,931,071
% growth	3.1%	2.8%	2.8%	2.7%	2.6%	-11.1%	0.4%	1.3%	2.4%	1.5%
Unemployment Rate	5.9%	10.2%	10.6%	10.0%	8.7%	8.5%	7.5%	6.3%	6.2%	5.3%
Per Capita Income	35,863	35,772	33,972	33,967	35,446	36,243	36,823	37,895	39,156	40,415
United States of America										
Unemployment Rate	5.7%	9.7%	9.6%	9.3%	8.4%	7.8%	6.3%	5.3%	4.9%	4.4%
Phoenix MSA										
Per Capita Income	38,345	37,663	35,456	35,384	37,171	38,006	38,745	39,846	40,811	NA

NA = Data not available at this time.
* - Census years. Mid decade census conducted for population only.
** - In thousands of dollars. Peoria personal income calculated by multiplying Phoenix Metropolitan Statistical Area (MSA) per capita income times Peoria population.

Notes : Population estimates in non-census years are estimates from the sources listed below.
Most recent per capita income information is one-two years old. Most recent year of Peoria persona income calculated using most recent available per capital information. Per capita income information not available for the City of Peoria.

Source: City population for most current year based on City staff estimates based on building permit activity.
Other population and unemployment data - U.S. Bureau of Labor Statistics (www.bls.gov) and Arizona Department of Commerce (www.workforce.az.gov).
Unemployment statistics for June of the fiscal year using non-seasonally adjusted figures.
Per Capita Income Data - U.S. Dept of Commerce, Bureau of Economic Analysis, Info available through 2015 for Phoenix & Maricopa County and 2016 for State of Arizona

CITY OF PEORIA, ARIZONA
MAJOR EMPLOYERS WITHIN THE CITY
CURRENT YEAR AND TEN YEARS AGO

Table XXVI

	2017			2008		
Employer	**# of Employees**	**Rank**	**Percentage of Total City Employment**	**# of Employees**	**Rank**	**Percentage of Total City Employment**
Peoria Unified School District	4,037	1	4.7%	4,500	1	6.1%
City of Peoria	1,192	2	1.4%	1,244	2	1.7%
Walmart (Multiple Locations)	604	3	0.7%	748	3	1.0%
Fry's Food Stores (4 Locations)	518	4	0.6%	543	5	0.7%
Banner Health	511	5	0.6%			
The Younger Brothers Group Inc	485	6	0.6%			
Brookdale Senior Living	471	7	0.5%			
Target (3 Locations)	400	8	0.5%	523	6	0.7%
McDonalds	345	9	0.4%			
Antigua	339	10	0.4%	287	7	0.4%
Plaza Del Rio Campus/Freedom Plaza & Care Center				700	4	0.9%
Larry Miller Dodge/Hyundai				270	8	0.4%
Safeway (4 Locations)				264	9	0.4%
Northern Pipeline				260	10	0.4%
Emmanuel Care Campus				260	10	0.4%
Total	8,902		10.3%	9,599		13.0%
Total City Employment	86,620			73,866		

Sources: City of Peoria Economic Development Department & Maricopa Association of Governments Employer Database 2016
Arizona Unemployment Statistics Program Special Employment Report www.azstats.gov

CITY OF PEORIA, ARIZONA **Table XXVII**

AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of June 30, 2017

	2008	2009	2010	2011 *	2012	2013	2014	2015	2016	2017
General Government										
Mayor & Council	6.00	6.00	6.00	-	-	-	-	-	-	-
City Manager	13.00	13.00	10.00	15.00	15.00	16.00	16.00	16.00	16.00	18.00
Office of Communications	13.50	9.50	8.50	8.00	7.00	8.00	8.00	8.00	9.00	9.00
Human Resources	17.00	17.00	19.00	18.00	17.00	17.50	17.50	17.50	19.00	19.00
Attorney	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
City Clerk	9.00	9.00	9.00	9.00	8.00	7.00	7.00	7.00	7.00	7.00
Court	22.00	22.00	22.00	21.00	20.90	20.90	20.90	20.90	20.90	20.90
Economic Development***	5.00	5.00	13.30	27.80	26.00	26.00	28.00	30.50	31.50	8.00
Finance & Budget	97.00	96.00	89.75	86.75	80.75	80.75	80.00	80.00	79.00	79.00
Culture & Recreation	131.74	142.04	125.47	115.97	113.57	111.97	115.97	115.97	119.22	121.47
Police	286.00	287.00	271.00	287.00	289.00	288.00	292.00	292.00	295.00	299.00
Fire	173.00	170.00	167.00	164.00	162.00	167.50	168.50	168.50	175.50	194.50
Community Development	53.80	49.80	51.00	15.50	12.50	12.50	13.50	14.00	15.00	16.00
Development and Engineering***	49.00	45.25	39.75	39.75	33.25	33.25	33.25	33.25	33.25	65.00
Highways & Streets	44.00	43.00	41.00	44.00	38.80	38.80	38.80	38.80	38.80	38.80
Public Works	70.50	69.50	63.75	56.75	57.95	57.95	57.95	57.95	57.95	57.95
Human Services	14.50	14.50	11.75	10.00	7.50	7.50	7.50	7.50	7.50	7.50
Water Utility	75.00	72.75	60.75	57.75	56.50	55.50	55.50	55.50	55.50	58.50
Wastewater Utility	25.00	28.25	29.25	29.25	29.50	29.50	29.50	29.50	31.50	32.50
Solid Waste Utility	47.00	45.00	45.00	43.25	45.00	45.00	45.50	45.50	49.50	53.25
Information Technology	47.00	47.00	46.00	41.60	39.00	39.00	40.00	40.00	41.00	42.00
Stadium	19.00	19.00	19.00	15.50	15.50	16.50	17.50	17.50	17.50	18.50
Total FTE**	1,244.04	1,236.59	1,174.27	1,131.87	1,100.72	1,105.12	1,118.87	1,121.87	1,145.62	1,191.87

Note: Counts do include part-time non-seasonal benefitted employees.

* Interdepartmental reorganization is reflected in FY2011 numbers. This will explain some of the significant changes in departments such as Mayor and Council, City Manager, Economic Development and Community Development.

**The Total FTE presentation for years 2008-2013 was updated to reflect a calculation correction.

***The presentation was updated in fiscal year 2017 to reflect the renaming of departments.

Source: City budget office

CITY OF PEORIA, ARIZONA **Table XXVIII**

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Fiscal Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
General Government										
Registered Voters in City	71,051	76,323	82,578	86,803	85,592	87,432	89,604	87,541	93,916	101,881
Voter Participation (last election)	60.6%	81.2%	29.2%	29.2%	23.7%	23.7%	24.9%	31.3%(F)	N/A	76.7%
Culture & Recreation										
Recreation Participants	119,620	131,372	132,391	134,661	136,200	134,045	122,318	120,232	104,544	109,220
New Recreation Accounts	6,692	6,237	5,903	5,968	6,106	5,396	5,533	5,483	5,166	5,396
Special Event Participants	*	*	46,578	60,715	65,347	73,800	74,950	79,550	71,300	102,938
Police										
Calls for Service	62,341	60,219	56,683	56,764	57,184	54,159	52,193	47,612	53,256	55,136
Avg Response Time (minutes)	5.98	5.47	5.65	5.87	6.01	4.52 (C)	4.39 (C)	4.55 (C)	5.13 (C)	5.40 (C)
Fire										
Number of Incidents	13,649	13,361	14,874	15,403	17,717	18,719	19,312	20,873	23,824	23,726
Avg Response Time (minutes)	4.40	4.43	5.02	5.19	5.08	5.14	5.30	5.24	5.38	5:16(A)
Development Services										
Building Permits Issued	2,943	1,486	1,497	1,401	2,371	3,625(D)	3,993(D)	4,534(D)	5,818(D)	6,336(D)
Value of Building Permits (millions $)	$225.5	$84.5	$131.8	$63.8	$111.2	$169.0	$188.3	$221.1	$311.9	$393.3
Highways & Streets										
Asphalt Used (in tons)	8,365	2,441	2,832	2,677	2,038	3,122	2,227	2,302	1,289	1,930
Centerline Miles Swept	7,604	7,526	5,935	6,159	6,202	6,143	5,660	4,968	4,118	6,199
Miles Inspected	381	423	422	85 (B)	163	187	205	211	296	1,551(G)
Public Works										
Number of Vehicle Work Orders	5,679	5,917	5,697	5,856	5,608	5,899	5,464	5,493	5,558	5,732
Human Services										
Number of Dial-a-Ride users	5,750	6,174	899	747	759	830	836	850	749	585
Number of Annual Trips	45,451	43,263	31,568	27,440	31,082	32,101	33,308	30,212	30,756	27,241
Business-type Activities										
Water Utility (E)										
Annual Consumption (000's gal)	8,626,688	8,674,450	8,212,711	8,003,947	8,448,795	8,405,929	8,662,507	8,090,136	8,650,664	9,488,059
Wastewater Utility										
Wastewater Treated (billion gal)	3.60	3.90	3.70	3.50	3.61	3.64	3.69	3.74	3.78	3.87
Solid Waste Utility										
Residential Tonnage Processed	61,290	48,970	47,540	47,989	46,299	47,717	47,987	51,666	52,593	54,967
Commercial Tonnage Processed	20,519	22,856	21,981	20,340	19,700	20,561	21,176	25,227	23,309	20,895
Recycle Tonnage Processed	11,549	16,084	15,516	16,277	15,715	15,184	15,155	16,077	16,447	16,698
Stadium										
Spring Training Attendance	230,434	211,243	200,029	188,244	190,643	196,881	192,513	238,847	240,111	227,646
Sporting Rentals Days	234	246	208	336	350	290	322	297	339	333
Non-Sporting Rentals Days	83	66	74	108	134	143	146	151	204	210

Notes: * Information is not available for these fiscal years.

(A) Decrease in Fire Average Response time reflects change in calculation. Beginning in FY17, average response time is calculated 1st unit on scene and only includes code 3 (emergency calls).

(B) Changed from lane miles to center line miles in FY11 to be consistent with other highway measurements

(C) Decrease in Police Average Response time reflects calculation change. New Calculation=Dispatch to Arrival. Previous calculation=Call for Service to Arrival.

(D) Beginning FY13, this number includes all permits issued including tenant improvements, C of O permits, and spec suite permits.

(E) Beginning in FY15, Average Gallons/Household/Year is no longer being presented.

(F) Percentage reflects voter participation in March 2015 Special General Election for Mesquite District Council. Eligible registered voters = 16,582.

(G) In FY17 an electronic survey of every road was completed.

Source: Various City Departments

CITY OF PEORIA, ARIZONA **Table XXIX**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
General Government										
Annexed Area (square miles)	177.9	177.9	179.0	179.1	179.1	179.1	179.1	179.1	179.1	179.1
Culture & Recreation										
# of Neighborhood Parks	26	28	28	28	32	33	33	34	34	34
Total Neighborhood Park Acreage	264	314	322	322	285	294	294	305	301	301
# of Community Parks	1	1	1	1	1	1	2	2	2	2
Total Community Park Acreage	52	52	52	52	52	52	139	139	139	139
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	103	92	86	86	86	86	88	88	90	91
Fire										
Stations (full-time / part-time)	7 / 1	7 / 1	7 / 1	7 / 1	7 / 1	7/1	7/1	7/1	8/0	8/0
Number of Fire Engines [B]	9	9	9	7	7	7	7	7	7	7
Number of Ladder Trucks	1	2	2	2	2	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	538	551	554	584	590	622	1452 [A]	1505 [A]	1,534	1,551
Crack Seal Application (linear feet)	*	*	*	*	*	*	1,165,460	1,156,722	2,144,476	2,007,173
Surface Treatments (lane miles)	*	*	*	*	*	*	88	96	60	99
Public Works										
Street Lights	13,618	13,726	13,901	14,093	14,333	15,006	14,786	14,945	15,565	15,722
Vehicles in Fleet	720	683	670	673	687	714	738	732	778	795
Utilities										
Number of Pump Stations	*	*	*	*	*	*	25	25	30	30
Number of Lift Stations	*	*	*	*	*	*	15	14	13	13
Number of Wells	*	*	*	*	*	*	38	40	46	47
Number of Reservoirs	*	*	*	*	*	*	30	30	33	33
Human Services										
Dial-a-Ride Buses	11	11	9	7	7	7	6	5	5	5
Business-type Activities										
Water Utility										
Number of Water Accounts	46,146	46,902	47,606	47,793	48,509	49,516	50,399	51,405	55,558	57,011
Storage Capacity (million gal)	41.8	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Wastewater Utility										
Number of Wastewater Accounts	48,759	49,923	50,383	50,715	51,527	52,674	53,548	54,599	56,235	57,909
Treatment Capacity (billion gal)	25.70	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25
Solid Waste Utility										
Number of Solid Waste Accounts	47,146	48,006	43,382	48,752	49,506	50,727	51,609	52,640	54,262	55,828
Stadium										
Number of Practice Fields	13	13	13	13	13	13	13	13	13	13
Number of Clubhouses	3	3	3	3	3	3	3	3	3	3
Total Complex Acreage [C]	125	125	125	125	125	125	125	125	125	125

Notes: * Information not tracked during this fiscal year.

[A] Measurement changed from centerlane miles to lane miles in FY14.

[B] Number of fire engines reported in FY13, FY14, FY15 and FY16 was restated to exclude a bush truck previously reported as a fire engine.

[C] Number updated in FY17 for all years presented to reflect land owned by the City which was used to construct office space, and thus not part of Stadium complex acreage.

Source: Various City Departments

Continuing Disclosures

Continuing Disclosure Section

SEC Rule 15c2-12, as amended, requires the City to provide Continuing Disclosure Annual Reports that include audited financial statements and other financial information for the benefit of owners and holders of bond obligations issued by the City. The Continuing Disclosure Annual Report shall contain or incorporate by reference certain information as set forth in the Continuing Disclosure Agreements and Undertakings executed by the City with the issuance of its municipal bond obligations.

Information in this section is provided solely pursuant to the requirements of SEC Rule 15c2-12 and Continuing Disclosure Agreements and Undertakings and include financial information that is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore unaudited and not covered by the auditor's opinion.

Annual continuing disclosure information is filed with the Municipal Securities Rulemaking Board (MSRB) for public access via their Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

Continuing Disclosures Annual Report

For the Year Ended June 30, 2017

Audited Financial Statements

The City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2017, is included as part of this submittal.

Other Financial Information

Information concerning the outstanding debt by type of bond can be found in the Notes to the Financial Statements, Note 7 Long Term Debt.

Other financial information required per the City's Continuing Disclosure Agreements and Undertakings for each type of bond obligation is incorporated by reference as follows:

	Statistical Section	Page
General Obligation Bonds (CUSIP 712838)		
Assessed values by property classification	Table VIII	121
Comparison of assessed value to full cash value	Table VIII	121
Comparative assessed values	Table IX	122
Direct and overlapping assessed values	Table XVII	132
Direct and overlapping tax rates	Table X	123
Property tax levies and collections	Table XIII	126
Direct and overlapping general obligation bonds	Table XVII	132
Direct general obligation debt ratios	Table XVI	131
Legal debt margin and unused borrowing capacity	Table XX	135
Water and Wastewater Revenue Bonds (CUSIP 712851)		
Net revenues and debt service coverage	Table XXII	137
Number of utility service connections	Table XIVa	127
Ten largest water users	Table XIVc	129
Municipal Development Authority Bonds (CUSIP 71284R and 71285A)		
Excise tax and state shared revenues and debt service coverage	Table XXI	136
Privilege and use tax rates by category	Table VI	119
Annual debt service requirements	Table XXI	136
Improvement District Bonds (CUSIP 712844)		
Legal debt margin and unused borrowing capacity	Table XX	135
Assessed values by property classification	Table VIII	121
Property tax levies and collections	Table XIII	126
Special assessment collections	Table XXIV	139

City of Peoria

FINANCE DEPARTMENT
8401 West Monroe Street
Peoria, Arizona 85345

www.peoriaaz.gov

City of Peoria, Arizona
Single Audit Reporting Package
Year Ended June 30, 2017

CITY OF PEORIA, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2017

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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*

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Peoria, 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 City of Peoria, Arizona, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Peoria, Arizona's basic financial statements, and have issued our report thereon dated November 8, 2017. Our report included emphasis of matter paragraphs as to comparability because of the implementation of Governmental Accounting Standards Board Statement Nos. 77 and 78 and, the restatement of beginning balances due to adjustments to the City's capital asset balances.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
November 8, 2017

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

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Peoria, Arizona

Report on Compliance for Each Major Federal Program

We have audited City of Peoria, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Peoria, Arizona's major federal programs for the year ended June 30, 2017. City of Peoria, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Peoria, Arizona's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Peoria, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Peoria, Arizona's compliance.

Opinion on Each Major Federal Program
In our opinion, City of Peoria, Arizona complied, in all material respects, with the types of 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, 2017.

Report on Internal Control Over Compliance
Management of City of Peoria, Arizona is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Peoria, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Peoria, Arizona's internal control over compliance.

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

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

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 City of Peoria, Arizona as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Peoria, Arizona's basic financial statements. We issued our report thereon dated November 8, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

[redacted]

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
November 8, 2017

CITY OF PEORIA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Payments to Subrecipients	Expenditures & Transfers
U.S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grants/Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-04-0509	247,103	977,034
Community Development Block Grants/Entitlement Grants	14.218	B-11-MN-04-0508		240,225
Total Community Development Block Grants/Entitlement Grants Cluster			247,103	1,217,259
Passed through Maricopa County:				
Home Investment Partnership Program	14.239	N/A	91,391	102,681
Total U.S. Department of Housing and Urban Development			338,494	1,319,940
U.S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	N/A		96
Public Safety Partnership and Community Policing Grants	16.710	2013ULWX0041		71,772
Public Safety Partnership and Community Policing Grants	16.710	2016ULWX0012		7,243
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0520		2,910
Passed through Maricopa County:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-1197		6,403
				88,424
Passed through Arizona Department of Public Safety:				
Crime Victim Assistance	16.575	2015-358		47,589
Crime Victim Assistance	16.575	2014-257		32,727
				80,316
Total U.S. Department of Justice				168,740
U.S. Department of Homeland Security				
Passed through Arizona Division of Emergency Management:				
Homeland Security Grant Program	97.067	150814-01		2,908
Homeland Security Grant Program	97.067	150814-02		21,336
Homeland Security Grant Program	97.067	160815-01		280
Homeland Security Grant Program	97.067	160815-02		24,451
Homeland Security Grant Program	97.067	160816-01		12,363
Homeland Security Grant Program	97.067	160816-02		10,876
Homeland Security Grant Program	97.067	150815-01		595
Homeland Security Grant Program	97.067	150815-02		8,481
				81,290
Passed through City of Scottsdale, Arizona:				
Assistance to Firefighters Grant	97.044	N/A		35,856
				35,856
Total U.S. Department of Homeland Security				117,146
U.S. Department of Transportation				
Passed through Arizona Governor's Office of Community & Highway Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2017-AL-031		3,491
State and Community Highway Safety	20.600	2017-MC-002		8,945
State and Community Highway Safety	20.600	2017-SB-002		3,377
State and Community Highway Safety	20.600	2017-PS-007		16,168
State and Community Highway Safety	20.600	2017-PT-038		10,877

The accompanying notes are an integral part of this schedule.

CITY OF PEORIA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Payments to Subrecipients	Expenditures & Transfers
State and Community Highway Safety	20.600	2017-CIOT-015		7,500
State and Community Highway Safety	20.600	2016-AL-024		12,455
State and Community Highway Safety	20.600	2016-MC-002		808
State and Community Highway Safety	20.600	2016-PS-010		2,500
State and Community Highway Safety	20.600	2016-PT-024		19,623
State and Community Highway Safety	20.600	2016-SB-001		6,771
National Priority Safety Programs	20.616	2017-405d-024		27,670
Total Highway Safety Cluster				120,185
Passed through Maricopa Association of Governments				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	999A486		519,690
Passed through City of Phoenix Transit:				
Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	AZ-90-X136		20,479
Federal Transit Formula Grants	20.507	AZ-90-X114		71,429
Federal Transit Formula Grants	20.507	AZ-90-X109		22,687
Federal Transit Formula Grants	20.507	AZ 2016 010		3,125
Total Federal Transit Cluster				117,720
Total U.S. Department of Transportation				757,595
U.S. Institute of Museum and Library Services				
Passed through Arizona State Library:				
Grants to States	45.310	2016-36001-07		5,500
Grants to States	45.310	2016-36017-06		5,175
Total U.S. Institute of Museum and Library Services				10,675
U.S. Department of the Interior				
Bureau of Reclamation:				
WaterSMART	15.507	R14AP00071		180,460
Total U.S. Department of the Interior				180,460
U.S. Environmental Protection Agency				
Passed through Water Infrastructure Finance Authority of Arizona:				
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	920260-16		697,898
Passed through Arizona Department of Environmental Quality:				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	ADEQ16-135648		3,600
Total U.S. Environmental Agency				701,498
Total Expenditures of Federal Awards			$ 338,494	$ 3,256,054

The accompanying notes are an integral part of this schedule.

CITY OF PEORIA, ARIZONA
Notes to the Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

NOTE 1 – Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Peoria, Arizona, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

NOTE 2 – Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grant or the 2017 *Catalog of Federal Domestic Assistance.*

NOTE 3 – Use of Program Income

The amount reported on the Schedule for the Community Development Block Grants/Entitlement Grants program includes expenditures of program income in the amount of $226,942.

NOTE 4 – Subrecipients

From the federal expenditures presented in the schedule, the City awarded the following to subrecipients:

	CFDA	Subrecipient	Amount
Community Development Block Grant/ Entitlement grants	14.218	Central Arizona Shelter Services (CASS)	$ 50,000
		Boys and Girls Clubs	6,575
		Benevilla	70,000
		Homeward Bound	9,000
		Alzheimer's Association	15,000
		Habitat for Humanity	74,383
		Ability 360	22,145
			247,103
HOME Investment Partneship Program	14.239	Habitat for Humanity	91,391
			91,391
		Total Payments to Subrecipients	$ 338,494

NOTE 5 – Indirect Cost Rate

The City has not elected to use the 10-percent de minimus indirect cost rate as covered in §200.414 Indirect (F&A) costs.

CITY OF PEORIA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

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

Noncompliance material to financial statements noted: No

Federal Awards

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants Cluster

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

Auditee qualified as low-risk auditee: Yes

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

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes

City of Peoria

FINANCE DEPARTMENT
Financial Services

8401 West Monroe Street
Peoria, Arizona 85345
T 623.773.7150
F 623.773.7033

November 8, 2017

To Whom It May Concern:

The accompanying Summary Schedule of Prior Audit Findings has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The status for each finding included in the prior year audit's Schedule of Findings and Questioned Costs has been provided.

Sincerely,

Sonia K. Andrews, CPA
Acting Finance Director

CITY OF PEORIA, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

Status of Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2016-001
Status: Fully corrected.

November 17, 2017

To the Honorable Mayor and Members of the City Council
City of Peoria, 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 City of Peoria, Arizona for the year ended June 30, 2017. In addition, we have audited the financial statements of the Vistancia Community Facilities District, Vistancia West Community Facilities District, City of Peoria Employee Benefit Trust and City of Peoria Workers' Compensation Trust as of June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following matters related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Peoria, Arizona are described in Note 1 to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

As described in Note 1 of the financial statements, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures* and Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* for the year ended June 30, 2017. GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose information about the agreements, the gross dollar of taxes abated, and other commitments made by the government. GASB Statement No. 78 establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for certain pensions.

As described in Note 15 to the financial statements, the City restated net position beginning balances due to adjustments to the City's capital asset balances. The adjustments included a change in capitalization thresholds, the transfer of assets from governmental funds to enterprise funds and other adjustments related to accumulated depreciation.

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 management's current judgments.

The most sensitive estimates affecting the financial statements are:

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

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Difficulties Encountered in Performing the Audit

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

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. During the course of the audit we did not identify any misstatements which require communication.

Disagreements with Management

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

Management Representations

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

Management Consultations with Other Independent Accountants

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

Discussions with Management

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

Compliance with Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm, have complied with all relevant ethical requirements regarding independence. Heinfeld, Meech & Co., P.C. continually assesses client relationships to comply with relevant ethical requirements, including independence, integrity, and objectivity, and policies and procedures related to the acceptance and continuance of client relationships and specific engagements. Our firm follows the "Independence Rule" of the AICPA Code of Professional Conduct and the rules of state boards of accountancy and applicable regulatory agencies. It is the policy of the firm that all employees be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the AICPA, U.S. Government Accountability Office (GAO), and applicable state boards of accountancy.

Responsibility for Fraud

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

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

Additional Reports Issued

In addition to the auditor's report on the financial statements we will also issue the following documents related to this audit. These reports are typically issued within 30 days of the date of this letter.

- Single Audit Reporting Package
- Examination Report on the Annual Expenditure Limitation Report
- Auditor's Report on compliance with Highway User Revenue Fund statutes

Other Important Communications Related to the Audit

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

Restriction on Use

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

Very truly yours,

[redacted]

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

Fraud Prevention Checklist

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

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

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

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

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

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

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

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

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

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

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

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

May 16, 2017

Honorable Mayor, Members of the City Council, and Management
Brent Mattingly, CPFO, Finance Director
City of Peoria
8401 W. Monroe St.
Peoria, AZ 85345

We are pleased to confirm our understanding of the services we are to provide for City of Peoria, Arizona (City) for the year ended June 30, 2017. We encourage you to read this letter carefully as it includes important information regarding the services we will be providing to the City. If there are any questions on the content of the letter, or the services we will be providing, we would welcome the opportunity to meet with you to discuss this information further.

We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of City of Peoria, Arizona as of and for the year ended June 30, 2017. In addition, we will audit the budgetary comparison statements for the General Fund and all major Special Revenue Funds. We have also been engaged to report on supplementary information that accompanies the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the basic financial statements as a whole:

1. Schedule of expenditures of federal awards
2. Combining fund financial statements and budgetary schedules as listed in the Supplementary Information Section

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI) to supplement the City's basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Net pension liability and pension contributions schedules
3. Schedule of OPEB Plans' Funding Progress

The following other information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information.

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

In addition, we will audit the following and issue an audit opinion (or disclaimer of opinion) based on our audit for the year ended June 30, 2017.

1. Vistancia Community Facilities District
2. Vistancia West Community Facilities District
3. Workers' Compensation Trust
4. Employee Benefit Trust
5. Annual Expenditure Limitation Report (AELR)

We will also provide the necessary services to prepare a report on Highway User Revenue Fund (HURF) expenditures in accordance with ARS §9-481(B)(2).

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We will also report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our responsibility in the expression of opinions is to plan and perform the audit to obtain reasonable assurance, but not absolute assurance, that the financial statements are free from material misstatements.

An important aspect to our expression of opinions on the financial statements is understanding the concept of materiality. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. In this context, it is reasonable for us to assume that users –

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

The objective of our audit also includes reporting on –

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

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

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our tests will not include a detailed check of all of the City's transactions for the period. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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

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

At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards* and the Uniform Guidance.

Audit Procedures - Compliance

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

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

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, including the preparation of the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance.

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

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information for which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.

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

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

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

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

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

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

Planned Scope and Timing of the Audit

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

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

We expect to begin our audit in June 2017 and conclude audit procedures and date our report in November 2017.

Use of Third-Party Service Providers

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

- Capital Confirmation, Inc. – electronic bank and account balance confirmation service
- Wolters Kluwer – web-based application service to transfer files
- Harvest Investments, Ltd. – investment portfolio valuation service

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

Engagement Administration, Fees and Other

We understand that your employees will prepare and provide us with the items listed in our request for audit information and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification.

We will provide copies, which may include electronic copies, of the reports to the City. It is management's responsibility to submit the reporting package, if appropriate, to pass-through entities and any other agencies that request or require the reports. Unless restricted by law or regulation, or containing privileged or confidential information, copies of our audit reports are to be made available for public inspection.

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by governmental agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

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

Our fee for these services will be at the amount outlined in our proposal, which was modified based on the change in audit scope as agreed to by City management in April 2016. Our fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Our fee includes one exit meeting to discuss audit results and findings. Subsequent review of documentation and additional meetings will be billed at the hourly rates indicated below. Our fee does not include factors beyond our control, such as new GASB requirements, consultation and assistance in correcting errors in City-prepared information, or rescheduling of the audit when the City is not prepared. It will be necessary for you to complete the requested information by certain timelines in order to meet the applicable filing deadlines for your audit reports. Not completing the requested information on time will jeopardize meeting the applicable filing deadlines. Additional fees incurred for factors beyond our control will be billed at the following hourly rates: Partner - $228; Manager - $176; Senior - $137; Staff - $106. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2015 peer review report accompanies this letter.

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

Very truly yours,

[redacted]

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

cc: Sonia Andrews, Finance Manager
Yiannis Kalatzidis, Accounting Supervisor

RESPONSE

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

Printed Name: BRENT MATTINGLY

Title: CFO

Signature: [signature]

Date: 5/17/2017

MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

SYSTEM REVIEW REPORT

To the Partners of Heinfeld, Meech & Co., P.C.
and the Peer Review Committee of the
CalCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies), or fail*. Heinfeld, Meech & Co., P.C has received a peer review rating of *pass*.

[redacted]

Sacramento, California

August 6, 2015

City of Peoria

FINANCE DEPARTMENT
FINANCIAL SERVICES

8401 West Monroe Street
Peoria, Arizona 85345
T 623.773.7150
F 623.773.7033

Heinfeld, Meech & Co., P.C.
3033 N. Central Ave. Suite 300
Phoenix, AZ 85012

This representation letter is provided in connection with your audit of the financial statements of City of Peoria, Arizona (City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

In addition, we provide this letter in connection with your audits of the financial statements of the Vistancia Community Facilities District, Vistancia West Community Facilities District, City of Peoria Employee Benefit Trust and City of Peoria Workers' Compensation Trust as of June 30, 2017 and the respective changes in financial position and, where applicable, cash flows for the period then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

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

Financial Statements

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

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

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

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

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

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

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

Information Provided

10. We have provided you with:

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

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

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

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

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

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

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

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

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

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

17. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19. If applicable, we have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.

20. We have a process to track the status of audit findings and recommendations, if any.

21. We have identified and communicated to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22. If applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

23. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of laws, regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

26. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, or noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

28. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

30. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

32. The financial statements include all component units as well as, if applicable, joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

33. The financial statements properly classify all funds and activities.

34. All funds that meet the quantitative criteria for presentation as a major fund are identified and presented as such and all other funds that are presented as a major fund are particularly important to financial statement users.

35. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

36. With regard to investments and other instruments reported at fair value:
    - The underlying assumptions are reasonable and they appropriately reflect managements' intent and ability to carry out its stated courses of action.
    - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

37. If applicable, provisions for uncollectible receivables have been properly identified and recorded.

38. We believe all payroll information and the individual employment data have been properly submitted to the state retirement systems, and the employer contributions have been properly submitted to the retirement systems.

39. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

40. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

41. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

42. Special and extraordinary items, if any, are appropriately classified and reported.

43. Deposits and investment securities are properly classified as to risk and are properly disclosed.

44. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

45. We have identified and disclosed to you all programs, agreements, and transactions that result in a tax abatement for financial reporting purposes. When applicable, the relevant tax abatement information has been disclosed in the notes to the financial statements.

46. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

47. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

48. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

49. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

50. With respect to the supplementary information presented, such as the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards.

    a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

51. With respect to federal award programs:

    a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).

b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h. We have received no requests from a federal agency to audit one or more specific programs as a major program.

i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement,* relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards, if any.

j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).

m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.

r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t. If applicable, we have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations and the terms and conditions of the subward and have met the other pass-through entity requirements of the Uniform Guidance.

u. If applicable, we have issued management decision for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

v. If applicable, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

w. We have charged costs to federal awards in accordance with applicable cost principles.

x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

bb. If applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Sonia Andrews, CPA
Acting Finance Director, City of Peoria, Arizona

11/8/17
Date

Yiannis Kalaitzidis
Accounting Supervisor, City of Peoria, Arizona

11/8/17
Date

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 13C.

Date Prepared: 11/20/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: Adina Lund, P.E., Development and Engineering Director

SUBJECT: Maintenance Improvement District No. 1212, Blackstone at Vistancia, Parcel B13, El Mirage Road and Blackstone Drive

Purpose:

This is a request for City Council to approve a Petition for Formation, adopt the Resolution of Intention, and Resolution Ordering the Improvements for a proposed Maintenance Improvement District No. 1212, Blackstone at Vistancia, Parcel B13, located at El Mirage Rd. and Blackstone Drive, as well as authorize the City Clerk to record the Maintenance Improvement District with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil and landscape/irrigation plans must be approved by the City of Peoria (City) prior to recordation of the Maintenance Improvement District.

2. The final plat for the subdivision must be approved by City Council and recorded with the Maricopa County Recorder's Office prior to recordation of the Maintenance Improvement District; and

3. The developer must provide a fully executed Petition, Waiver and Consent to Formation of a Municipal Improvement District.

Background/Summary:

The purpose of the Maintenance Improvement District is for the operations, maintenance, repair and improvements to landscaping adjacent to designated public roadways and parkways within the proposed district, as well as drainage and retention within each proposed district. Until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, a line item of $0.00 will display on the homeowners' property tax bills.

Pursuant to the provision of A.R.S. 48-574, et. seq., the Mayor and Council are empowered to adopt a Resolution ordering the formation of a Maintenance Improvement District. A Petition and Resolution of Intention are attached for formation of City of Peoria Maintenance Improvement District No. 1212, Blackstone at Vistancia, Parcel B13, located at El Mirage Rd. and Blackstone Drive. In the case in which all of the property owners have presented a petition

for formation, the ordinary publication and protest period are not required by law; the Council may then adopt a Resolution ordering the improvements when necessary once the Resolution of Intention is first adopted. The Resolution Ordering the improvements finalizes the formation of the Maintenance Improvement District process.

Under Arizona State law, commencing in October 2018, the residents will have a line item of $0.00 on their property tax bill for maintenance of the landscape, irrigation and drainage improvements, located adjacent to and within the public rights-of-way and tracts until such time the Homeowner's Association fails. In accordance with state statute, an assessment diagram and map, listing each parcel of property within the district has been prepared.

Previous Actions:

The final plat for Blackstone at Vistancia, Parcel B13 was approved by the City on September 5, 2017 and recorded with the County.

Options:

A : The Maintenance Improvement District has been approved through the Development and Engineering Department. An option would be to not accept the proposed Maintenance Improvement District. It should be noted that not approving the Maintenance Improvement District will prevent any charges from being assessed on the property tax bills for those properties located within the District, and any and all fees incurred by the City of Peoria as a result of assuming the maintenance responsibility would be paid using City of Peoria funds.

B: The other option would be to formally approve the Maintenance Improvement District to allow for the taxing district to be recorded and in place in the event the Homeowner's Association fails.

Staff Recommendation:

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2017-130** intention and ordering the formation of proposed Maintenance Improvement District No. 1212, Blackstone at Vistancia, Parcel B13, located at El Mirage Rd. and Blackstone Drive; and adopt **RES. 2017-131** ordering the improvements within the proposed Maintenance Improvement District and declaring an emergency.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Maintenance Improvement District. However, the City would incur the additional charges associated with the maintenance responsibilities should the taxing district not be approved and recorded, and the Homeowner's Association fails.

ATTACHMENTS:

Exhibit 1: Petition for Formation
Exhibit 2: Proposed Resolution of Intention to Create
Exhibit 3: Proposed Resolution Declaring Intention to Order

Posting Notices

Contact Name and Number:

Ann DeHerrera, (623) 773-7691

PETITION, WAIVER AND CONSENT TO FORMATION OF A MUNICIPAL IMPROVEMENT DISTRICT BY THE CITY OF PEORIA

[1212]
MID#

BLACKSTONE AT VISTANCIA, PARCEL B13
[ ]
Subdivision Name

To: Honorable Mayor and Council
City of Peoria, Arizona

Pursuant to Arizona Revised Statutes, Sections 48-574 and 48-575, the undersigned property owner respectfully petitions the City Council of the City of Peoria, Arizona (City Council) to order the formation of a Municipal Improvement District under Arizona Revised Statutes, Title 48, Chapter 4, Article 2. In support of this petition, the undersigned agrees to waive certain rights under the Arizona Improvement District Law and to consent to the formation and completion of the District.

1. Area of District. The proposed district is described by a map and by a legal description on Exhibit "A" that is attached hereto and incorporated herein by reference. The proposed district consists of 29.193 acres and is entirely within the corporate boundaries of the City of Peoria.

2. Ownership. The undersigned (is) (are) the sole owner(s) of the real property within the proposed district.

3. Purpose. The district is proposed to be formed for the purpose of the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated public roadways and parkways within the proposed district and drainage and retention within each proposed district.

4. Public Convenience and Necessity. The necessity for the proposed district is for the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated streets and parkways within the proposed district by the levying of special assessments in the proposed district.

5. Waiver and Consent. The petitioners with full knowledge of their rights being waived hereunder, hereby expressly waive:

   (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work;

   (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S. §48-578;

   (c) All protest rights whatsoever under A.R.S. §48-579(A) and (B), which provide for protests against the work; and

   (d) All objections to the filing of and adoption by the City of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the _____ day of _____ 20____.

Blackstone at Vistancia Community Association, an Arizona non-profit corporation Print Property Owner Name Kimberley Clifford Print Name 29701 N. Sunrise Pt, Bldg C. Peoria, AZ 85383 [redacted] Signature	Date: 5/30/17	Property (Tax Parcel Numbers) 510-09-299 510-09-343 510-09-313
Print Property Owner Name Print Name Address Signature	Date: _____	Property (Tax Parcel Numbers) _____

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an
ARIZONA MUNICIPAL CORPORATION

ATTEST:

By_____
Mayor

_____
City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the _____ day of _____ 20____.

Vistancia South, LLC, a Delaware limited liability company Print Property Owner Name SEE SIGNATURE ADDENDUM ATTACHED Print Name 28620 N EL MIRAGE RD #102 PEORIA, AZ 85383 Address Signature	Date: 5/30/2017	Property (Tax Parcel Numbers) 510-09-918
Blackstone Country Club, an Arizona non-profit corporation Print Property Owner Name MARK HAMMONS Print Name 12101 W. BLACKSTONE DR. PEORIA AZ 85383 [redacted] Signature	Date: 5/30/2017	Property (Tax Parcel Numbers) 510-09-912

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an ARIZONA MUNICIPAL CORPORATION

ATTEST:

By_____
Mayor

_____
City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

SIGNATURE ADDENDUM TO
PETITION, WAIVER AND CONSENT TO FORMATION
OF A MUNICIPAL IMPROVEMENT DISTRICT
BY THE CITY OF PEORIA

VISTANCIA SOUTH, LLC,
a Delaware limited liability company

By: SLF III – VPMM, LLC,
a Texas limited liability company,
its Managing Member

By: SLF III – Vistancia, LLC,
a Texas limited liability company,
its Sole and Managing Member

By: Stratford Land Fund III, L.P.,
a Delaware limited partnership,
its Sole and Managing Member

By: Stratford Fund III GP, LLC,
a Texas limited liability company,
its General Partner

[redacted]
By: _____
Name: MARK WESTBROOK
Title: VP

RESOLUTION NO. 2017-130

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA, DECLARING ITS INTENTION TO CREATE AN IMPROVEMENT DISTRICT TO MAINTAIN LANDSCAPING INCLUDED WITHIN, NEAR AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, FOR MAINTENANCE WITHIN AN AREA IN THE CITY OF PEORIA AS DESCRIBED HEREIN; ADOPTING PLANS FOR CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1212, BLACKSTONE @ VISTANCIA, PARCEL B13, AS MORE PARTICULARLY DESCRIBED HEREIN, AND DECLARING THE WORK OR IMPROVEMENT TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT, AND THAT THE COST OF SAID WORK OR IMPROVEMENT SHALL BE ASSESSED UPON A CERTAIN DISTRICT, AND PROVIDING THAT THE PROPOSED WORK OR IMPROVEMENT SHALL BE PERFORMED UNDER ARIZONA REVISED STATUTES TITLE 48, CHAPTER 4, ARTICLE 2, AND AMENDMENTS THERETO AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the Maintenance of the landscaping included within, near and adjacent to a parkway and related facilities in the District to be of more than local or ordinary public benefit, and further that the cost of said maintenance shall be assessed on a certain District; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities in the District is incidental to the maintenance and preservation of the parkway and related facilities, has aesthetic value, and maintains and increases the value of property within the District; and

WHEREAS, the City Council declares that the maintenance of landscaping included within and adjacent to a parkway and related facilities preserves and promotes the health, safety, and welfare of those citizens of the City of Peoria living within the District as well as preservation of the streets and parkways which may be adversely impacted by drainage and other water formations; and

WHEREAS, the City of Peoria declares that the maintenance of a landscaped buffer between a parkway and the adjacent developments reduces the visual and other impact of light, air and noise pollution and tends to increase personal and vehicular safety on the parkway and decreases the likelihood vehicular accidents will harm adjacent developments in furtherance of the health, safety and welfare of those citizens of the City living within the District; and

WHEREAS, the City Council declares that maintenance of landscaped drainage and other water control facilities and features within, near or adjacent to a parkway and related facilities tends to preserve the structural integrity of the parkway and mitigates flooding of adjacent areas and the structural integrity of the parkway and mitigates flooding of adjacent areas and the parkway by draining water to and from the parkway in furtherance of the health, safety and welfare of those citizens of the City of Peoria living within the District:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA AS FOLLOWS:

Section 1. <u>Definitions</u>.

In this Resolution, the following terms shall have the following meanings:

"Assessment Diagrams" shall mean those duplicate diagrams of the property contained in the Assessment District is to be filed with the Clerk and approved by the Mayor and Council.

"Assessment District" shall mean the lots, pieces or parcels of land lying within the boundaries described on Exhibit B attached hereto and as shown on the map on file with the City Engineer.

"City" shall mean the City of Peoria, Arizona.

"City Council" or "Council" shall mean the Mayor and Council of the City.

"Clerk" shall mean the City Clerk.

"Engineer" shall mean City Engineer.

"Lots" shall mean all lots, pieces or parcels of land lying within the Assessment District.

"Parkways" shall mean those streets and rights-of-way which are designated in Exhibit B as "Parkways," and specifically those portions of Pedestrian Facilities, Parks, Retention, Detention and Storm Water Management Facilities included within or adjacent to the Assessment District.

"Plans and Specifications" shall mean the engineer's estimate for the Maintenance Improvement District No. 1212 filed with the Clerk prior to the adoption of this Resolution.

"Superintendent of Streets" shall mean the City Engineer.

Section 2. Declaration of Intention to Order an Improvement.

The public interest or convenience requires, and it is the intention of the Mayor and Council of the City of Peoria, Arizona, to order the following work, hereinafter "Work," to be performed, to wit:

The maintenance of all landscaping, including replacement of landscape materials, in the area generally described as follows:

SEE EXHIBIT "A", LEGAL DESCRIPTION OF CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1212

The Mayor and Council of the City of Peoria, Arizona designate as parkways, those areas set forth on Exhibit "B" Assessment Diagram in accordance with Title 48, Chapter 4, Article 2, Arizona Revised Statutes. The public interest and convenience require, and it is the intention of the City Council to order the Work adjacent to the designated parkways to be performed as stated herein. All items of the Work shall be performed as prescribed by the Plans and Specifications hereby approved and adopted by the Council and on file in the Office of the City Engineer and no assessment for any lot shall exceed its proportion of the Estimate. The estimate of the cost and expenses of the work or improvements on file in the offices of the Superintendent of Streets and the Clerk of the City are hereby approved and adopted by the Mayor and Council of the City. In addition to the requirements of law, the procedures set forth in the City Code will be followed regarding acceptance of bids and setting tax levies. For purposes of this Resolution and of all resolutions, ordinances and notices pertaining to this Resolution, the improvement as herein described is hereby designated City of Peoria Maintenance Improvement District No. 1212.

Section 3. Determination of Need.

In the opinion of the City Council, the Work is of more than local or ordinary public benefit. The City Council hereby orders that all amounts due or to become due with respect to the Work shall be chargeable upon the respective lots, pieces and parcels of land within the Assessment District.

Section 4. Preparation of Assessment Diagrams.

The City Engineer is hereby authorized and directed to prepare duplicate diagrams (Assessment Diagrams) of the property contained within the Assessment District. The diagrams shall show each separate lot, numbered consecutively, the approximate area in square feet of each lot, and the location of the lot in relation to the work proposed to be done.

Section 5. Exclusion of Certain Property.

Any public street or alley within the boundaries of the Assessment District is hereby omitted from the assessment hereafter to be made. Any lot belonging to the United States, the State, a county, city, school district or any political subdivision or institution of the State or county, which is included within the Assessment District shall be omitted from the assessment hereafter made.

Section 6. Officers Not Liable.

In no event will the City of Peoria or any officer thereof be liable for any portion of the cost of said Improvement District nor for any delinquency of persons or property assessed.

Section 7. Annual Statement.

The City Council shall make annual statements and estimates of the expenses of the District which shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all real and personal property in the District as provided in A.R.S. § 48-574 and amendments thereto.

Section 8. Statutory Authority.

The Work and all proceedings pertaining thereto shall be performed under the provisions of Title 48, Article 2, specifically Section 48-574, and all amendments thereto and pursuant to Article I, Section 3, (8) of the Peoria City Charter.

Section 9. Delegation of Authority.

The City Engineer is hereby authorized to fill in any blanks and to make any minor corrections necessary to complete the Plans and Specifications and the Contract Documents.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 12th day of December, 2017.

CITY OF PEORIA, an Arizona municipal corporation

_____
Cathy Carlat, Mayor

_____
Date Signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen Burg, City Attorney

Effective Date: _____

CERTIFICATION OF CITY ENGINEER

I hereby certify that I have read the description set out under the definition "Assessment District" and approve the same. I further certify that I have read the description set out under the definition "Work" and approve the same.

_____
Adina Lund, Engineering Director

CERTIFICATION OF CITY CLERK

I hereby certify that the above and foregoing Resolution No. 2017-130 duly passed by the Mayor and Council of the City of Peoria, Arizona at a regular meeting held on December 12, 2017 and that a quorum was present there and that the vote thereon was_____ayes and_____nays._____were no vote or absent.

_____
City Clerk, City of Peoria

EXHIBIT
LEGAL DESCRIPTION FOR
BLACKSTONE AT VISTANCIA, PARCEL B13
MAINTENANCE IMPROVEMENT DISTRICT NO. 1212

All that certain lot, tract, or parcel of land, situated in a portion of the East Half of the Northeast Quarter of Section 23 and the West Half of the Northwest Quarter of Section 24, Township 5 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, and being more completely described as follows, to-wit:

BEGINNING at a found GLO monument on a 2" pipe stamped "T5N, R1W, 13, 14, 23, 24, Dated 1922" for the Northeast corner of said Section 23, from which a found GLO monument on a 3/4" pipe stamped "14, 23 1/4, Dated 1922 for the North Quarter corner of said Section 23 bears North 89 deg. 42 min. 40 sec. West (Basis of Bearings) - 2641.20 feet;

THENCE South 89 deg. 38 min. 12 sec. East along the North line of the Northwest Quarter of said Section 24, a distance of 1272.66 feet, from which a found 2" Maricopa County aluminum cap stamped T5n, R1W, 13, 24, Dated 2002, RLS-21782 for the North Quarter corner of said Section 24 bears South 89 deg. 38 min. 12 sec. East - 1364.52 feet;

THENCE South 01 deg. 10 min. 10 sec. West departing the North line of the Northwest Quarter of said Section 24, a distance of 88.10 feet to a Point of Curvature radial to said line and being a circular curve to the left, having a radius of 1966.00 feet, a central angle of 2 deg. 13 min. 44 sec., and being subtended by a chord which bears North 89 deg. 56 min. 42 sec. West - 76.48 feet;

THENCE in a westerly direction along said curve to the left, a distance of 76.48 feet;

THENCE South 42 deg. 43 min. 03 sec. West, a distance of 41.83 feet;

THENCE South 87 deg. 24 min. 41 sec. West, a distance of 45.00 feet;

THENCE North 48 deg. 22 min. 31 sec. West, a distance of 19.76 feet to a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1950.00 feet, a central angle of 0 deg. 47 min. 16 sec., and being subtended by a chord which bears South 85 deg. 56 min. 49 sec. West - 26.81 feet;

THENCE in a westerly direction along said curve to the left, a distance of 26.81 feet;

THENCE South 85 deg. 33 min. 11 sec. West tangent to said curve, a distance of 26.54 feet;

THENCE South 01 deg. 48 min. 59 sec. East, a distance of 37.53 feet to a Point of Curvature of a circular curve to the right, having a radius of 314.00 feet, a central angle of 22 deg. 43 min. 13 sec., and being subtended by a chord which bears South 09 deg. 32 min. 36 sec. West - 123.70 feet;

THENCE in a southerly direction along said curve to the right, a distance of 124.51 feet;

THENCE South 20 deg. 54 min. 11 sec. West tangent to said curve, a distance of 119.31 feet to Point of Curvature of a circular curve to the left, having a radius of 179.60 feet, a central angle of 27 deg. 00 min. 43 sec., and being subtended by a chord which bears South 07 deg. 23 min. 48 sec. West - 83.89 feet;

THENCE in a southerly direction along said curve to the left, a distance of 84.67 feet;

THENCE South 06 deg. 06 min. 37 sec. East tangent to said curve, a distance of 15.47 feet;

THENCE South 06 deg. 00 min. 14 sec. East, a distance of 21.88 feet, said point being a Point of Curvature of a non-tangent circular curve to the right, having a radius of 87.68 feet, a central angle of 22 deg. 12 min. 09 sec., and being subtended by a chord which bears South 04 deg. 59 min. 28 sec. West - 33.76 feet;

THENCE in a southerly direction along said curve to the right, a distance of 33.98 feet;

THENCE South 28 deg. 15 min. 19 sec. East non-tangent to said curve, a distance of 146.92 feet;

THENCE South 17 deg. 58 min. 17 sec. West, a distance of 17.49 feet;

THENCE North 78 deg. 37 min. 11 sec. West, a distance of 251.59 feet;

THENCE South 36 deg. 59 min. 25 sec. West, a distance of 600.00 feet;

THENCE South 16 deg. 21 min. 29 sec. West, a distance of 837.71 feet;

THENCE North 26 deg. 27 min. 42 sec. West, a distance of 86.34 feet;

THENCE North 00 deg. 00 min. 00 sec. East, a distance of 258.99 feet;

THENCE North 22 deg. 38 min. 56 sec. West, a distance of 598.43 feet;

THENCE North 05 deg. 07 min. 39 sec. West, a distance of 769.64 feet;

THENCE North 15 deg. 46 min. 24 sec. West, a distance of 133.48 feet;

THENCE North 02 deg. 15 min. 15 sec. East, a distance of 72.97 feet;

THENCE North 03 deg. 12 min. 32 sec. East, a distance of 68.49 feet to the North line of the Northeast Quarter of said Section 23;

THENCE South 89 deg. 42 min. 40 sec. East along said North line, a distance of 165.35 feet to the POINT OF BEGINNING, containing 1,271,667 square feet or 29.193 acres of land, more or less.

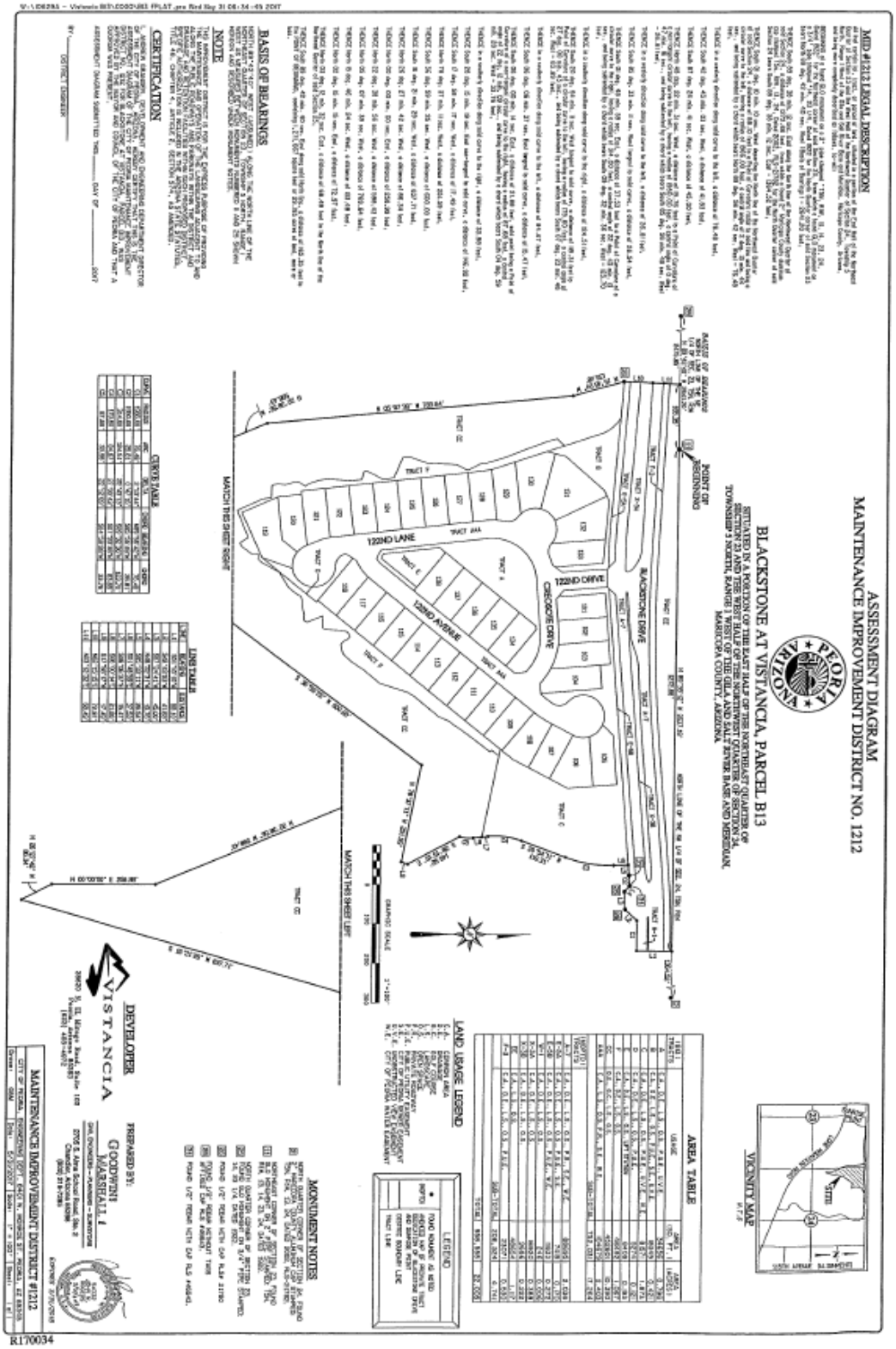
EXPIRES 3/31/2019

Resolution No. 2017 - 130

EXHIBIT “B”

IS ON FILE IN THE

CITY OF PEORIA
CITY CLERK’S OFFICE
8401 W. MONROE STREET
PEORIA, AZ 85345


ASSESSMENT DIAGRAM
MAINTENANCE IMPROVEMENT DISTRICT NO. 1212
BLACKSTONE AT VISTANCIA, PARCEL B13
MID #1212 LEGAL DESCRIPTION
BASIS OF BEARINGS
CERTIFICATION
NOTE
MONUMENT NOTES
LAND USAGE LEGEND
AREA TABLE
VICINITY MAP
DEVELOPER
VISTANCIA
PREPARED BY:
GOODYEAR MARSHALL
MAINTENANCE IMPROVEMENT DISTRICT #1212
POINT OF BEGINNING
122ND LANE
122ND DRIVE
122ND AVENUE
BLACKSTONE DRIVE
CRESCENT DRIVE
MATCH THIS SHEET RIGHT
MATCH THIS SHEET LEFT
R170034

CITY OF PEORIA, ARIZONA
NOTICE

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE MAINTENANCE OF LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITHIN APPURTENANT STRUCTURES AS SHOWN ON THE PLANS FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1212, BLACKSTONE @ VISTANCIA, PARCEL B13.

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 12th day of December, 2017 the Mayor and Council of the City of Peoria adopted Resolution No. 2017-131; ordering the improvements of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures shown on the plans, within the corporate limits of the City and creating an Improvement District known as the City of Peoria Maintenance Improvement District No. 1212, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures, which includes a charge for the maintenance of landscaping and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Maintenance Improvement District No. 1212 may be obtained by contacting Ms. Adina Lund, Engineering Director, City of Peoria, Arizona, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7691.

DATED AND SIGNED this_____day of_____, 2017.

_____
Adina Lund, P.E.
Superintendent of Streets
City of Peoria, Arizona

RESOLUTION NO. 2017- 131

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA DECLARING ITS INTENTION TO ORDER THE IMPROVEMENTS OF A CERTAIN AREA WITHIN THE CORPORATE LIMITS OF THE CITY AND CREATING AN IMPROVEMENT DISTRICT KNOWN AS THE CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1212, BLACKSTONE @ VISTANCIA, PARCEL B13; PROVIDING THAT THE COST OF THE MAINTENANCE OF THE LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, SHALL BE ASSESSED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, THAT:

SECTION 1. The public interest or convenience require and it is the intention of the Mayor and Council of the City of Peoria, Arizona to order the maintenance of landscaping within the proposed district and that the cost of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be assessed upon a certain improvement district to be known as Peoria Maintenance Improvement District No. 1212.

The estimate of the cost and expenses for the maintenance of the landscaping on file with the Superintendent of Streets and the City Clerk is approved and adopted by the Mayor and Council of the City.

SECTION 2. The maintenance of the landscaping, therefore, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit, and are of special benefit to the respective lots, pieces and parcels

of land within the real property described herein. The Mayor and Council of the City make and order that the cost and expense for the maintenance of the landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be chargeable upon a district to be known and designated as the City of Peoria Maintenance Improvement District No. 1212 and as described and bounded as set forth on Exhibits A and B attached, and declare that the district in the City benefited by the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures to be assessed, to pay the costs and expenses thereof in proportion to the benefits derived therefrom.

The City shall not assess the costs and expenses for the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures, which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1212 and if a portion of the costs and expenses for the maintenance of landscaping is for the general public benefit, the City shall assess the boundaries of the City of Peoria Maintenance Improvement District No. 1212 only that portion of such costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1212.

SECTION 3. The costs and expense for the maintenance of landscaping shall be made and all proceedings therein taken; that the Superintendent of Streets of the City shall post or cause to be posted notices thereof; that the City Clerk shall certify to the passage of this Resolution of Intention; that the Engineer shall prepare duplicate diagrams of the City of Peoria Maintenance Improvement District No. 1212 described in Section 2 of this Resolution to be assessed to pay the costs and expenses thereof, under and in accordance with the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended.

SECTION 4. The majority of owners of all of the real property within the proposed district have executed a Petition for formation of a Maintenance Improvement District and the City Council has verified the ownership of the property. Publication and posting of the notice of the passage of the Resolution of Intention will be completed as prescribed by the State Statues.

SECTION 5. Any Resolutions or parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 6. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety and an emergency is declared to exist, and this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the

City of Peoria, Arizona as required by law and is exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 12th day of December, 2017.

CITY OF PEORIA, an Arizona municipal corporation

_____
Cathy Carlat, Mayor

_____
Date Signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen Burg, City Attorney

Effective Date: _____

EXHIBIT
LEGAL DESCRIPTION FOR
BLACKSTONE AT VISTANCIA, PARCEL B13
MAINTENANCE IMPROVEMENT DISTRICT NO. 1212

All that certain lot, tract, or parcel of land, situated in a portion of the East Half of the Northeast Quarter of Section 23 and the West Half of the Northwest Quarter of Section 24, Township 5 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, and being more completely described as follows, to-wit:

BEGINNING at a found GLO monument on a 2" pipe stamped "T5N, R1W, 13, 14, 23, 24, Dated 1922" for the Northeast corner of said Section 23, from which a found GLO monument on a 3/4" pipe stamped "14, 23 1/4, Dated 1922 for the North Quarter corner of said Section 23 bears North 89 deg. 42 min. 40 sec. West (Basis of Bearings) - 2641.20 feet;

THENCE South 89 deg. 38 min. 12 sec. East along the North line of the Northwest Quarter of said Section 24, a distance of 1272.66 feet, from which a found 2" Maricopa County aluminum cap stamped T5n, R1W, 13, 24, Dated 2002, RLS-21782 for the North Quarter corner of said Section 24 bears South 89 deg. 38 min. 12 sec. East - 1364.52 feet;

THENCE South 01 deg. 10 min. 10 sec. West departing the North line of the Northwest Quarter of said Section 24, a distance of 88.10 feet to a Point of Curvature radial to said line and being a circular curve to the left, having a radius of 1966.00 feet, a central angle of 2 deg. 13 min. 44 sec., and being subtended by a chord which bears North 89 deg. 56 min. 42 sec. West - 76.48 feet;

THENCE in a westerly direction along said curve to the left, a distance of 76.48 feet;

THENCE South 42 deg. 43 min. 03 sec. West, a distance of 41.83 feet;

THENCE South 87 deg. 24 min. 41 sec. West, a distance of 45.00 feet;

THENCE North 48 deg. 22 min. 31 sec. West, a distance of 19.76 feet to a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1950.00 feet, a central angle of 0 deg. 47 min. 16 sec., and being subtended by a chord which bears South 85 deg. 56 min. 49 sec. West - 26.81 feet;

THENCE in a westerly direction along said curve to the left, a distance of 26.81 feet;

THENCE South 85 deg. 33 min. 11 sec. West tangent to said curve, a distance of 26.54 feet;

THENCE South 01 deg. 48 min. 59 sec. East, a distance of 37.53 feet to a Point of Curvature of a circular curve to the right, having a radius of 314.00 feet, a central angle of 22 deg. 43 min. 13 sec., and being subtended by a chord which bears South 09 deg. 32 min. 36 sec. West - 123.70 feet;

THENCE in a southerly direction along said curve to the right, a distance of 124.51 feet;

THENCE South 20 deg. 54 min. 11 sec. West tangent to said curve, a distance of 119.31 feet to Point of Curvature of a circular curve to the left, having a radius of 179.60 feet, a central angle of 27 deg. 00 min. 43 sec., and being subtended by a chord which bears South 07 deg. 23 min. 48 sec. West - 83.89 feet;

THENCE in a southerly direction along said curve to the left, a distance of 84.67 feet;

THENCE South 06 deg. 06 min. 37 sec. East tangent to said curve, a distance of 15.47 feet;

THENCE South 06 deg. 00 min. 14 sec. East, a distance of 21.88 feet, said point being a Point of Curvature of a non-tangent circular curve to the right, having a radius of 87.68 feet, a central angle of 22 deg. 12 min. 09 sec., and being subtended by a chord which bears South 04 deg. 59 min. 28 sec. West - 33.76 feet;

THENCE in a southerly direction along said curve to the right, a distance of 33.98 feet;

THENCE South 28 deg. 15 min. 19 sec. East non-tangent to said curve, a distance of 146.92 feet;

THENCE South 17 deg. 58 min. 17 sec. West, a distance of 17.49 feet;

THENCE North 78 deg. 37 min. 11 sec. West, a distance of 251.59 feet;

THENCE South 36 deg. 59 min. 25 sec. West, a distance of 600.00 feet;

THENCE South 16 deg. 21 min. 29 sec. West, a distance of 837.71 feet;

THENCE North 26 deg. 27 min. 42 sec. West, a distance of 86.34 feet;

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THENCE North 22 deg. 38 min. 56 sec. West, a distance of 598.43 feet;

THENCE North 05 deg. 07 min. 39 sec. West, a distance of 769.64 feet;

THENCE North 15 deg. 46 min. 24 sec. West, a distance of 133.48 feet;

THENCE North 02 deg. 15 min. 15 sec. East, a distance of 72.97 feet;

THENCE North 03 deg. 12 min. 32 sec. East, a distance of 68.49 feet to the North line of the Northeast Quarter of said Section 23;

THENCE South 89 deg. 42 min. 40 sec. East along said North line, a distance of 165.35 feet to the POINT OF BEGINNING, containing 1,271,667 square feet or 29.193 acres of land, more or less.

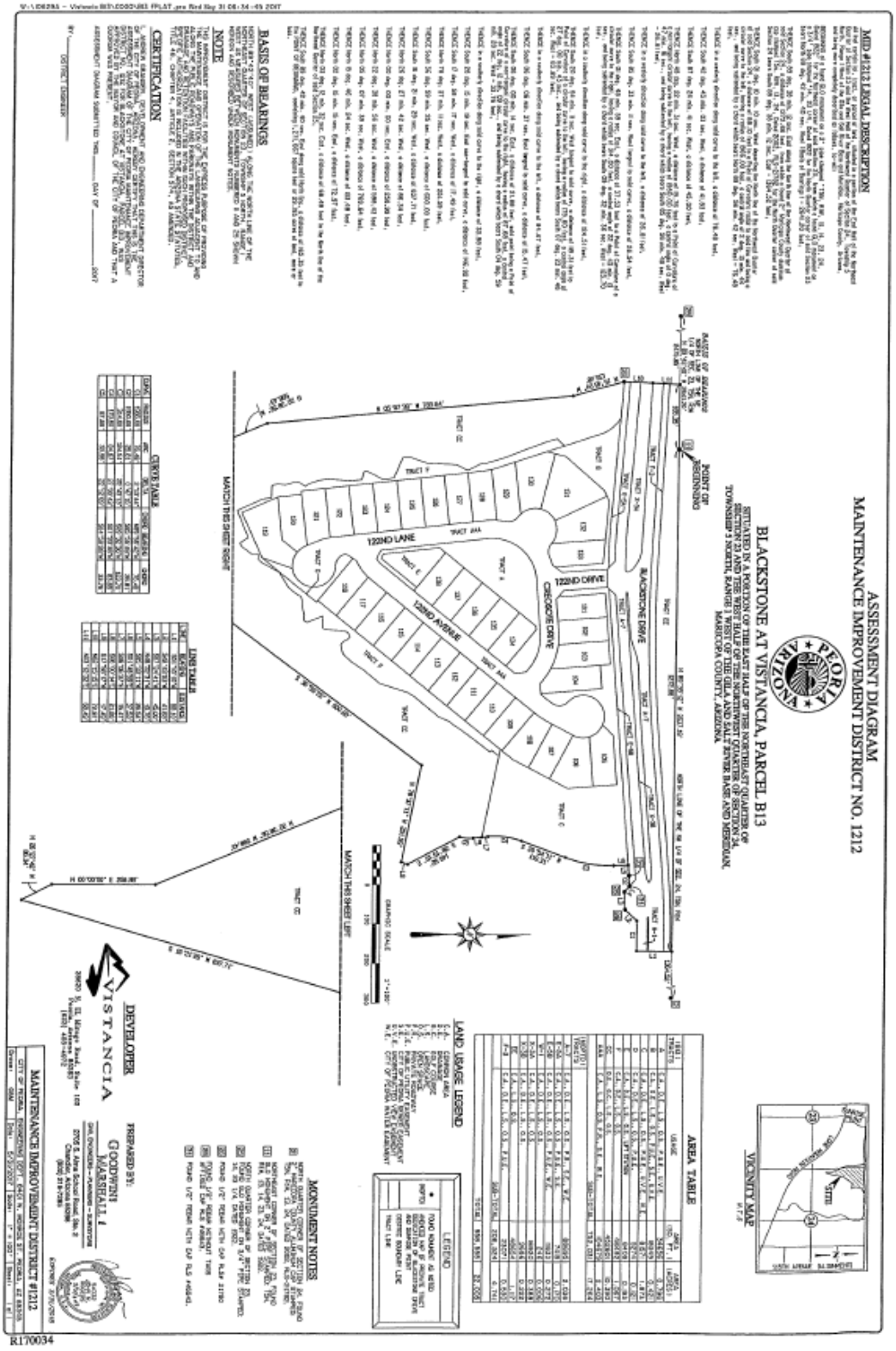
EXPIRES 3/31/2019

Resolution No. 2017 - 131

EXHIBIT “B”

IS ON FILE IN THE

CITY OF PEORIA
CITY CLERK’S OFFICE
8401 W. MONROE STREET
PEORIA, AZ 85345


ASSESSMENT DIAGRAM
MAINTENANCE IMPROVEMENT DISTRICT NO. 1212
PEORIA ARIZONA
BLACKSTONE AT VISTANCIA, PARCEL B13
SECTION 33, A PORTION OF THE EAST HALF OF THE NORTHEAST QUARTER OF
SECTION 34, A PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF
TOWNSHIP 5 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,
MARICOPA COUNTY, ARIZONA
MID #1212 LEGAL DESCRIPTION
BASIS OF BEARINGS
NOTE
CERTIFICATION
VICINITY MAP
AREA TABLE
LAND USAGE LEGEND
LEGEND
MONUMENT NOTES
DEVELOPER
VISTANCIA
PREPARED BY:
GOODYEAR MARSHALL
MAINTENANCE IMPROVEMENT DISTRICT #1212
POINT OF BEGINNING
BLACKSTONE DRIVE
CRESCENTE DRIVE
122ND LANE
122ND DRIVE
122ND AVENUE
MATCH THIS SHEET RIGHT
MATCH THIS SHEET LEFT
TRACT A
TRACT B
TRACT C
TRACT D
TRACT E
TRACT F
TRACT G
TRACT H
TRACT J
TRACT K
TRACT L
TRACT M
TRACT N
TRACT O
TRACT P
TRACT Q
TRACT R
TRACT S
TRACT T
TRACT U
TRACT V
TRACT W
TRACT X
TRACT Y
TRACT Z
TRACT AA
TRACT BB
TRACT CC
TRACT DD
TRACT EE
TRACT FF
TRACT GG
TRACT HH
TRACT II
TRACT JJ
TRACT KK
TRACT LL
TRACT MM
TRACT NN
TRACT OO
TRACT PP
TRACT QQ
TRACT RR
TRACT SS
TRACT TT
TRACT UU
TRACT VV
TRACT WW
TRACT XX
TRACT YY
TRACT ZZ
R170034

CITY OF PEORIA, ARIZONA
NOTICE

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE MAINTENANCE OF LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1212, BLACKSTONE @ VISTANCIA, PARCEL B13.

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 12th day of December, 2017, the Mayor and Council of the City of Peoria adopted Resolution No. 2017-131; ordering the improvements of a certain area within the corporate limits of the city and creating an Improvement District known as the City of Peoria Maintenance Improvement District No. 1212, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of maintenance of landscaping within the district and including a charge for the work necessary to maintain the landscaping and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Maintenance Improvement District No. 1212 may be obtained by contacting Ms. Adina Lund, Engineering Director, City of Peoria, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7249.

DATED AND SIGNED this _____ day of _____ 2017.

_____
Adina Lund, P.E.
Superintendent of Streets
City of Peoria, Arizona

Published in the Peoria Times Publication Dates: _____

CITY OF PEORIA, ARIZONA
NOTICE

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE MAINTENANCE OF LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1212, BLACKSTONE @ VISTANCIA, PARCEL B13.

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 12th day of December, 2017, the Mayor and Council of the City of Peoria adopted Resolution No. 2017-131; ordering the improvements of a certain area within the corporate limits of the city and creating an Improvement District known as the City of Peoria Maintenance Improvement District No. 1212, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of maintenance of landscaping within the district and including a charge for the work necessary to maintain the landscaping and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Maintenance Improvement District No. 1212 may be obtained by contacting Ms. Adina Lund, Engineering Director, City of Peoria, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7249.

DATED AND SIGNED this _____ day of _____ 2017.

_____
Adina Lund, P.E.
Superintendent of Streets
City of Peoria, Arizona

Posted at City Council Chambers Entrance Dates: _____

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 14C.

Date Prepared: 11/21/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: Adina Lund, P.E., Development and Engineering Director

SUBJECT: Final Plat, Riverwalk, 77th Avenue and Pinnacle Peak Road

Purpose:

This is a request for City Council to approve a Final Plat of Riverwalk, located on 77th Avenue and Pinnacle Peak Road, and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Final Plat.

2. An approval of design from the Development and Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Final Plat.

3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.

4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Final Plat is to plat a subdivision for residential use. This development is within the City's water/sewer service area. This final plat creates a total of 94 new lots. All internal roadways are private and will be maintained by the HOA.

Previous Actions:

The preliminary plat was reviewed by the City and completed in 2017 and no changes were made to the proposed Final Plat.

Options:

A: The Final Plat has been approved through the Development and Engineering Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

Staff Recommendation:

Discussion and possible action to approve the Final Plat, Riverwalk, located at 77th Avenue and Pinnacle Peak Road, subject to stipulations.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Final Plat.

ATTACHMENTS:

Exhibit 1: Final Plat
Exhibit 2: Vicinity Map

Contact Name and Number:

Jodi Breyfogle, PE, (623) 773-7577

FINAL PLAT OF "RIVERWALK"

A SUBDIVISION SITUATED IN THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP—4—NORTH, RANGE—1—EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.

DEDICATION:

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

KNOW ALL MEN BY THESE PRESENTS:

THAT MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION, AS OWNER, HAS SUBDIVIDED UNDER THE NAME OF "RIVERWALK", BEING SITUATED IN THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AND HEREBY PUBLISHES THIS PLAT AS, AND FOR, THE PLAT OF SAID "RIVERWALK" AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS, EASEMENTS AND STREETS CONSTITUTING SAME, AND THAT EACH LOT, TRACT, AND STREET SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN TO EACH RESPECTIVELY ON SAID PLAT AND HEREBY DEDICATES PREMISES TO THE CITY OF PEORIA FOR USE, AS SUCH, THE STREETS AS SHOWN ON THE PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES. EASEMENTS ARE DEDICATED FOR THE PURPOSES SHOWN.

1.) MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION, AS OWNER, HEREBY DEDICATE TO THE CITY THE PINNACLE PEAK ROAD AND 77TH AVENUE RIGHTS—OF—WAY AS SHOWN HEREON, FOR THE USE AS (A) PUBLIC STREETS, AND (B) ANY AND ALL PUBLIC SEWER, WATER, GAS, ELECTRIC AND ANY OTHER UTILITY SERVICES. LANDSCAPING WITHIN THE PINNACLE PEAK ROAD AND 77TH AVENUE RIGHTS—OF—WAY SHALL BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION. MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION, HEREBY WARRANTS TO THE CITY THE TITLE TO SAID RIGHT—OF—WAY AS SHOWN HEREON, AGAINST THE CLAIMS OF ALL PERSONS WHOMSOEVER.

2.) PUBLIC UTILITY EASEMENTS (PUE) ARE DEDICATED TO THE CITY OF PEORIA FOR USE AS SUCH. THE MAINTENANCE OF LANDSCAPING WITHIN THE RIGHT—OF—WAY SHALL BE THE RESPONSIBILITY OF THE FRONTING PROPERTY OWNER.

3.) THE CITY OF PEORIA IS HEREBY GIVEN AN EASEMENT FOR MAINTENANCE OF LANDSCAPING, RETENTION AND DRAINAGE FACILITIES ON TRACTS (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P AND Q). THIS EASEMENT MAY BE EXERCISED BY THE CITY OF PEORIA AT SUCH TIME THAT THE HOMEOWNERS ASSOCIATION FAILS TO EXIST AND PROVIDE THE REQUIRED MAINTENANCE AND OPERATION OF THE LANDSCAPING, RETENTION AND DRAINAGE FACILITIES. AS LONG AS THE HOMEOWNERS ASSOCIATION IS IN EXISTENCE, IT WILL BE RESPONSIBLE FOR PROVIDING ALL MAINTENANCE OF LANDSCAPING, RETENTION AND DRAINAGE FACILITIES, REGARDLESS OF THE DEDICATION OF THE EASEMENT.

4.) THE OWNER DOES HEREBY GRANT TO THE CITY OF PEORIA, AN EASEMENT FOR MAINTENANCE OF ON—SITE RETENTION BASIN(S), PIPE STORAGE SYSTEM(S), OR ANY DRAINAGE FACILITY(IES) WITHIN THIS DEVELOPMENT AS REFLECTED ON THE APPROVED GRADING AND DRAINAGE PLAN. THIS EASEMENT MAY BE EXERCISED BY THE CITY OF PEORIA ONLY AT SUCH TIME THAT THE PROPERTY/CENTER OWNER OR ASSOCIATION RESPONSIBLE FOR THE MAINTENANCE OF SUCH FACILITIES FAILS TO PROVIDE THE REQUIRED MAINTENANCE AND OPERATION AND THE CITY HAS DETERMINED THAT LACK OF SUCH MAINTENANCE AND OPERATION CONSTITUTES A NUISANCE OR IMPACTS PUBLIC HEALTH AND SAFETY. AS LONG AS THE PROPERTY/CENTER OWNER OR ASSOCIATION IS IN EXISTENCE, IT WILL BE RESPONSIBLE FOR PROVIDING ALL REQUIRED MAINTENANCE OF SUCH FACILITIES REGARDLESS OF THE DEDICATION OF THE EASEMENT.

5.) MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION DO HEREBY GRANT TO THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION, IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS, AND ASSIGNS, A PERMANENT AND PERPETUAL EASEMENT FOR THE FOLLOWING PURPOSES, NAMELY: THE RIGHT TO ENTER UPON FOR CONSTRUCTION, MAINTENANCE, OPERATION AND REPLACEMENT OF WATER AND/OR SEWER LINES OVER, UNDER, AND ACROSS TRACT(S) "P", AND "T" SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA.

TO HAVE AND TO HOLD THE SAID EASEMENT UNTO CITY OF PEORIA, A MUNICIPAL CORPORATION OF MARICOPA COUNTY, ARIZONA AND UNTO ITS SUCCESSORS AND ASSIGNS FOREVER, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS TO PERMIT THE CONSTRUCTION, OPERATION, MAINTENANCE, AND REPLACEMENT OF PUBLIC WATER/SEWER LINE. SUBJECT TO NOTES 1, 2, 3 AND 4.

AND THE GRANTOR HEREBY COVENANTS THAT IT IS LAWFULLY SEIZED AND POSSESSED ON THESE AFOREMENTIONED TRACT OR PARCEL OF LAND; THAT IT HAS A GOOD AND LAWFUL RIGHT TO SELL AND CONVEY IT; AND THAT THEY WILL WARRANT THE TITLE AND QUIET POSSESSION THERETO AGAINST THE LAWFUL CLAIM OF ALL PERSONS.

NOTES:
1. THE SAID EASEMENT TO INCLUDE THE RIGHT TO CUT BACK AND TRIM SUCH PORTION OF THE BRANCHES AND TOPS OF THE TREES NOW GROWING OR THAT MAY HEREAFTER GROW UPON THE ABOVE DESCRIBED PREMISES, AS MAY EXTEND OVER SAID EASEMENT, SO AS TO PREVENT THE SAME FROM INTERFERING WITH THE EFFICIENT MAINTENANCE AND OPERATION OF SAID WATER LINES.

2. THE CITY OF PEORIA SHALL NOT BE RESPONSIBLE FOR REPLACING ANY LANDSCAPING OR ANY IMPROVEMENT PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS, EXCEPT AS NOTED HEREIN.

3. THE CITY OF PEORIA WILL MAKE REASONABLE EFFORTS TO PROMPTLY RESTORE ASPHALT CONCRETE PAVEMENT SURFACES.

4. GRANTOR, ITS SUCCESSORS OR ASSIGNS AT ITS SOLE COST, SHALL BE RESPONSIBLE FOR PROMPTLY REPLACING ANY LANDSCAPING OR IMPROVEMENT(S) PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS.

IN THE EVENT THE RIGHT, PRIVILEGE AND EASEMENT HEREIN GRANTED SHALL BE ABANDONED AND PERMANENTLY CEASE TO BE USED FOR THE PURPOSES HEREIN GRANTED ALL RIGHTS HEREIN GRANTED SHALL CEASE AND REVERT TO THE GRANTORS, THEIR HEIRS OR ASSIGNS.

6.) MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION DO HEREBY GRANT TO SUNRISE WATER COMPANY, AN ARIZONA CORPORATION, A PERMANENT AND PERPETUAL EASEMENT FOR THE FOLLOWING PURPOSES, NAMELY: THE RIGHT TO ENTER UPON FOR CONSTRUCTION, MAINTENANCE, OPERATION AND REPLACEMENT OF WATER LINES OVER, UNDER, AND ACROSS TRACT(S) D, P, R AND S, SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA.

TO HAVE AND TO HOLD THE SAID EASEMENT UNTO SUNRISE WATER COMPANY, AN ARIZONA CORPORATION TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS TO PERMIT THE CONSTRUCTION, OPERATION, MAINTENANCE, AND REPLACEMENT OF PUBLIC WATER LINE, SUBJECT TO NOTES 1, 2, 3 AND 4.

NOTES:
1. THE SAID EASEMENT TO INCLUDE THE RIGHT TO CUT BACK AND TRIM SUCH PORTION OF THE BRANCHES AND TOPS OF THE TREES NOW GROWING OR THAT MAY HEREAFTER GROW UPON THE ABOVE DESCRIBED PREMISES, AS MAY EXTEND OVER SAID EASEMENT, SO AS TO PREVENT THE SAME FROM INTERFERING WITH THE EFFICIENT MAINTENANCE AND OPERATION OF SAID WATER LINES.

2. THE SUNRISE WATER COMPANY, AN ARIZONA CORPORATION, SHALL NOT BE RESPONSIBLE FOR REPLACING ANY LANDSCAPING OR ANY IMPROVEMENT PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS, EXCEPT AS NOTED HEREIN.

3. THE SUNRISE WATER COMPANY, AN ARIZONA CORPORATION, WILL MAKE REASONABLE EFFORTS TO PROMPTLY RESTORE ASPHALT CONCRETE PAVEMENT SURFACES.

4. GRANTOR, ITS SUCCESSORS OR ASSIGNS AT ITS SOLE COST, SHALL BE RESPONSIBLE FOR PROMPTLY REPLACING ANY LANDSCAPING OR IMPROVEMENT(S) PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS.

IN THE EVENT THE RIGHT, PRIVILEGE AND EASEMENT HEREIN GRANTED SHALL BE ABANDONED AND PERMANENTLY CEASE TO BE USED FOR THE PURPOSES HEREIN GRANTED ALL RIGHTS HEREIN GRANTED SHALL CEASE AND REVERT TO THE GRANTORS, THEIR HEIRS OR ASSIGNS.

7.) TRACTS "R", "S" AND "T" ARE HEREBY DEDICATED TO AND OWNED BY THE HOMEOWNERS ASSOCIATION (HOA) FOR THE PURPOSE OF PRIVATE STREETS/ACCESS. THE HOMEOWNERS ASSOCIATION IS RESPONSIBLE FOR MAINTENANCE OF THE PRIVATE STREETS/ACCESS. A PUBLIC UTILITIES EASEMENT, PRIVATE/PUBLIC WATER EASEMENT, PUBLIC SEWER EASEMENT, INGRESS AND EGRESS FOR REFUSE COLLECTION, EMERGENCY AND SERVICE TYPE ACCESS ARE HEREBY DEDICATED OVER TRACTS "R", "S" AND "T".

THE MASTER DEVELOPER, AS OWNER, HEREBY DECLARES THAT EFFECTIVE AS OF THE DATE OF THE RECORDATION OF THIS PLAT, THE PROPERTY WITHIN "RIVERWALK" SHALL BE HELD, SOLD, CONVEYED, ENCUMBERED, HYPOTHECATED, LEASED, USED, OCCUPIED, AND IMPROVED SUBJECT TO THE FOLLOWING RESTRICTION: THE PRIVATE STREETS DEPICTED ON THIS PLAT SHALL BE PRIVATE AND SHALL NOT BE DEDICATED TO THE PUBLIC USE UNTIL SUCH TIME AS ALL OWNERS (I.E. 100%) OF THE LOTS WITHIN THIS PLAT VOTE TO APPROVE SUCH STREETS BEING DEDICATED TO PUBLIC USE AND SUCH DEDICATION IS ACCEPTED BY THE CITY. IF THE DEDICATION OF SUCH STREETS TO PUBLIC USE IS APPROVED BY 100% OF SUCH OWNERS AND ACCEPTED BY THE CITY, THE CITY WILL REQUIRE (AS A CONDITION TO ITS ACCEPTANCE OF SUCH DEDICATION), THAT SUCH STREETS SHALL BE UPGRADED TO THE THEN—CURRENT CITY STANDARDS, AT NO EXPENSE TO THE CITY (I.E. SUCH UPGRADING SHALL BE AT THE EXPENSE OF SUCH OWNERS AND/OR HOMEOWNERS ASSOCIATION THAT INCLUDES SUCH OWNERS. THIS RESTRICTION MAY BE AMENDED ONLY UPON THE WRITTEN CONSENT OF THE CITY AND ALL OWNERS (I.E. 100%) OF THE LOTS WITHIN THIS PLAT.

8.) MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION DO HEREBY GRANT TO THE CITY OF PEORIA, ARIZONA, AN ARIZONA MUNICIPAL CORPORATION, IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS, AND ASSIGNS, A PERMANENT, PERPETUAL AND EXCLUSIVE UTILITIES EASEMENT FOR THE FOLLOWING PURPOSES, NAMELY: THE RIGHT TO ACCESS AND TO ENTER UPON, OVER, ACROSS, AND UNDER THE SURFACE, FOR ACCESS, CONSTRUCTION, MAINTENANCE, OPERATION AND REPLACEMENT OF UTILITIES OVER, UNDER, AND ACROSS TRACTS "P", "R", "S" AND "T" AND EASEMENTS AS REFLECTED ON THE PLAT SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA.

TO HAVE AND TO HOLD THE SAID EASEMENT UNTO THE CITY OF PEORIA, AND UNTO ITS SUCCESSORS AND ASSIGNS FOREVER, TOGETHER WITH THE RIGHT (AT THE CITY OF PEORIA'S DISCRETION) TO ALLOW OTHER UTILITIES TO UTILIZE SUCH EASEMENT, INGRESS AND EGRESS TO PERMIT THE CONSTRUCTION, OPERATION, MAINTENANCE, AND REPLACEMENT OF UTILITIES SUBJECT TO NOTES 1, 2, 3 AND 4.

AND THE GRANTOR HEREBY COVENANTS THAT IT IS LAWFULLY SEIZED AND POSSESSED ON THIS AFOREMENTIONED TRACT OR PARCEL OF LAND; THAT IT HAS A GOOD AND LAWFUL RIGHT TO SELL AND CONVEY IT; AND THAT THEY WILL WARRANT THE TITLE AND QUIET POSSESSION THERETO AGAINST THE LAWFUL CLAIM OF ALL PERSONS.

NOTES:
1. THE SAID EASEMENT TO INCLUDE THE RIGHT TO CUT BACK AND TRIM SUCH PORTION OF THE BRANCHES AND TOPS OF THE TREES NOW GROWING OR THAT MAY HEREAFTER GROW UPON THE ABOVE DESCRIBED PREMISES, AS MAY EXTEND OVER SAID EASEMENT, SO AS TO PREVENT THE SAME FROM INTERFERING WITH THE EFFICIENT MAINTENANCE AND OPERATION OF SAID WATER LINES.

2. THE CITY OF PEORIA SHALL NOT BE RESPONSIBLE FOR REPLACING ANY LANDSCAPING OR ANY IMPROVEMENT PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS, EXCEPT AS NOTED HEREIN.

3. THE CITY OF PEORIA WILL MAKE REASONABLE EFFORTS TO PROMPTLY RESTORE ASPHALT CONCRETE PAVEMENT SURFACES.

4. GRANTOR, ITS SUCCESSORS OR ASSIGNS AT ITS SOLE COST, SHALL BE RESPONSIBLE FOR PROMPTLY REPLACING ANY LANDSCAPING OR IMPROVEMENT(S) PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS.

IN THE EVENT THE RIGHT, PRIVILEGE AND EASEMENT HEREIN GRANTED SHALL BE ABANDONED AND PERMANENTLY CEASE TO BE USED FOR THE PURPOSES HEREIN GRANTED ALL RIGHTS HEREIN GRANTED SHALL CEASE AND REVERT TO THE GRANTORS, THEIR HEIRS OR ASSIGNS.

9.) TRACT "T" IS RESERVED FOR FUTURE RIGHT OF WAY (F.R.W.), AND WILL BE DEDICATED TO THE CITY OF PEORIA AT NO COST AT SUCH TIME THE CITY REQUESTS. TRACT "T" ALLOWS MAINTENANCE VEHICLE ACCESS (M.V.T.)

10.) A 30' WIDE PUBLIC ACCESS TRAIL EASEMENT SHALL BE DEDICATED FOR THE NEW RIVER TRAIL ACROSS TRACT(S) "A", "B", "O" AND "T" SITUATED IN THE COUNTY OF MARICOPA COUNTY, STATE OF ARIZONA, AND WILL BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.

SIGNATURES OF THE UNDERSIGNED OFFICER THEREUNTO DULY AUTHORIZED TO DO SO.

BY: MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION

BY: _____ DATE:_____

ITS: _____

ACKNOWLEDGMENT:

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

KNOW ALL MEN BY THESE PRESENTS:

ON THIS ___ DAY OF _____, 2017 BEFORE ME, THE UNDERSIGNED, PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF TO BE THE _____ OF MELCOR DEVELOPMENTS ARIZONA INC., AN ARIZONA CORPORATION AND BEING AUTHORIZED TO DO SO ON BEHALF OF SAID ENTITY, EXECUTED THE FOREGOING PLAT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF:

I HEREUNTO SET MY HAND AND OFFICIAL SEAL

_____
NOTARY PUBLIC
MY COMMISSION EXPIRES _____

RATIFICATION:

SUNRISE WATER COMPANY, AN ARIZONA CORPORATION, HEREBY RATIFIES, APPROVES AND ACQUIESCES TO THE WATER LINE EASEMENTS AS SHOWN ON THIS PLAT.

BY:_____
DATE

NOTES:

1. THE SUBDIVISION IS SUBJECT TO MAINTENANCE IMPROVEMENT DISTRICT (MID) # 1213.

2. NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENTS, EXCEPT UTILITIES, WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO, REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION.

3. ALL NEW AND EXISTING UTILITY, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS, FIBER OPTICS, CELLULAR, GAS, ETC, SHALL BE INSTALLED UNDERGROUND AS PART OF THE STREET IMPROVEMENTS.

4. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN ALL TRACTS, EASEMENTS AND RIGHTS—OF—WAY SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION.

5. ALL LOT CORNERS SHALL BE MONUMENTED WITH 1/2" REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.

6. SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS, BUT EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN UNOBSTRUCTED VIEW EASEMENTS. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.

7. THIS SUBDIVISION IS LOCATED WITHIN THE SUNRISE WATER COMPANY SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100—YEAR ASSURED WATER SUPPLY.

8. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.

9. THIS SUBDIVISION IS LOCATED WITHIN THE VICINITY OF A MILITARY AIRPORT.

10. THIS SUBDIVISION IS LOCATED WITHIN THE VICINITY OF A DESIGNATED TRUCK ROUTE. HAPPY VALLEY ROAD IS DESIGNATED AS A TRUCK ROUTE BY THE CITY OF PEORIA.

11. THIS SUBDIVISION IS LOCATED IN THE VICINITY OF A ROCK QUARRY (GRAVEL OPERATION).

12. NO STRUCTURE OF ANY KIND BE CONSTRUCTED OR ANY VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITHIN THE DRAINAGE EASEMENT OR TRACT WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER, OR THROUGH THE EASEMENT OR TRACT.

13. AN ASSOCIATION, INCLUDING ALL PROPERTY OWNERS IN THE DEVELOPMENT, WILL BE FORMED AND HAVE RESPONSIBILITY FOR MAINTAINING ALL COMMON AREAS TO BE NOTED AS "TRACTS" OR EASEMENTS (INCLUDING LANDSCAPED AREAS AND DRAINAGE FACILITIES) IN ACCORDANCE WITH APPROVED PLANS.

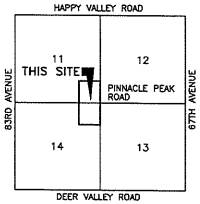
14. VIEW FENCING REQUIRED ON LOTS 56, 57, 75, 82, 21, 22.

** 15. LOTS 25, 28, 33, 34, & 37 SHALL HAVE A DRIVEWAY SET IN LINE WITH ON—COMING TRAFFIC.

16. THIS SUBDIVISION HAS A REDUCED LEVEL OF STREETLIGHTING. ANY FUTURE ADDITIONAL STREETLIGHTING WILL BE AT THE EXPENSE OF THE ABUTTING PROPERTY OWNERS, NOT AT CITY EXPENSE.

SHEET INDEX:

SHEET 1:	DEDICATION, APPROVALS, VICINITY MAP, NOTES.
SHEET 2:	KEY MAP, LEGEND, SUMMARY TABLES, AND DETAILS.
SHEET 3:	CALCULATION TABLES, LEGAL DESCRIPTION
SHEETS 4—6:	TYPICAL PLAT PLAN SHEETS



VICINITY MAP
N.T.S.

COUNTY RECORDER

BASIS OF BEARING:

THE BASIS OF BEARING USED FOR THIS PLAT IS S00°02'41"E ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11, T—4—N, R—1—E.

FLOOD ZONE DESIGNATION:

THIS SITE LIES IN FLOOD ZONE "X" (DOTTED) AND ZONE "AE" PER FIRM MAP NO. 04013C1255L, REVISED DATE: OCTOBER 16, 2013.

ZONE "X" IS DESCRIBED AS AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.

ZONE "AE" IS DESCRIBED AS SPECIAL FLOOD HAZARD AREAS SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD, BASE FLOOD ELEVATIONS DETERMINED.

UTILITIES & SERVICES:

SANITARY SEWER:	CITY OF PEORIA
WATER:	SUNRISE WATER COMPANY
TELEPHONE:	CENTURY LINK
REFUSE DISPOSAL:	CITY OF PEORIA
ELECTRIC:	ARIZONA PUBLIC SERVICE
FIRE PROTECTION:	CITY OF PEORIA
POLICE PROTECTION:	CITY OF PEORIA
STREET MAINTENANCE:	CITY OF PEORIA
GAS:	SOUTHWEST GAS
CABLE:	COX COMMUNICATIONS

ENGINEER:

RICK ENGINEERING COMPANY
6150 NORTH 16TH STREET
PHOENIX, ARIZONA, 85016
CONTACT: CHRIS PATTON, P.E.
PHONE: (602) 957—3350

OWNER/DEVELOPER:

MELCOR DEVELOPMENTS ARIZONA, INC., AN ARIZONA CORPORATION
6930 E. CHAUNCEY LANE, SUITE 135
PHOENIX, ARIZONA, 85054
CONTACT: RYAN MOTT
PH: (480)699—4687

ZONING:

R1—35 (LOTS 89 TO 94)
PAD: Z 12—0001 (LOTS 1 TO 88)
CASE NO. P12—0009

AREA:

79.87 ACRES

SURVEYOR'S CERTIFICATION:

THIS IS TO CERTIFY THAT THE SURVEY AND DIVISION OF THE PREMISES DESCRIBED AND PLATTED HEREON WERE MADE UNDER MY DIRECTION DURING THE MONTH OF NOVEMBER 2017. THAT THIS SURVEY IS COMPLETE AS SHOWN, THAT MONUMENTS AND LOT CORNERS SHOWN ACTUALLY EXIST OR WILL BE PERMANENTLY SET BY COMPLETION OF CONSTRUCTION. THAT THEIR POSITIONS ARE CORRECTLY SHOWN, AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

BY: _____
JOEL A. EMERT, R.L.S.
ARIZONA NO. 38863
6150 N. 16TH STREET
PHOENIX, ARIZONA, 85016

REGISTERED LAND SURVEYOR — CERTIFICATE NO. 38863 — JOEL A. EMERT — EXPIRES 03-31-2018

APPROVALS:

APPROVED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA.

THIS _____ DAY OF _____, 2017

_____ _____
MAYOR DATE

_____ _____
ATTEST, CITY CLERK DATE

_____ _____
FOR CITY ENGINEER DATE

RIVERWALK

COVER SHEET

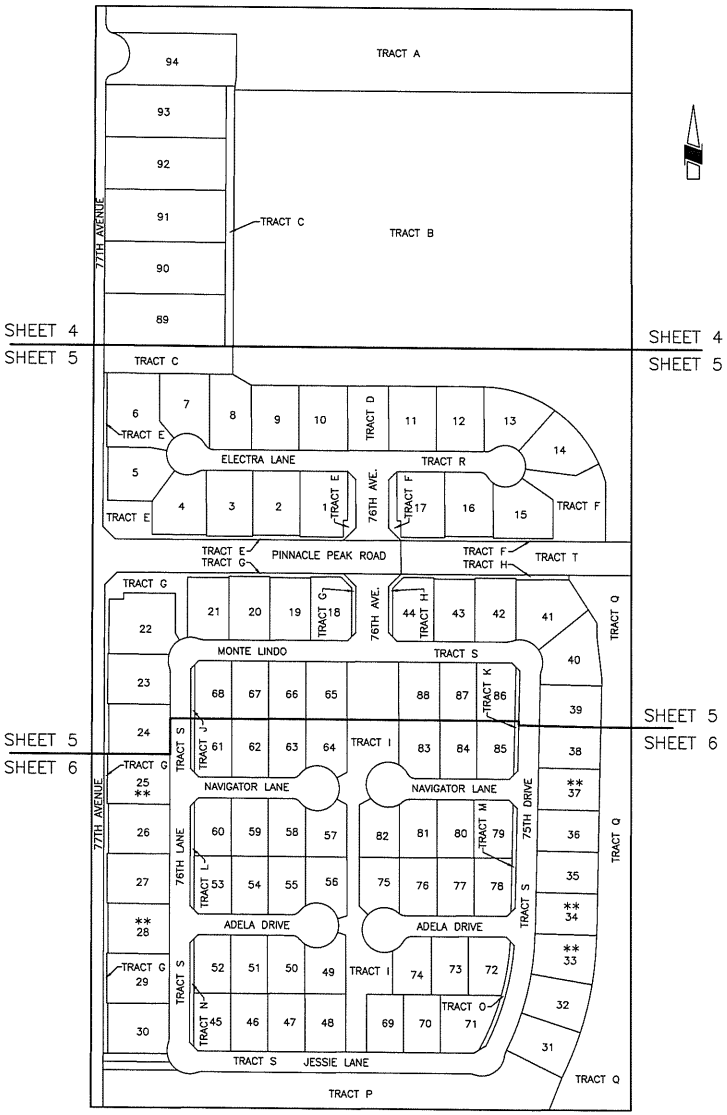
SHEET 1 OF 6

RICK ENGINEERING COMPANY
Phoenix
6150 NORTH 16TH STREET
PHOENIX, AZ 85016
602.957.3350
FAX602.285.2396
rickengineering.com
Tucson - San Diego - Sacramento - Riverside - Orange - San Luis Obispo - Bakersfield

JOB NUMBER	PREPARED BY:	DATE PREPARED:
4198C	D.S.R.	NOV., 2017

P12—0009 R160077

S:\4198C\4198C RIVERWALK SHT 1.dwg November 16, 2017 1:00 p.m. Scale: 1= 50 PJH, Xrefs:



KEY MAP
N.T.S.

LOT SUMMARY TABLE	
LOT #	AREA
1	18,010 S.F.
2	18,007 S.F.
3	18,006 S.F.
4	18,001 S.F.
5	18,071 S.F.
6	24,311 S.F.
7	18,020 S.F.
8	18,106 S.F.
9	18,038 S.F.
10	18,512 S.F.
11	18,038 S.F.
12	18,053 S.F.
13	18,355 S.F.
14	18,154 S.F.
15	18,008 S.F.
16	18,022 S.F.
17	18,059 S.F.
18	15,023 S.F.
19	15,000 S.F.
20	15,300 S.F.
21	15,008 S.F.
22	23,055 S.F.
23	18,201 S.F.
24	18,000 S.F.
25	18,360 S.F.
26	18,000 S.F.
27	18,360 S.F.
28	18,000 S.F.
29	18,360 S.F.
30	18,020 S.F.
31	16,187 S.F.
32	16,187 S.F.
33	16,192 S.F.
34	15,042 S.F.
35	15,000 S.F.
36	15,000 S.F.
37	15,000 S.F.
38	15,000 S.F.
39	15,000 S.F.
40	19,910 S.F.
41	21,070 S.F.
42	15,256 S.F.
43	15,000 S.F.
44	15,023 S.F.
45	12,673 S.F.
46	12,600 S.F.
47	12,810 S.F.
48	14,071 S.F.
49	12,524 S.F.
50	12,559 S.F.
51	12,600 S.F.
52	12,591 S.F.
53	12,673 S.F.
54	12,600 S.F.
55	12,529 S.F.
56	12,613 S.F.
57	12,629 S.F.
58	12,558 S.F.
59	12,600 S.F.
60	12,591 S.F.
61	12,673 S.F.
62	12,600 S.F.
63	12,529 S.F.
64	12,520 S.F.
65	14,214 S.F.
66	12,810 S.F.
67	12,600 S.F.
68	12,591 S.F.
69	12,543 S.F.
70	12,600 S.F.
71	17,094 S.F.
72	13,143 S.F.
73	12,600 S.F.
74	12,518 S.F.

LOT SUMMARY TABLE	
LOT #	AREA
75	12,672 S.F.
76	12,861 S.F.
77	12,600 S.F.
78	12,695 S.F.
79	13,099 S.F.
80	12,600 S.F.
81	12,773 S.F.
82	12,683 S.F.
83	13,516 S.F.
84	12,600 S.F.
85	12,724 S.F.
86	13,129 S.F.
87	12,600 S.F.
88	14,140 S.F.
89	36,875 S.F.
90	36,875 S.F.
91	36,875 S.F.
92	36,875 S.F.
93	36,875 S.F.
94	35,094 S.F.

TRACT SUMMARY TABLE *			
TRACT	AREA	USAGE	MAINTENANCE RESPONSIBILITY
"A"	213,401 S.F.	P.U.E., L.S., D.E., P.A.T.E.	H.O.A.
"B"	728,377 S.F.	P.U.E., L.S., P.A.T.E.	H.O.A.
"C"	33,533 S.F.	P.U.E., L.S., D.E.	H.O.A.
"D"	15,550 S.F.	P.U.E., L.S., W.L.E., D.E.	H.O.A.
"E"	21,128 S.F.	P.U.E., L.S., D.E., U.V.E.	H.O.A.
"F"	31,353 S.F.	P.U.E., L.S., D.E., U.V.E.	H.O.A.
"G"	29,315 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"H"	5,468 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"I"	67,123 S.F.	P.U.E., L.S., D.E., REC.	H.O.A.
"J"	2,500 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"K"	2,501 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"L"	2,500 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"M"	2,501 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"N"	2,500 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"O"	2,648 S.F.	P.U.E., L.S., U.V.E.	H.O.A.
"P"	106,780 S.F.	P.U.E., L.S., D.E., S.W.E., P.S.E.	H.O.A.
"Q"	125,553 S.F.	P.U.E., L.S., D.E., REC., P.A.T.E.	H.O.A.
"R"	64,591 S.F.	P.S.A., P.U.E., S.W.E., P.S.E., I.&E.R.C.&E.&S.T.A.	H.O.A.
"S"	286,508 S.F.	P.S.A., P.U.E., S.W.E., P.S.E., I.&E.R.C.&E.&S.T.A.	H.O.A.
"T"	44,924 S.F.	F.R.W., M.V.A., P.W.E., P.S.E., P.A.T.E.	H.O.A.
TOTAL AREA OF TRACTS: 1,788,752 S.F. OR 41.0641 ACRES			

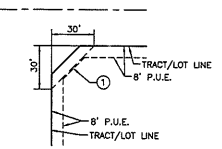
P.U.E.	PUBLIC UTILITY EASEMENT.
D.E.	DRAINAGE EASEMENT.
L.S.	LANDSCAPE AREA.
REC.	RECREATION.
H.O.A.	RIVERWALK COMMUNITY ASSOCIATION.
U.V.E.	UNOBSTRUCTED VIEW EASEMENT.
P.A.T.E.	PUBLIC ACCESS TRAIL EASEMENT.
S.W.E.	SUNRISE WATER EASEMENT.
P.S.A.	PRIVATE STREETS ACCESS.
P.W.E.	PUBLIC WATER EASEMENT.
P.S.E.	PUBLIC SEWER EASEMENT.
F.R.W.	FUTURE RIGHT OF WAY.
M.V.A.	MAINTENANCE VEHICLE ACCESS.
I.&E.R.C.&E.&S.T.A.	INGRESS & EGRESS REFUSE COLLECTION & EMERGENCY & SERVICE TYPE ACCESS.

*USES LISTED HEREON MAY NOT BE THE ENTIRE TRACT–REFER TO PLAN SHEETS FOR EXACT LOCATION OF EACH USE/EASEMENT WITHIN TRACT.

**NOTE: LOTS 25, 28, 33, 34 & 37 SHALL HAVE DRIVEWAY SET IN LINE WITH ON–COMING TRAFFIC.

LEGEND:

⊕	–CORNER OF SUBDIVISION
———	–SUBDIVISION BOUNDARY
——·——·——	–CENTERLINE
– – – – –	–EASEMENT LINE
A.P.N.	–ASSESSOR PARCEL NUMBER
BK.	–BOOK
PG.	–PAGE
M.C.R.	–MARICOPA COUNTY RECORDS
B.O.B.	–BASIS OF BEARING
P.U.E.	–PUBLIC UTILITY EASEMENT
V.N.A.E.	–VEHICULAR NON–ACCESS EASEMENT
P.W.E.	–PUBLIC WATER EASEMENT
P.S.E.	–PUBLIC SEWER EASEMENT
S.W.E.	–SUNRISE WATER EASEMENT
F.R.W.	–FUTURE RIGHT OF WAY
M.V.A.	–MAINTENANCE VEHICLE ACCESS
(M)	–MEASURED
(CM)	–CALCULATED FROM MEASURED INFORMATION
B.C.H.H.	–BRASS CAP IN HANDHOLE
M.C. A.C.	–MARICOPA COUNTY ALUMINUM CAP
R.L.S.	–REGISTERED LAND SURVEYOR
B.C.	–BRASS CAP
C.O.P.	–CITY OF PEORIA



① = 30' X 30' UNOBSTRUCTED VIEW EASEMENT

① TYPICAL UNOBSTRUCTED VIEW EASEMENT
N.T.S.

COUNTY RECORDER

P12–0009 R160077

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
38583
JOEL A.
EMERT
11-16-17
Date Signed
EXPIRES 03–31–2018

RIVERWALK

COVER SHEET

SHEET 2 OF 6

RICK ENGINEERING COMPANY
Phoenix
6150 NORTH 16TH STREET
PHOENIX, AZ 85016
602.957.3350
(FAX)602.285.2396
rickengineering.com
Tucson - San Diego - Sacramento - Riverside - Orange - San Luis Obispo - Bakersfield

JOB NUMBER	PREPARED BY:	DATE PREPARED:
4196C	D.S.R.	NOV., 2017

S:\4196C\4196C RIVERWALK SHT 2.dwg November 16, 2017 1:50 p.m. Scale: 1= 50 P.J.H. Xrefs:

Course	Bearing	Distance
L1	N00°17'59"E	44.80'
L2	N44°53'16"W	42.29'
L3	N44°55'28"E	42.43'
L4	N45°04'32"W	28.28'
L5	N44°55'28"E	28.28'
L6	N45°04'32"W	42.43'
L7	N44°55'28"E	42.43'
L8	N45°04'32"W	42.43'
L9	N45°04'32"W	28.28'
L10	N44°55'28"E	28.28'
L11	N45°30'59"E	28.57'
L12	N44°29'01"W	27.99'
L13	N45°30'59"E	28.57'
L14	N43°25'09"W	27.45'
L15	N45°02'41"E	28.34'
L16	N44°57'19"W	28.22'
L17	N45°02'41"E	28.34'
L18	N44°57'19"W	28.22'
L19	N45°02'41"E	42.52'
L20	N89°42'01"W	21.37'
L21	N08°46'54"E	9.28'
L22	N08°46'54"E	30.66'
L23	N40°34'14"W	53.44'
L24	N79°52'07"W	40.79'
L25	N00°04'32"W	40.00'
L26	N89°55'28"E	10.00'
L27	N00°04'32"W	40.00'
L28	N89°55'28"E	10.00'
L29	N44°29'01"W	28.00'
L30	N59°07'48"E	34.36'
L31	N45°17'59"E	51.13'
L32	N00°04'32"W	12.00'
L33	N00°04'32"W	33.26'
L34	N75°42'08"W	20.08'
L35	N72°28'01"E	23.52'
L36	N61°20'22"W	15.23'
L37	N59°09'10"E	28.54'
L38	N74°31'25"W	21.46'
L39	N68°34'50"E	25.67'
L40	N44°57'19"W	28.22'
L41	N45°04'32"W	36.97'
L42	N30°22'31"E	20.00'
L43	N45°02'41"E	28.34'
L44	N00°04'32"W	14.85'
L45	N89°55'28"E	35.00'
L46	N00°04'32"W	13.50'
L47	N00°04'32"W	10.00'
L48	N00°04'32"W	10.00'
L49	N00°04'32"W	10.00'
L50	N45°19'54"W	12.03'
L51	S45°19'54"E	12.03'
L52	N59°39'06"E	12.03'
L53	N08°46'54"E	21.36'
L54	S29°19'27"W	12.55'
L55	N00°04'32"W	12.00'
L56	N89°55'28"E	7.00'
L57	N89°55'28"E	7.00'
L58	N00°04'32"W	20.00'
L59	N89°55'28"E	10.00'
L60	N89°55'28"E	10.00'
L61	S00°04'32"E	20.00'
L62	N00°04'32"W	11.00'
L63	N08°46'54"E	30.66'
L64	N45°17'59"E	51.23'
L65	------	------
L66	------	------
L67	------	------
L68	N00°04'32"W	80.00'
L69	S00°04'32"E	12.09'
L70	N00°04'32"W	12.00'
L71	N89°55'28"E	7.00'
L72	S00°04'32"E	12.00'
L73	N00°04'32"W	12.00'
L74	N89°55'28"E	7.00'
L75	N89°55'28"E	7.00'
L76	S00°04'32"E	12.00'
L77	N45°48'35"E	12.02'
L78	S46°19'06"W	12.03'
L79	S28°52'19"W	12.11'
L80	N28°52'19"E	12.11'
L81	S00°04'32"E	12.00'
L82	S89°55'28"W	1.00'
L83	S89°55'28"W	7.00'
L84	N00°04'32"W	12.00'
L85	S00°04'32"E	12.00'
L86	S89°55'28"W	8.00'
L87	N00°04'32"W	12.00'
L88	S89°55'28"W	2.10'
L89	S00°04'32"E	12.00'
L90	S89°55'28"W	7.00'
L91	S89°55'28"W	7.00'
L92	N00°04'32"W	12.00'
L93	S00°04'32"E	12.00'
L94	S89°55'28"W	1.00'
L95	S89°55'28"W	7.00'
L96	N00°04'32"W	12.00'
L97	S39°52'40"W	12.03'
L98	N39°52'40"E	12.03'
L99	N00°04'32"W	12.00'
L100	N89°55'28"E	7.00'
L101	N89°55'28"E	1.00'
L102	S00°04'32"E	12.00'
L103	N00°04'32"W	12.00'
L104	N89°55'28"E	8.00'
L105	N89°55'28"E	8.00'
L106	S00°04'32"E	12.00'
L107	N89°55'28"E	1.00'
L108	N89°55'28"E	7.00'
L109	S00°04'32"E	12.00'
L110	N00°04'32"W	12.00'
L111	N89°55'28"E	8.00'
L112	S00°04'32"E	12.00'
L113	N00°04'32"W	12.00'
L114	N89°55'28"E	7.00'
L115	N89°55'28"E	7.00'
L116	S00°04'32"E	12.00'
L117	N51°11'21"E	12.01'
L118	S51°11'21"W	12.21'
L119	S88°53'30"E	12.00'
L120	S01°06'30"W	7.00'
L121	S01°06'30"W	7.00'
L122	N88°53'30"W	12.00'
L123	S88°53'30"E	12.00'
L124	S01°06'30"W	7.00'
L125	S01°06'30"W	7.00'
L126	N88°53'30"W	12.00'

Course	Bearing	Distance
L127	S88°53'30"E	12.00'
L128	S01°06'30"W	7.00'
L129	S01°06'30"W	7.00'
L130	N88°53'30"W	12.00'
L131	S88°44'28"E	12.00'
L132	N88°44'28"W	12.00'
L133	S72°04'42"E	12.00'
L134	N72°04'42"W	12.00'
L135	N00°04'32"W	12.00'
L136	N89°55'28"E	8.00'
L137	S00°04'32"E	12.00'
L138	N00°04'32"W	12.00'
L139	N89°55'28"E	7.00'
L140	N89°55'28"E	7.00'
L141	S00°04'32"E	12.00'
L142	N00°04'32"W	12.00'
L143	N89°55'28"E	7.00'
L144	N89°55'28"E	7.00'
L145	S00°04'32"E	12.00'
L146	N00°04'32"W	12.00'
L147	N89°55'28"E	7.00'
L148	N89°55'28"E	7.00'
L149	S00°04'32"E	12.00'
L150	N89°50'07"W	12.00'
L151	N00°09'53"E	7.00'
L152	N00°09'53"E	7.00'
L153	S89°50'07"E	12.00'
L154	N89°50'07"W	12.00'
L155	N00°09'53"E	8.00'
L156	S89°50'07"E	12.00'
L157	N89°50'07"W	12.00'
L158	N00°09'53"E	7.00'
L159	N00°09'53"E	7.00'
L160	S89°50'07"E	12.00'
L161	N89°50'07"W	12.00'
L162	N00°09'53"E	8.00'
L163	N00°09'53"E	8.00'
L164	S89°50'07"E	12.00'
L165	N89°50'07"W	12.00'
L166	N00°09'53"E	1.00'
L167	N00°09'53"E	7.00'
L168	S89°50'07"E	12.00'
L169	N89°50'07"W	12.27'
L170	S89°50'07"E	12.78'
L171	S00°04'32"E	12.00'
L172	S89°55'28"W	7.00'
L173	S89°55'28"W	7.00'
L174	N00°04'32"W	12.00'
L175	S00°04'32"E	12.00'
L176	S89°55'28"W	7.00'
L177	S89°55'28"W	7.00'
L178	N00°04'32"W	12.00'
L179	S00°04'32"E	12.00'
L180	S89°55'28"W	8.00'
L181	N00°04'32"W	12.00'
L182	S89°55'28"W	11.70'
L183	S00°04'32"E	12.00'
L184	S89°55'28"W	7.00'
L185	S89°55'28"W	7.00'
L186	N00°04'32"W	12.00'
L187	S00°04'32"E	12.00'
L188	S89°55'28"W	8.00'
L189	N00°04'32"W	12.00'
L190	S89°55'28"W	1.72'
L191	N00°04'32"W	12.00'
L192	N89°55'28"E	1.00'
L193	N89°55'28"E	7.00'
L194	S00°04'32"E	12.00'
L195	N00°04'32"W	12.00'
L196	N89°55'28"E	7.00'
L197	N89°55'28"E	7.00'
L198	S00°04'32"E	12.00'
L199	S24°45'20"E	12.09'
L200	N24°45'20"W	12.09'
L201	S00°04'32"E	12.00'
L202	S89°55'28"W	7.00'
L203	S89°55'28"W	7.00'
L204	N00°04'32"W	12.00'
L205	N00°04'32"W	12.00'
L206	N89°55'28"E	7.00'
L207	N89°55'28"E	7.00'
L208	S00°04'32"E	12.00'
L209	N35°14'31"E	12.10'
L210	S35°14'31"W	12.00'
L211	S00°04'32"E	12.00'
L212	S89°55'28"W	7.00'
L213	S89°55'28"W	7.00'
L214	N00°04'32"W	12.00'
L215	S00°04'32"E	12.00'
L216	S89°55'28"W	7.00'
L217	S89°55'28"W	1.00'
L218	N00°04'32"W	12.00'
L219	S89°55'28"W	3.62'
L220	S00°04'32"E	12.00'
L221	S89°55'28"W	8.00'
L222	N00°04'32"W	12.00'
L223	S00°04'32"E	12.00'
L224	S89°55'28"W	7.00'
L225	S89°55'28"W	7.00'
L226	N00°04'32"W	12.00'
L227	S16°40'19"W	12.03'
L228	N16°40'19"E	12.03'
L229	N25°32'16"W	12.09'
L230	S25°32'16"E	12.09'
L231	N00°04'32"W	12.00'
L232	N89°55'28"E	7.00'
L233	N89°55'28"E	7.00'
L234	S00°04'32"E	12.00'
L235	S89°55'28"W	3.62'
L236	S00°04'32"E	12.00'
L237	S89°55'28"W	8.00'
L238	N00°04'32"W	12.00'
L239	S00°04'32"E	12.00'
L240	S89°55'28"W	7.00'
L241	S89°55'28"W	7.00'
L242	N00°04'32"W	12.00'
L243	S16°37'57"W	12.03'
L244	N16°37'57"E	12.03'
L245	N25°29'45"W	12.09'
L246	S25°29'45"E	12.09'
L247	N00°04'32"W	12.00'
L248	N89°55'28"E	7.00'
L249	N89°55'28"E	7.00'
L250	S00°04'32"E	12.00'

Curve	Radius	Length	Delta
C1	21.00'	29.12'	79°26'59"
C2	50.00'	138.67'	158°53'58"
C3	21.00'	29.12'	79°26'59"
C4	21.00'	12.12'	33°04'03"
C5	50.00'	240.70'	275°49'33"
C6	21.00'	23.00'	62°45'30"
C7	21.00'	13.90'	37°55'59"
C8	50.00'	242.13'	277°27'57"
C9	21.00'	21.82'	59°31'59"
C10	25.00'	9.29'	21°18'08"
C11	55.50'	128.60'	133°47'18"
C12	25.00'	9.29'	21°18'08"
C13	21.00'	15.28'	41°41'59"
C14	54.00'	266.73'	283°00'44"
C15	21.00'	22.47'	61°18'58"
C16	21.00'	22.47'	61°19'01"
C17	54.00'	266.73'	283°00'44"
C18	21.00'	15.28'	41°41'59"
C19	625.00'	253.78'	23°15'53"
C20	650.00'	334.01'	29°26'31"
C21	675.00'	311.81'	26°28'01"
C22	25.00'	9.29'	21°18'08"
C23	55.50'	101.30'	104°34'45"
C24	25.00'	8.76'	20°04'17"
C25	25.00'	9.29'	21°18'08"
C26	55.50'	128.68'	132°50'42"
C27	25.00'	9.29'	21°18'08"
C28	21.00'	19.12'	52°10'17"
C29	54.00'	267.98'	284°20'17"
C30	21.00'	19.12'	52°10'14"
C31	21.00'	19.12'	52°10'17"
C32	54.00'	267.98'	284°20'17"
C33	21.00'	19.12'	52°10'14"
C34	25.00'	9.29'	21°18'08"
C35	25.00'	9.29'	21°18'08"
C36	55.50'	128.22'	132°21'51"
C37	615.00'	132.02'	12°17'59"
C38	615.00'	143.45'	13°21'50"
C39	825.00'	360.80'	25°03'26"
C40	316.00'	406.17'	73°38'43"
C41	75.00'	118.30'	90°22'30"
C42	105.00'	165.62'	90°22'30"
C43	346.00'	449.14'	74°22'30"
C44	896.00'	348.48'	22°17'01"
C45	866.00'	336.81'	22°17'01"
C46	62.00'	8.01'	7°23'53"
C47	50.00'	0.15'	0°10'21"
C48	62.00'	6.16'	5°41'47"
C49	62.00'	1.12'	1°02'01"
C50	9.00'	9.38'	59°44'42"
C51	62.00'	8.01'	7°23'53"
C52	62.00'	6.29'	5°48'45"
C53	62.00'	8.87'	8°11'43"
C54	62.00'	0.89'	0°49'09"
C55	62.00'	7.12'	6°34'44"
C56	67.50'	7.00'	5°56'41"
C57	67.50'	7.05'	5°59'03"
C58	687.00'	1.04'	0°05'11"
C59	687.00'	6.96'	0°34'51"
C60	687.00'	7.01'	0°35'05"
C61	687.00'	7.01'	0°35'05"
C62	67.50'	1.02'	0°51'57"
C63	67.50'	7.25'	6°09'00"
C64	66.00'	8.49'	7°22'29"
C65	66.00'	6.38'	5°31'05"
C66	66.00'	6.15'	5°20'31"
C67	66.00'	9.46'	8°12'54"
C68	66.00'	8.00'	6°56'57"
C69	54.00'	10.54'	11°10'42"
C70	66.00'	8.55'	7°25'33"
C71	66.00'	6.34'	5°30'06"
C72	66.00'	8.00'	6°56'57"
C73	54.00'	10.52'	11°09'54"
C74	66.00'	8.55'	7°25'27"
C75	66.00'	6.34'	5°30'13"

LEGAL DESCRIPTION:

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE A FOUND ALUMINUM CAP STAMPED R.L.S. 32222 MARKING THE NORTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14,

THENCE SOUTH 00 DEGREES 02 MINUTES 08 SECONDS WEST, ALONG THE EAST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER, 1327.31 FEET TO A FOUND REBAR AND CAP R.L.S. 36162 MARKING THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14,

THENCE SOUTH 89 DEGREES 53 MINUTES 25 SECONDS WEST, ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER, 1318.13 FEET TO A FOUND REBAR AND CAP R.L.S. 32222 MARKING THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14,

THENCE NORTH 00 DEGREES 09 MINUTES 53 SECONDS EAST, ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER, 1328.13 FEET, TO A FOUND REBAR AND CAP R.L.S. 32222 MARKING THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALSO BEING THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11,

THENCE NORTH 00 DEGREES 17 MINUTES 59 SECONDS EAST, ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11, A DISTANCE OF 1320.85 FEET, TO A POINT MARKING THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11;

THENCE NORTH 89 DEGREES 58 MINUTES 14 SECONDS EAST, ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, 1307.18 FEET TO A FOUND REBAR AND CAP R.L.S. 14807 MARKING THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11;

THENCE SOUTH 00 DEGREES 02 MINUTES 11 SECONDS EAST, ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF SECTION 11, A DISTANCE OF 1319.77 FEET TO THE POINT OF BEGINNING

REGISTERED LAND SURVEYOR
38863
JOEL A. EMERT
CERTIFICATE NO.
EXPIRES 03-31-2018

COUNTY RECORDER

P12-0009 R160077

RIVERWALK

COVER SHEET

SHEET 3 OF 6

RICK ENGINEERING COMPANY
Phoenix
6150 NORTH 16TH STREET
PHOENIX, AZ 85016
602.957.3350
FAX602.285.2396
rickengineering.com
Tucson - San Diego - Sacramento - Riverside - Orange - San Luis Obispo - Bakersfield

JOB NUMBER	PREPARED BY:	DATE PREPARED:
4196C	D.S.R.	NOV., 2017

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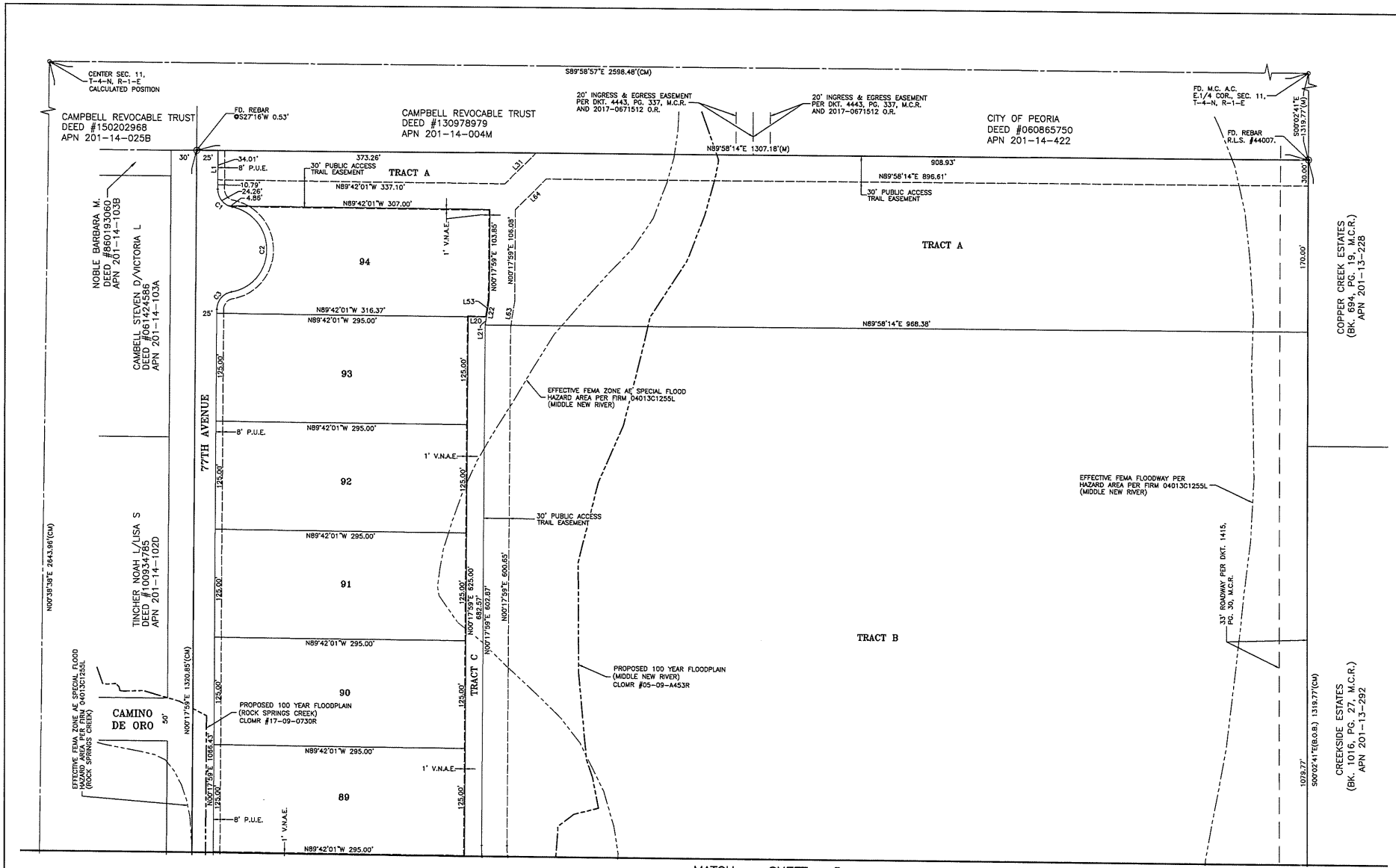

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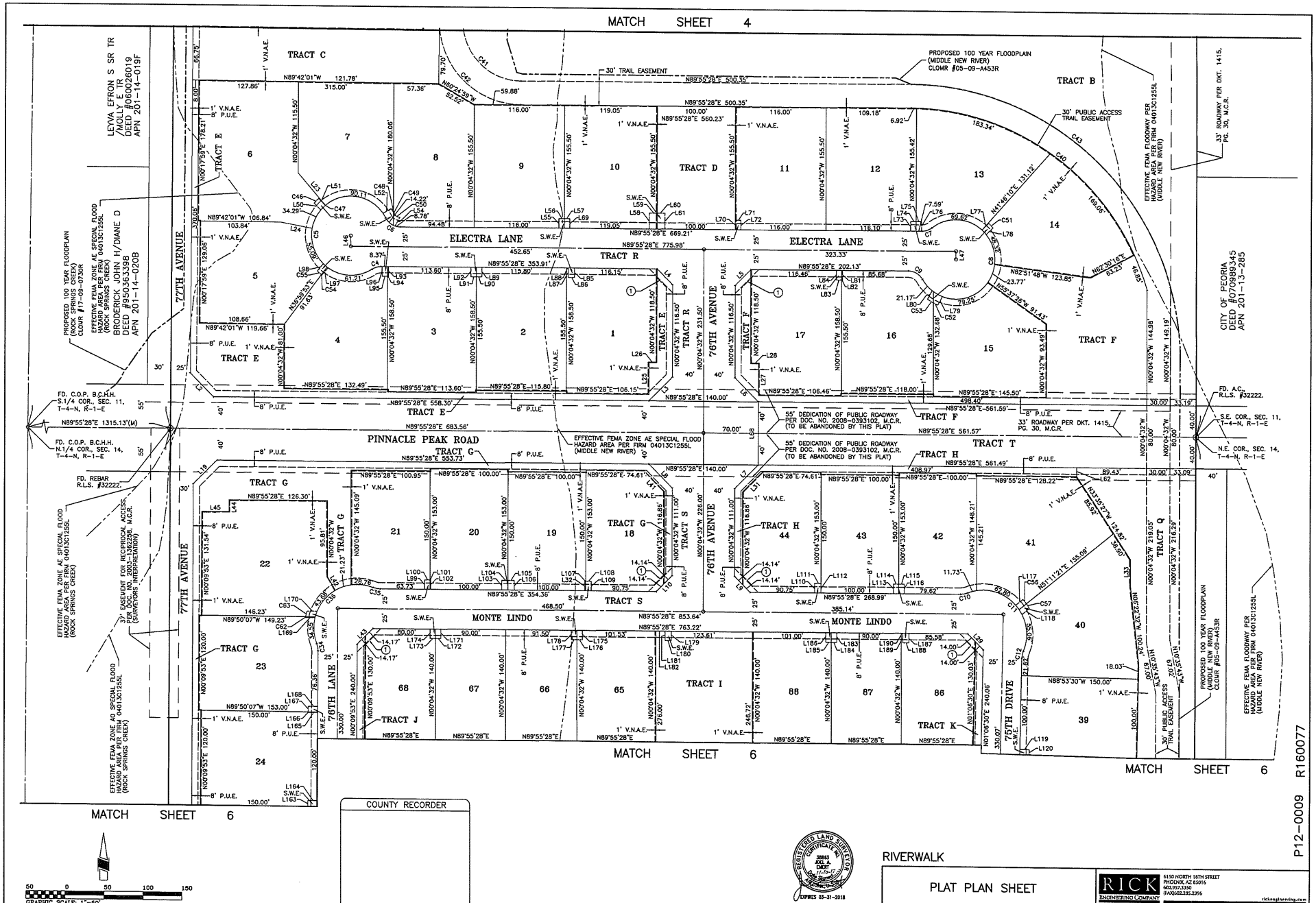
MATCH SHEET 4
MATCH SHEET 6
MATCH SHEET 6
MATCH SHEET 6
TRACT C
TRACT B
TRACT D
TRACT E
TRACT R
TRACT F
TRACT T
TRACT G
TRACT H
TRACT S
TRACT Q
TRACT I
TRACT J
TRACT K
ELECTRA LANE
PINNACLE PEAK ROAD
MONTE LINDO
77TH AVENUE
76TH AVENUE
76TH LANE
75TH DRIVE
PROPOSED 100 YEAR FLOODPLAIN (MIDDLE NEW RIVER) CLOMR #05-09-A453R
EFFECTIVE FEMA FLOODWAY PER HAZARD AREA PER FIRM 04013C1255L (MIDDLE NEW RIVER)
EFFECTIVE FEMA ZONE AE SPECIAL FLOOD HAZARD AREA PER FIRM 04013C1255L (ROCK SPRINGS CREEK)
PROPOSED 100 YEAR FLOODPLAIN (ROCK SPRINGS CREEK) CLOMR #17-09-0730R
LEYVA EFRON S SR TR /MOLLY E TR DEED #060026019 APN 201-14-019F
BRODERICK JOHN H/DIANE D DEED #950363398 APN 201-14-020B
CITY OF PEORIA DEED #070989345 APN 201-13-285
30' TRAIL EASEMENT
30' PUBLIC ACCESS TRAIL EASEMENT
33' ROADWAY PER DKT. 1415, PG. 30, M.C.R.
55' DEDICATION OF PUBLIC ROADWAY PER DOC. NO. 2008-0393102, M.C.R. (TO BE ABANDONED BY THIS PLAT)
37' EASEMENT FOR RECIPROCAL ACCESS PER DOC. NO. 2005-1362258, M.C.R. (SURVEYORS INTERPRETATION)
FD. C.O.P. B.C.H.H. S.1/4 COR., SEC. 11, T-4-N, R-1-E
FD. C.O.P. B.C.H.H. N.1/4 COR., SEC. 14, T-4-N, R-1-E
FD. REBAR R.L.S. #32222.
FD. A.C. R.L.S. #32222.
S.E. COR., SEC. 11, T-4-N, R-1-E
N.E. COR., SEC. 14, T-4-N, R-1-E
N89°55'28"E 1315.13'(M)
COUNTY RECORDER
GRAPHIC SCALE: 1"=50'
RIVERWALK
PLAT PLAN SHEET
SHEET 5 OF 6
RICK ENGINEERING COMPANY
6150 NORTH 16TH STREET PHOENIX, AZ 85016 602.957.3350 FAX602.265.2396
rickengineering.com
Tucson - San Diego - Sacramento - Riverside - Orange - San Luis Obispo - Bakersfield
JOB NUMBER 4196C
PREPARED BY: D.S.R.
DATE PREPARED: NOV., 2017
REGISTERED LAND SURVEYOR CERTIFICATE NO. 38883 DOUGLAS S. RAMEY
EXPIRES 03-31-2018
P12-0009 R160077
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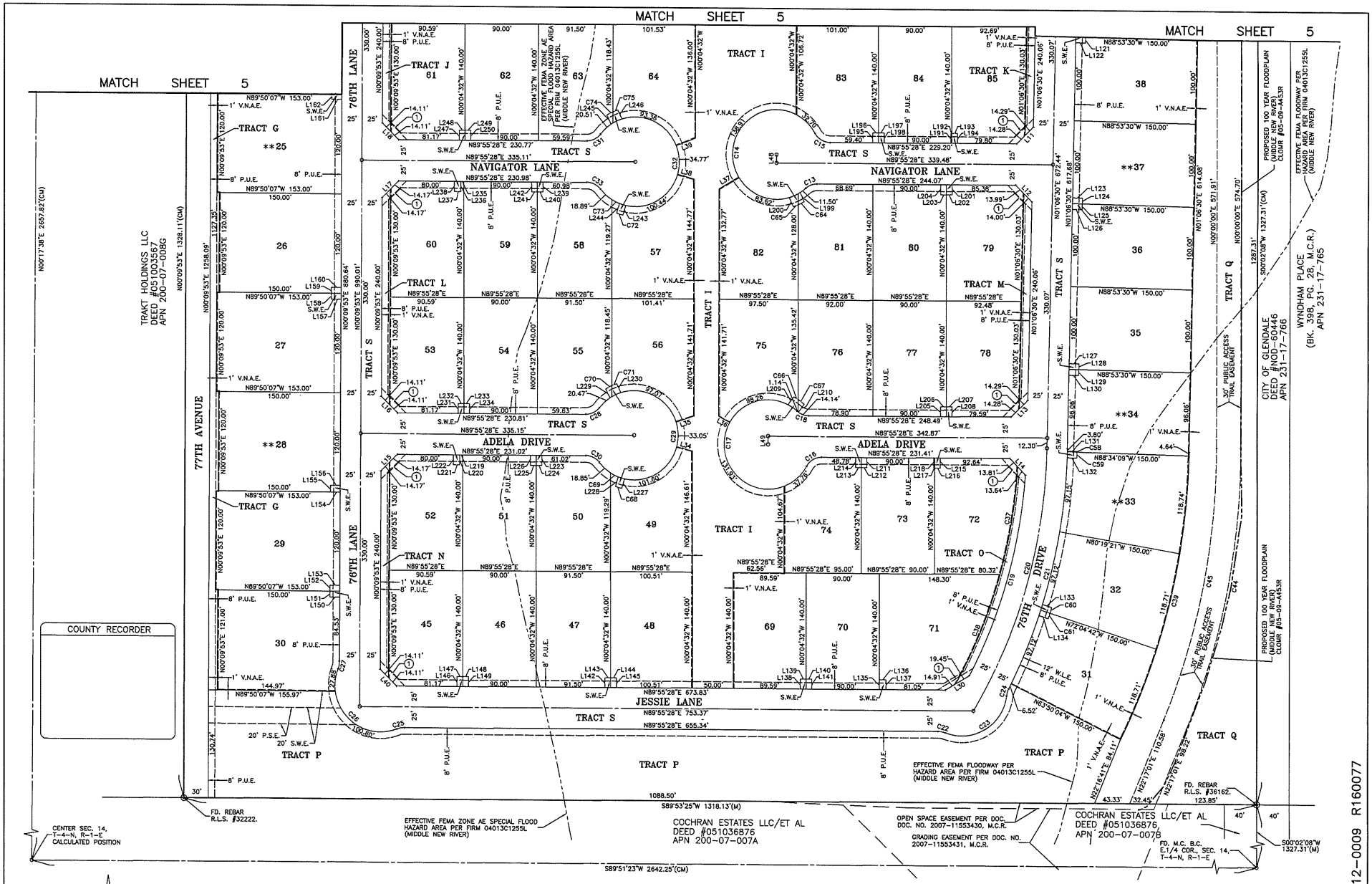

RIVERWALK

PLAT PLAN SHEET

SHEET 6 OF 6

RICK ENGINEERING COMPANY
6150 NORTH 16TH STREET
PHOENIX, AZ 85016
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FAX602.285.3396
rickengineering.com
Phoenix · Tucson · San Diego · Sacramento · Riverside · Orange · San Luis Obispo · Bakersfield

JOB NUMBER: 4196C | PREPARED BY: D.S.R. | DATE PREPARED: NOV., 2017

P12-0009 R160077

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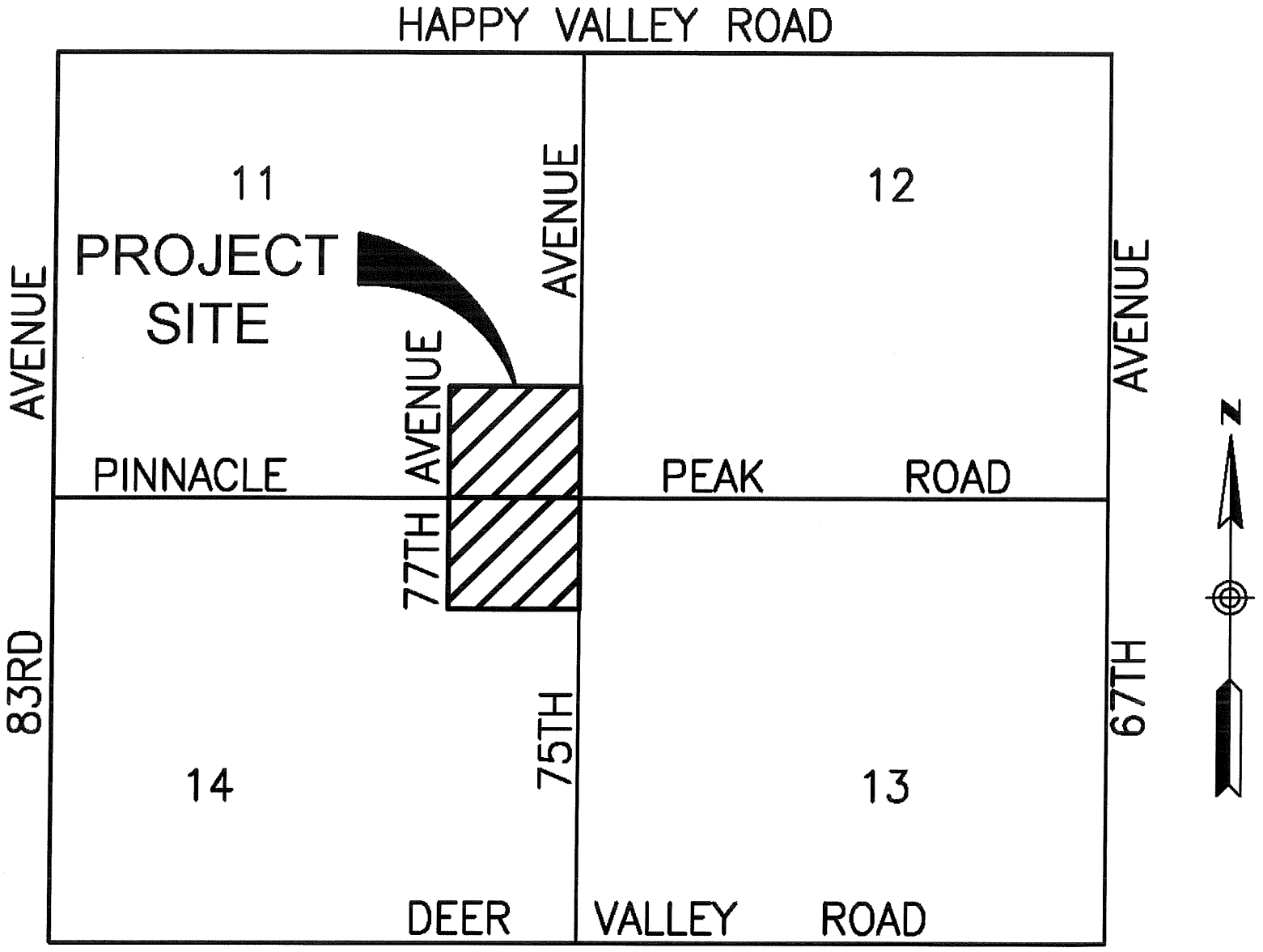


VICINITY MAP

NTS

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 15C.

Date Prepared: 11/18/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Julie Arendall, Deputy City Manager

FROM: Sonia Andrews, Acting Finance Director

SUBJECT: PUBLIC HEARING - Liquor License, Even Stevens Sandwiches, 16955 North 75th Avenue, Suite 105

Purpose:

Pursuant to Arizona Law the City must make a recommendation to the State Liquor Board regarding the approval of applications to sell alcoholic beverages in the City. The Standard for the City's recommendation is whether the best interest of the community will be served by the issuance of these licenses and whether the public convenience is served.

Background/Summary:

Even Stevens Sandwiches, is a new restaurant in a new building, located at 16955 N. 75th Avenue Suite 105. The owners have applied for a New Restaurant (Series 12) Liquor License. The application agent is Marc C. Goldsen.

A Series 12 Restaurant license is a non-transferable license that allows for the restaurant to sell and serve all types of spirituous liquor solely for consumption on the premises. A Restaurant license requires that at least forty percent (40%) of the restaurant's gross revenue comes from the sale of food. Failure to meet the 40% food requirement may result in revocation of the license.

Some of the businesses around Even Stevens Sandwiches are Smashburger, Cafe Rio and MAD Greens. There are no staff concerns with Even Stevens Sandwiches. The public hearing notice was posted for at least 20 days, and no comments were received during the posting period. The license application was reviewed according to State law and all Departments gave approvals.

Previous Actions:

There has never been a liquor license at this address.

Options:

A: Recommend approval to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for Even Stevens Sandwiches, located at 16955 N. 75th Avenue Suite 105, Marc C. Goldsen, Applicant, LL#20018613.

B: Recommend denial to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for Even Stevens Sandwiches, located at 16955 N. 75th Avenue Suite 105, Marc C. Goldsen, Applicant, LL#20018613.

Staff Recommendation:

Discussion and possible action to recommend approval to the State Liquor Board for a New Restaurant Liquor License (Series 12) for Even Stevens Sandwiches, located at 16955 N. 75th Ave., Suite 105, Marc Goldsen, Applicant, LL#20018613.

Fiscal Analysis:

The item has no financial implications.

Narrative:

The appropriate fees have been paid and the applicant has been advised that a representative needs to be present at the meeting to answer any questions that the Council or public may have.

ATTACHMENTS:

Evens Stevens App

Contact Name and Number:

Samuel Brown (623) 773-7658

'17 OCT 24 Liq. Lic. PM 2:45

DLLC USE ONLY

License #	12078204
Date Accepted:	10/24/17
CSR:	W

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

Application for Liquor License
Type or Print with Black Ink

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE
A service fee of $25 will be charged for all dishonored checks (A.R.S. § 44-6852)

SECTION 1 Type of License

- ☐ Interim Permit
- ☑ New License
- ☐ Person Transfer
- ☐ Location Transfer (series 6, 7 and 9)
- ☐ Probate/ Will Assignment/ Divorce Decree (No Fees)
- ☐ Seasonal

SECTION 2 Type of Ownership

- ☐ J.T.W.R.O.S.
- ☐ Individual
- ☐ Partnership
- ☐ Corporation
- ☑ Limited Liability Co
- ☐ Club
- ☐ Government
- ☐ Trust
- ☐ Tribe
- ☐ Other (Explain) _____

SECTION 3 Type of license

- ☐ Add Sampling Privilege for Series 9 and 10 only (Complete Sampling Privilege application) A.R.S.§4-206.01(G), (H), (I) & (L)
- ☐ Add Growler privileges (restaurant, series 12, license only. 300-foot restriction applies) A.R.S.§4-207(A) & (B)

1.Type of License (restaurant, bar etc.): 12 Series 2. LICENSE # (if issued): 12078204

SECTION 4 Applicants

1. Agent's Name: Goldsen (Last) Marc (First) Cullen (Middle)
2. Applicant/Licensee Name: Even Stevens Arizona, L.L.C.
(Ownership name for type of ownership checked on section 1)
3. Business Name (Doing Business As-DBA): Even Stevens Sandwiches
4. Business Location Address: 16955 N. 75th Ave. Suite 105 (Street) Peoria (City) AZ (State) 85382 (Zip Code) Maricopa (County) 13105918500
(Do not use PO Box)
5. Mailing Address: [redacted] (Street) Salt Lake City (City) UT (State) 84105 (Zip Code)
(All correspondence will be mailed to this address)
6. Business Phone: Pending Daytime Contact Phone: (480) 344-4053
7. Email Address: tlittle@evenstevens.com
8. Is the Business located within the incorporated limits of the above city or town? ☑ Yes ☐ No
If you checked no, in what City, Town, County or Tribal/Indian Community is this business located? _____

Department Use Only

Fees:	Application	Interim Permit	Site Inspection	Finger Prints	Total of All Fees
	$100.00	—	$50.00	—	$150.00

Is Arizona Statement of Citizenship & Alien Status for State Benefits complete? ☒ Yes ☐ No

SECTION 5 Background Check

EACH PERSON LISTED MUST SUBMIT A QUESTIONNAIRE, FINGERPRINT CARD ALONG WITH $22. PROCESSING FEE PER CARD.

1. If the applicant is an entity, not an individual, answer questions 1a-b.

a) Date Incorporated/Organized: 12/14/2016 State where Incorporated/Organized: Arizona

b) AZ Corporation or AZ L.L.C. File No: R21447372 Date authorized to do business in AZ 12/15/2016

2. List any individual or entity that own a beneficial interest of 10 % or more and/or controls the license. If the applicant is owned by another entity, attach an organizational chart showing the ownership structure. Attach additional sheets as needed to disclose any controlling person, member, shareholder or general partner who owns a beneficial interest of 10 % or more of the license.

Last	First	Middle	Title	%Owned	Mailing Address	City	State	Zip
Even Stevens Sandwiches, LLC			Manager &	100%	2030 S. 900 E Ste. A, Salt Lake City, UT 84105			
			Sole Member					

(Attach additional sheet if necessary)

SECTION 6 Interim Permit

If you intend to operate business while your application is pending you will need an interim permit pursuant to A.R.S.§4-203.01 For approval of an interim permit:

- There **must** be a valid license of the same series issued to the current location you are applying for **OR**
- A Hotel/Motel license is being replaced with a restaurant license pursuant to A.R.S.§4-203.01 (A)

1. Enter license number currently at the location: _____

2. Is the license currently in use? ☐ Yes ☐ No If no, how long has it been out of use? _____

I, (Signature) _____ declare that I am the CURRENT OWNER, AGENT, OR CONTROLLING PERSON on the stated license and location.

Attach a copy of the license currently issued at this location to this application.

NOTARY

State of Arizona)
)
County of _____)

On this _____ Day of _____, 20_____ before me personally appeared _____
Day Month Year (Print Name of Document Signer)

Whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be and acknowledged that he or she signed the above/attached document.

_____
Signature of NOTARY PUBLIC

(Affix Seal Above)

SECTION 7 Probate, Receiver, Bankruptcy Trustee, Assignment, or Divorce Decree of an existing liquor license ARS § 4-204

EACH PERSON LISTED MUST SUBMIT A QUESTIONNAIRE, FINGERPRINT CARD ALONG WITH $22. PROCESSING FEE PER CARD.

1.Current Licensee's Name: _____
(Exactly as it appears on the license) Last First Middle

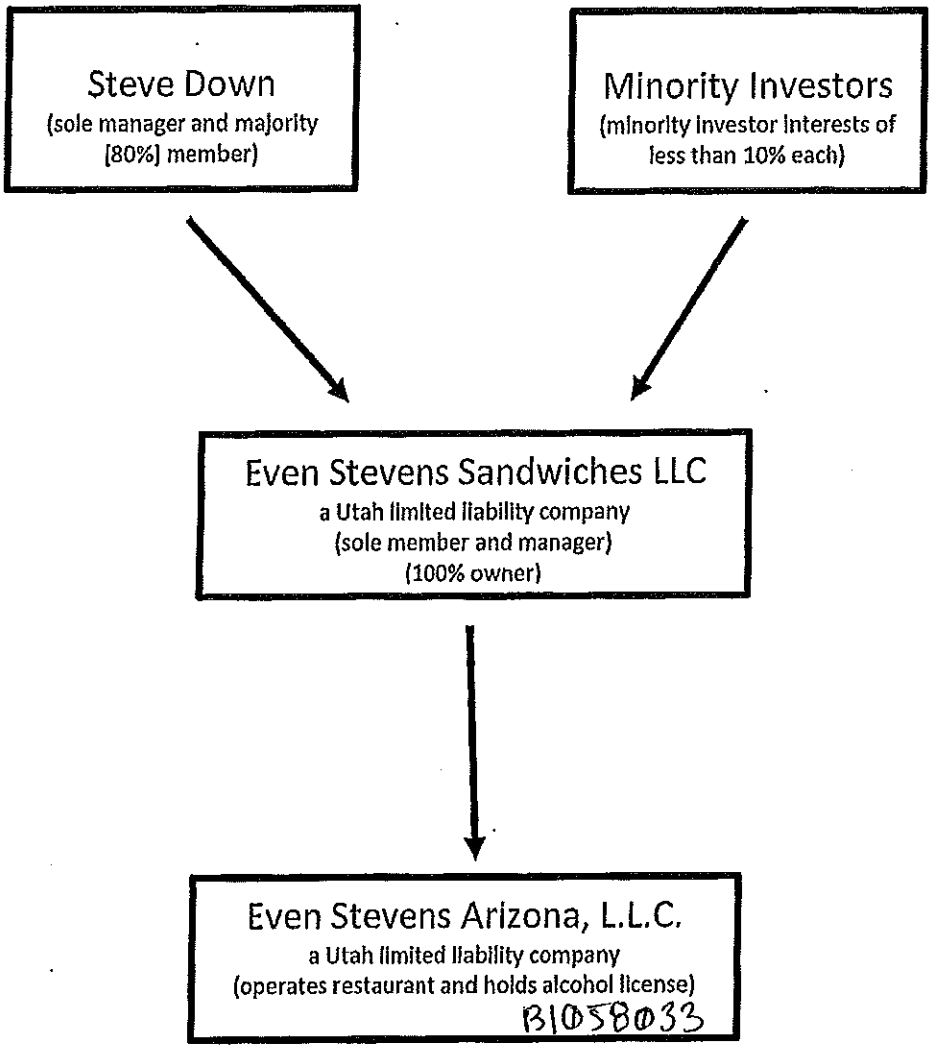
2.Assignee's Name: _____
Last First Middle

License Number: _____

ATTACH A COPY OF THE DOCUMENT THAT SPECIFICALLY ASSIGNS THE LIQUOR LICENSE TO THE ASSIGNEE.

'17 OCT 24 Liq. Lic. PM 2 45

ORGANIZATIONAL CHART
EVEN STEVENS ARIZONA, L.L.C.



SECTION 8 Government (for Cities, Towns or Counties only)

1. Government Entity: _____

2. Person/Designee: _____
Last First Middle Daytime Contact Phone #

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 9 ☐ Person to Person – Current Licensee Information ARS§4-203(C), (D), (G)
(Bar and Liquor Stores only – Series 06, 07 and 09)

1. License #: _____

2. Current Agent Name: _____
Last First Middle

3. Current Licensee Name: _____
(Exactly as it appears on the license)

4. Current Business Name: _____
(Exactly as it appears on the license)

5. Current Daytime Phone: _____ Primary Email Address: _____

6. Does current licensee intend to operate the business while this application is pending? ☐ Yes ☐ No

7. I authorize the transfer of this license to the applicant: _____
Signature or Agent or Individual controlling person

NOTARY

State of Arizona)
)
County of _____)

On this _____ Day of _____ Month, 20_____ Year before me personally appeared _____
(Print Name of Document Signer)

Whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be and acknowledged that he or she signed the above/attached document.

_____
Signature of NOTARY PUBLIC

(Affix Seal Above)

SECTION 10 Proximity to Church or School - Questions to be completed by 6, 7, 9, 10 and 12G applicants.

A.R.S.§4-207. (A) and (B) state that no **retailer's license** shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizontal feet of a fenced recreational area adjacent to such school building.

The above paragraph DOES NOT apply to:
a) Restaurants that do not sell growlers (A.R.S.§4-205.02) Series 12
b) Hotel/motel license (A.R.S.§4-205.01) Series 11
c) Microbrewery (A.R.S.§4-205.08) Series 3
d) Craft Distillery (A.R.S.§4-205.10) Series 18
e) Government license (A.R.S.§4-205.03) Series 5
f) Playing area of a golf course (A.R.S.§4-207 (B)(5))
g) Wholesaler/Distributor Series 4
h) Farm Winery Series 13
I) Producer Series 1

-Section 10 continued -

1. Distance to nearest School: _____ Name of School: _____
(if less than one (1) mile note footage)
Address: _____

2. Distance to nearest Church: _____ Name of Church: _____
(if less than one (1) mile note footage)
Address: _____

SECTION 11 Business Financials A.R.S.§4-202(F)

1. I am the:

☑ Tenant: a person who holds the lease of a property; a lessee.
☐ Sub-tenant: a person who holds a lease which was given to another person (tenant) for all or part of a property.
☐ Owner
☐ Purchaser
☐ Management Company

2. If the premises is leased give lessors: Name: Armstrong Bell 75th Development, LLC

Address: One Armstrong Place, Butler, PA 16001
Street City State Zip

3. What is the penalty if the lease is not fulfilled? $ _____ or Other: Landlord may terminate lease & collect remaining rent.

4. Total money borrowed for the Business not including lease? $ 0.00

Please List Lenders/People you owe money to for business.

Last	First	Middle	Amount Owed	Mailing Address	City	State	Zip

(Attach additional sheet if necessary)

5. Has a license or a transfer license for the premises on this application been denied by the state within the past year?

☐ Yes ☑ No If yes, attach explanation.

6. Does any spirituous liquor manufacture, wholesaler, or employee have an interest in your business?

☐ Yes ☑ No If yes, attach explanation.

SECTION 12 Diagram of Premises

Check ALL boxes that apply to your business:

☐ Walk-up or drive-through windows

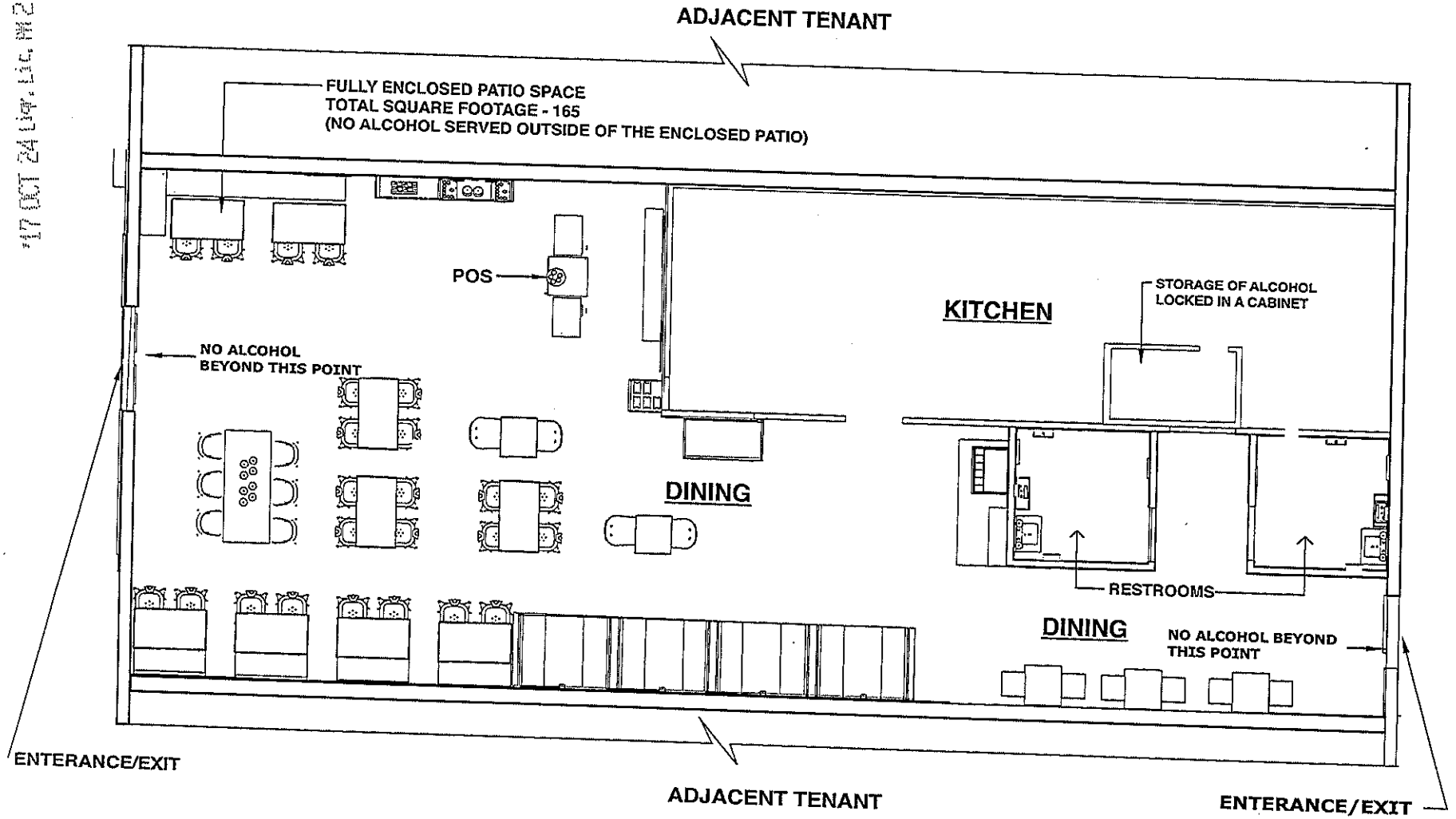
Patio: ☑ Contiguous ☐ Non-Contiguous within 30 feet

1. Is your licensed premises now closed due to construction, renovation or redesign or rebuild?

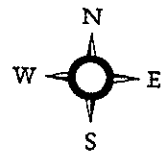
☑ Yes ☐ No If yes, what is your estimated completion date? 11 / 08 / 2017

Please attach a diagram of the premises which clearly show only the areas where spirituous liquor will be sold, served, consumed, dispensed, possessed or stored. Include all entrances, exits, interior walls, bar areas, dining areas, dance floor, stage, game room and the kitchen. **DO NOT INCLUDE** parking lots, living quarters or areas where business is not conducted under this liquor license. When completing your premises diagram, please identify which orientation is North.

'17 OCT 24 AM 11:34



TOTAL SQUARE FOOTAGE - 2000



EVEN STEVENS SANDWICHES
EVEN STEVENS SANDWICHES
16955 N. 75TH AVE.
PEORIA, AZ.

No.	ADDENDA	Date

EVEN STEVENS SANDWICHES
16955 N. 75TH AVE.
PEORIA, AZ.

DABC

scale 1/8" = 1'-0"
date 9.26.17
sheet no.

-Section 12 continued on next page-

2.Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed areas such as parking lots, living quarters, etc.

3. As stated in A.R.S.§4-207.01 (B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to the service areas or the square footage of the licensed premises, either by increase or decrease.

[redacted]
Applicants Initials

RESTAURANTS AND HOTELS/MOTELS ONLY
(IMPORTANT NOTE: A site inspection must be conducted prior to activation of the license. The fee of $50.00 will be due and payable upon submitting this application.)

4a. Provide a detailed drawing of the kitchen and dining areas, including the locations of all kitchen equipment and dining furniture, these are required as part of the diagram. A.R.S.§4-205.02(C)

4b. Provide a restaurant operation plan.

SECTION 13 SIGNATURE BLOCK

I, (Signature) [redacted], hereby declare that I am the Owner/Agent filing this application, I have read this document and verify the content and all statements are true, correct and complete, to the best of my knowledge.

NOTARY

State of Arizona)
)
County of Maricopa)

On this 18th Day of October, 2017 before me personally appeared Marc Cullen Goldsen
(Print Name of Document Signer)

Whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be and acknowledged that he or she signed the above/attached document.

JODY AUGUSTIN
NOTARY PUBLIC, ARIZONA
MARICOPA COUNTY
My Commission Expires
May 1, 2021
(Affix Seal Above)

[redacted]
Signature of NOTARY PUBLIC

A.R.S.§41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 17R.

Date Prepared: 11/20/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: Chris M. Jacques, AICP, Planning Director

SUBJECT: PUBLIC HEARING - Rezoning, Metzger Residence, 7423 West Rowel Road

Purpose:

This is a request for City Council to adopt an Ordinance rezoning approximately 1 acre of land located at 7423 W. Rowel Road from Suburban Ranch 43 (SR-43) to Single-Family Residential (R1-35) in order to align the development standards with the surrounding area. There is no development proposed in conjunction with this request.

The City has not received any letters or phone calls in support or opposition to the proposal. On November 16, 2017, the Planning and Zoning Commission unanimously recommended approval of this case.

Background/Summary:

The subject site is a developed single-family residential lot generally located south and east of the southeast corner of 75th Avenue and Jomax Road at 7423 W. Rowel Road. The site is surrounded to the west, east, and south, by traditional suburban single-family residential development. The parcel to the north remains undeveloped. No new development is proposed with this application. The applicant is requesting to rezone the property from Suburban Ranch 43 (SR-43) to Single-Family Residential (R1-35) to enable the property to be better utilized through development standards consistent with the surrounding area.

General Plan Conformance

The subject site is designated as Park / Open Space (0-1 du/ac) on the General Plan Land Use Map. The designation encompasses the western half of the Terramar subdivision that surrounds the property and broadly aligns with the adjacent New River wash corridor. While the site is designated Park/Open Space, the demarcation is intended to align with the river wash corridors and their adjacent buffers.

By statute, the General Plan designation of Park / Open Space allows for a residential density of up to one (1) du/ac, which corresponds to several underlying zoning district designations, including the proposed R1-35 zoning district. A maximum of one (1) dwelling unit per acre is allowed. This one-acre property is already developed with a single-family residence; therefore,

no General Plan Land Use Map amendment is required.

Analysis of Request:
The proposed rezoning application better aligns the site with the surrounding zoning districts designations, R1-12 to the east, and R1-8 to the south and west of the site. The site is currently restricted from the benefit and use of the property due to the current SR-43 development standards. The current district is intended for an "open" and semi-rural character and has corresponding setback and lot coverage requirements much greater than the surrounding areas, thereby restricting development on this property.

The project meets the intent of the General Plan, and staff supports the proposed single-family residential R1-35 zoning designation for this site.

Public Participation:

Public Noticing:
Public notice was provided in the manner prescribed under Section 21-315 of the Zoning Ordinance. Posting of the site was completed within the prescribed number of days prior to the Public Hearing.

Support / Opposition
Staff received has received no letters or phone calls of support or opposition.

As a requirement of the Rezoning application process, the applicant conducted a neighborhood meeting and provided a Citizen Participation Report detailing the results of the meeting. For both meetings, the applicant notified all property owners within a 600-foot radius of the site and all registered Homeowner's Associations within 1 mile of the site. The first meeting was held on October 3, 2017 at the Sunrise Mountain Library. No members of the public attended.

Previous Actions:

A public hearing was held for this case at the November 16, 2017 Planning & Zoning Commission Meeting. No members of the public spoke in favor or opposition to the case.

Options:

A: Approve as recommended by the Planning & Zoning Commission; or
B: Approve with modifications; or
C: Deny; or
D: Continue action to a date certain or indefinitely; or
E: Remand to the Planning & Zoning Commission for further consideration.

Staff Recommendation:

Discussion and possible action to concur with the Planning and Zoning Commission's unanimous recommendation and adopt **ORD. 2017-48** approving the rezoning of approximately 1 acre of property, located at the southeast corner of 75th Avenue and Jomax Road from Suburban Ranch

43 (SR-43) to Single-Family Residential (R1-35).

Fiscal Analysis:

This request is not expected to have immediate budgetary impacts to the City.

ATTACHMENTS:

Exhibit 1 - Vicinity Map
Exhibit 2 - P&Z Commission Staff Report
Exhibit 3 Draft Ordinance

Contact Name and Number:

Randy Proch, Planner (623) 773-5164

Z17-19 Vicinity Map

Z17-19 Metzger Residence

Applicant: Jeremiah Metzger

Request: The applicant is requesting to rezone approximately 1 acre from SR-43 to R1-35.

Location: 7423 W. Rowel Road

Exhibit 1

N

Not to Scale

BACKGROUND

Context (Exhibit A)

Jeremiah Metzger is requesting to rezone his one (1) acre lot at 7423 W. Rowel Road, located south and east of the southeast corner of 75th Avenue and Jomax Road from Suburban Ranch 43 (SR-43) to Single-Family Residential (R1-35). No new development is proposed with this application. The site is surrounded to the west, east, and south, by traditional suburban single-family residential development. The parcel to the north remains undeveloped. The purpose of the Rezone application is to enable the property to be better utilized through development standards consistent with the surrounding area.

General Plan (Exhibit B)

The subject property is designated Park / Open Space (0-1 du/ac) on the General Plan Land Use Map. The designation encompasses the western half of the Terramar subdivision that surrounds the property and generally aligns with the adjacent New River wash corridor. While the site is designated Park/Open Space, this designation is intended to demarcate the river wash corridors and their adjacent buffers.

Zoning (Exhibit C & D)

The site is currently zoned Suburban Ranch 43 (SR-43) which requires a minimum lot size of 43,560 square feet or one acre (Exhibit C). Jeremiah Metzger is proposing to rezone the site to Single-Family Residential (R1-35) (Exhibit D). The proposed change will align the development standards closer in line with the surrounding subdivisions.

Adjacent Uses and Zoning

Table 1 summarizes the existing land use, General Plan designation, and Zoning District designation for the surrounding areas.

Table 1 – *Existing Land Use, General Plan Designation, and Current Zoning*

	EXISTING LAND USE	GENERAL PLAN	ZONING
Subject Property	**Single Family Home**	**Park / Open Space**	**Suburban Ranch 43 (SR-43)**
North	Undeveloped land	Park / Open Space and Low Density Residential	Suburban Ranch 43 (SR-43), then Jomax Road, then Aloravita Planned Community District (PCD)
South	Single-Family Homes	Low Density Residential	Single Family Residential (R1-8)
East	Single-Family Homes	Low Density Residential	Single Family Residential (R1-12), then Single Family Residential (R1-8)
West	Single-Family Homes, then undeveloped land	Low Density Residential	Single Family Residential (R1-8), then Aloravita Planned Community District (PCD)

Other Related Policies and Project History

The Terramar subdivision surrounding the subject site to the west, south, and southeast was developed in the early 2000s. This site and the adjacent parcels to the north and east of the subject site were not included in Terramar and remained vacant for many years. In December 2008, a similar rezoning application, Z08-01 was approved for a small four-lot subdivision directly east of the proposal to rezone from SR-43 to R1-12. As such, the subject site has been an exception to the surrounding, entitled developments.

APPLICANT'S PROPOSAL

Goal/Purpose of Request (Exhibit E)

The purpose of the rezoning request is to better align the site with the surrounding zoning district designations, R1-12 to the east, and R1-8 to the south and west of the site. The site is heavily restricted from the benefit and use of the property due to the current SR-43 development standards, which is intended to support a semi-rural character and as a result has heightened setback requirements. The surrounding Terramar subdivision and four-lot subdivision each contain greater allowances than the proposed rezoning is requesting.

DISCUSSION AND ANALYSIS

Conformance to the Surrounding Area

By statute, the General Plan designation of Park / Open Space allows for a residential density of up to one (1) du/ac, which equates to several possible underlying zoning district designations, including the proposed R1-35. A maximum of one (1) dwelling unit per acre is allowed. This one-acre property is currently developed with a single-family residence; therefore, this application does not require a corresponding General Plan Land Use Map amendment.

COMMUNITY INVOLVEMENT

Outreach Requirements

The application was properly noticed pursuant to Section 21-315 of the Peoria Zoning Ordinance, which includes notification to all property owners within 600 feet of the site and registered HOAs within one (1) mile, posting a sign on the site, and placing an ad in the Peoria Times at least 15 days prior to the Public Hearing.

Support / Opposition (Exhibit F)

A neighborhood meeting was held at the Sunrise Mountain Library on Tuesday, October 3, 2017. The meeting was attended by the applicant and City staff. No members of public attended within the posted hour period from 6:00 p.m. to 7:00 p.m.

Proposition 207 Waiver

The voters of Arizona approved Proposition 207, which among other things requires municipalities to compensate property owners for actions which have the effect of diminishing the value of property. The City Attorney's Office has drafted an agreement which waives the applicant's rights to future Proposition 207 claims against the City. Accordingly, the applicant has furnished a signed and notarized Proposition 207 Waiver.

STAFF RECOMMENDATION

Based on the following findings:

1. The proposed zoning district is in conformance with the goals and objectives set forth in the Peoria General Plan;
2. This rezoning request will result in development standards that are compatible with the existing adjacent neighborhood(s); and,
3. The applicant/owner has submitted a signed and notarized a Proposition 207 waiver, which will be recorded with the conditions outlined below.

Staff recommends that the Planning and Zoning Commission take the following action:

Recommend approval to the City Council for the applicant's request for Rezoning under Case Z17-19.

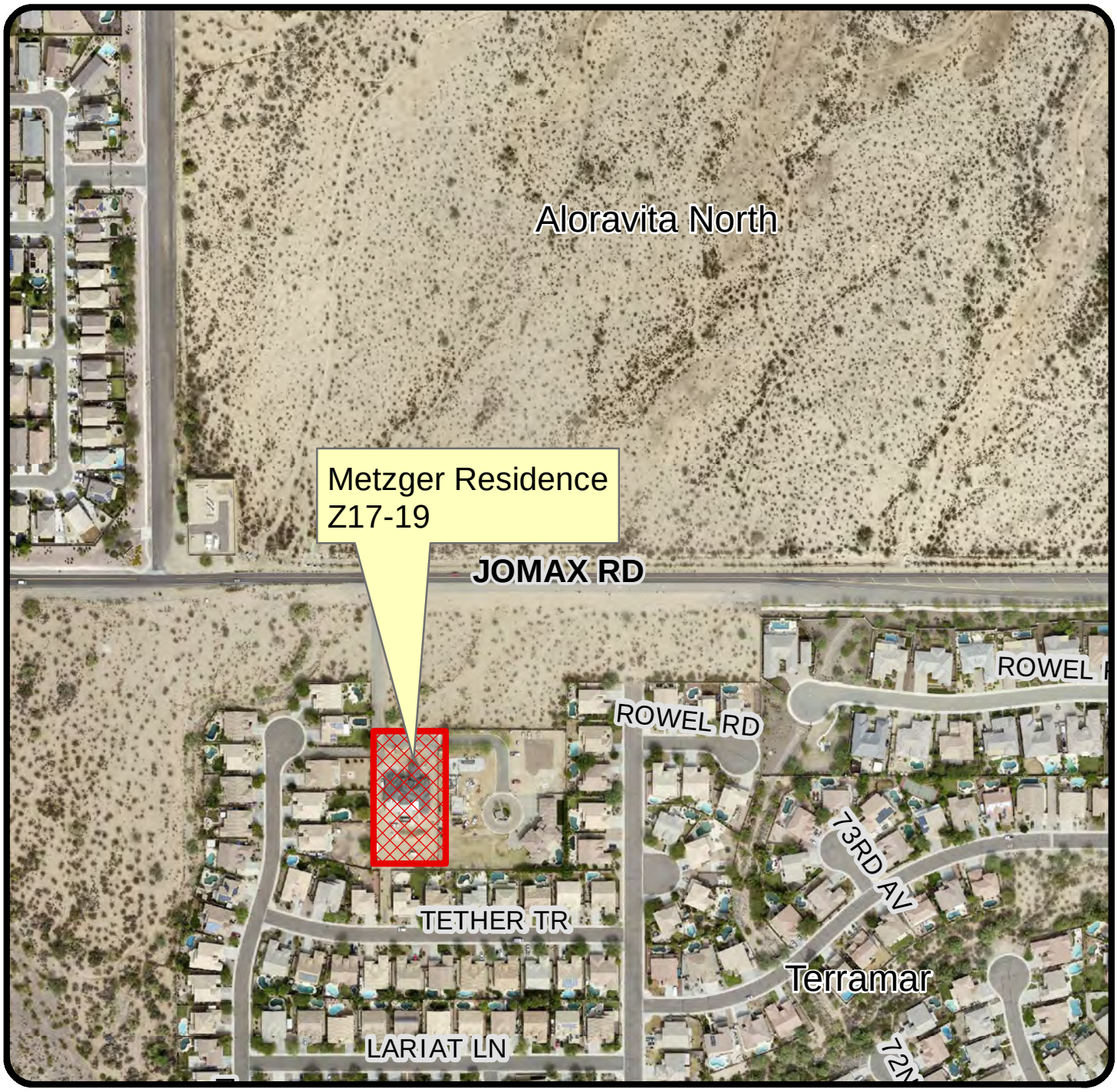
REPORT PREPARED BY

Randy Proch
Planner
623-773-5164
randy.proch@peoriaaz.gov

ATTACHMENTS:

Exhibit A	Vicinity Map
Exhibit B	General Plan Map
Exhibit C	Current Zoning Map
Exhibit D	Proposed Zoning Map
Exhibit E	Project Narrative
Exhibit F	Neighborhood Meeting Packet

Z17-19 Vicinity Map



Z17-19 Metzger Residence

Applicant: Jeremiah Metzger

Request: The applicant is requesting to rezone approximately 1 acre from SR-43 to R1-35.

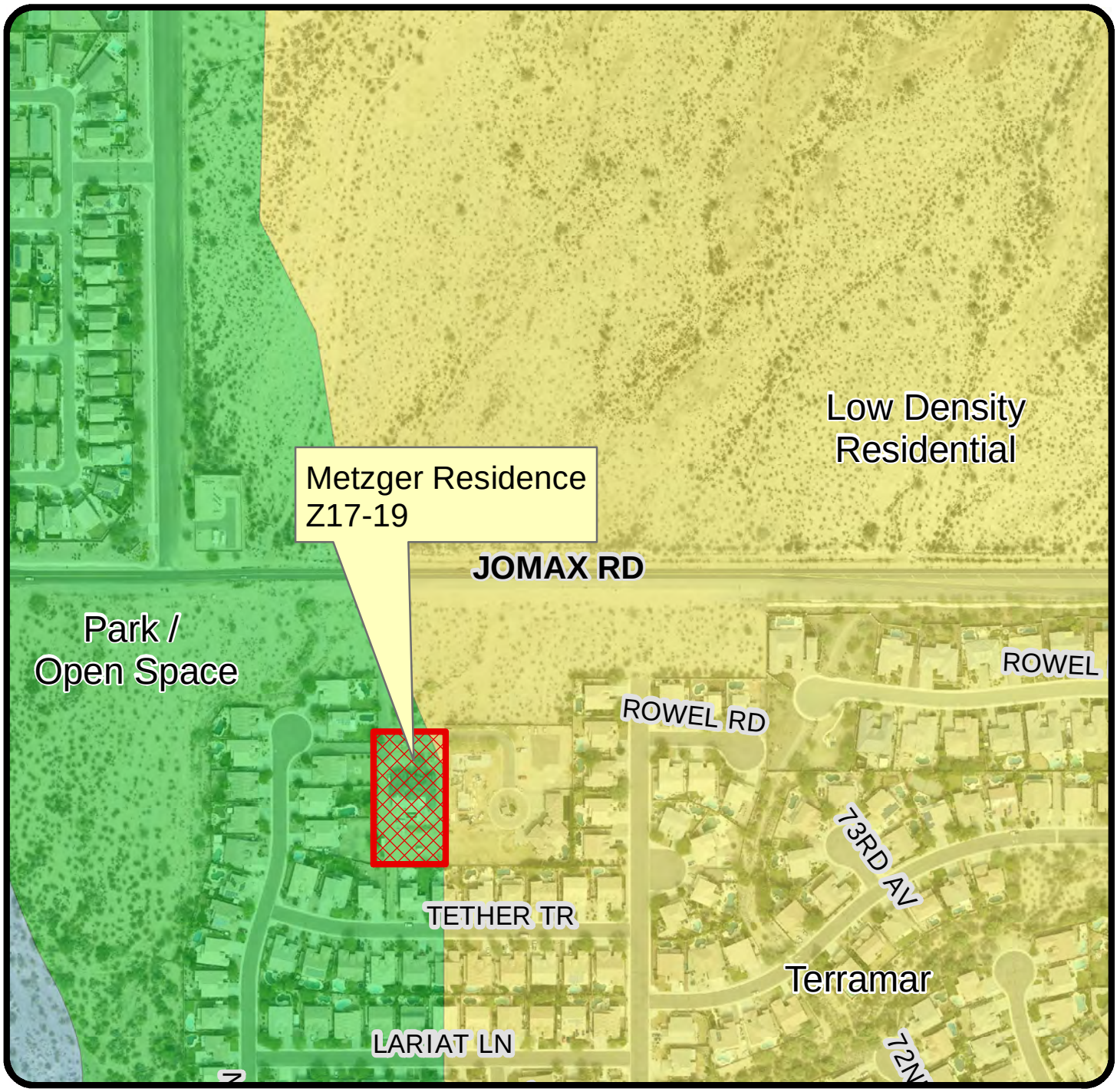
Location: 7423 W. Rowel Road

Exhibit A

N

Not to Scale

Z17-19 General Plan Map



Z17-19 Metzger Residence

Applicant: Jeremiah Metzger

Request: The applicant is requesting to rezone approximately 1 acre from SR-43 to R1-35.

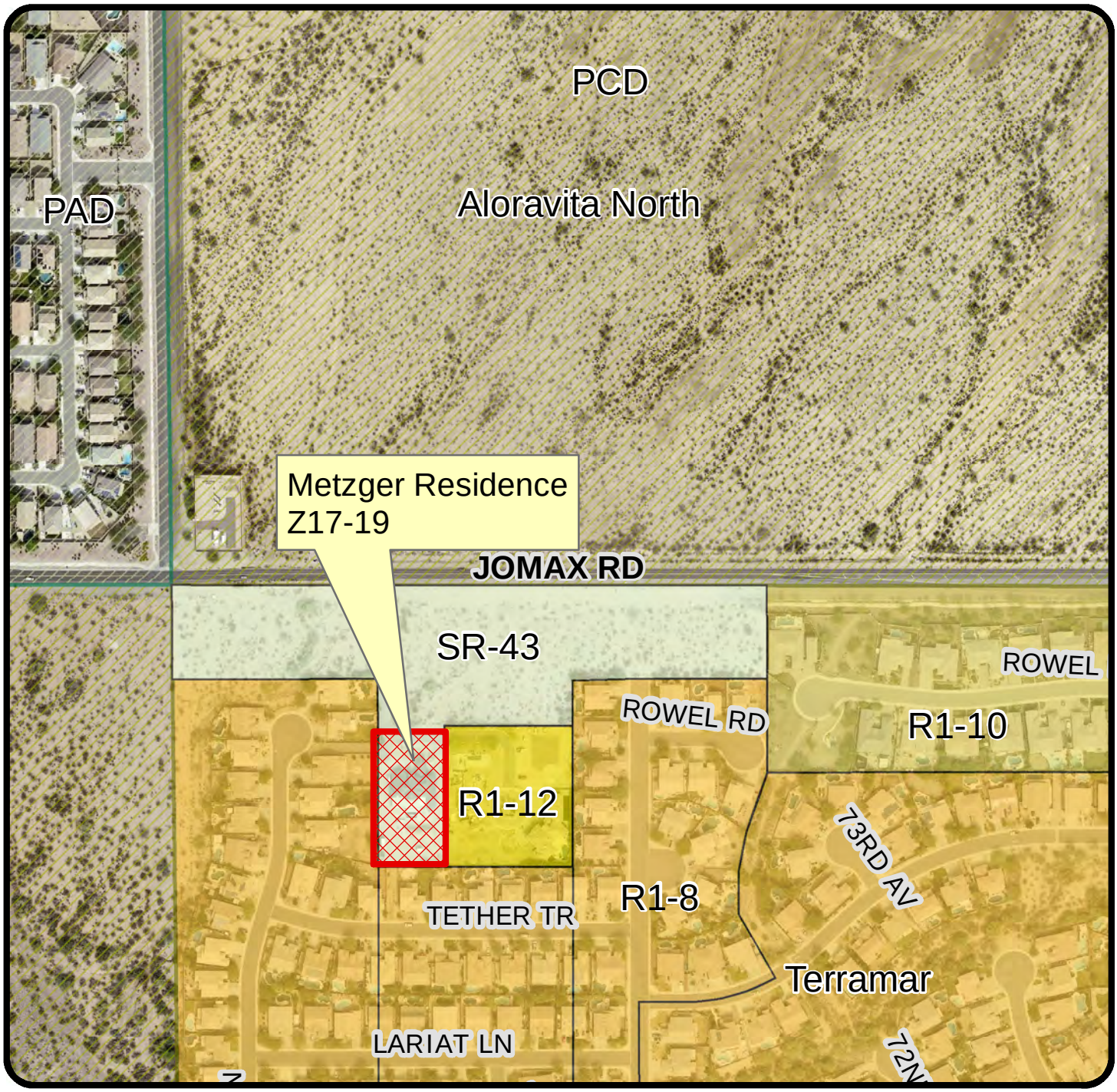
Location: 7423 W. Rowel Road

Exhibit B

N

Not to Scale

Z17-19 Current Zoning Map



Z17-19 Metzger Residence

Applicant: Jeremiah Metzger

Request: The applicant is requesting to rezone approximately 1 acre from SR-43 to R1-35.

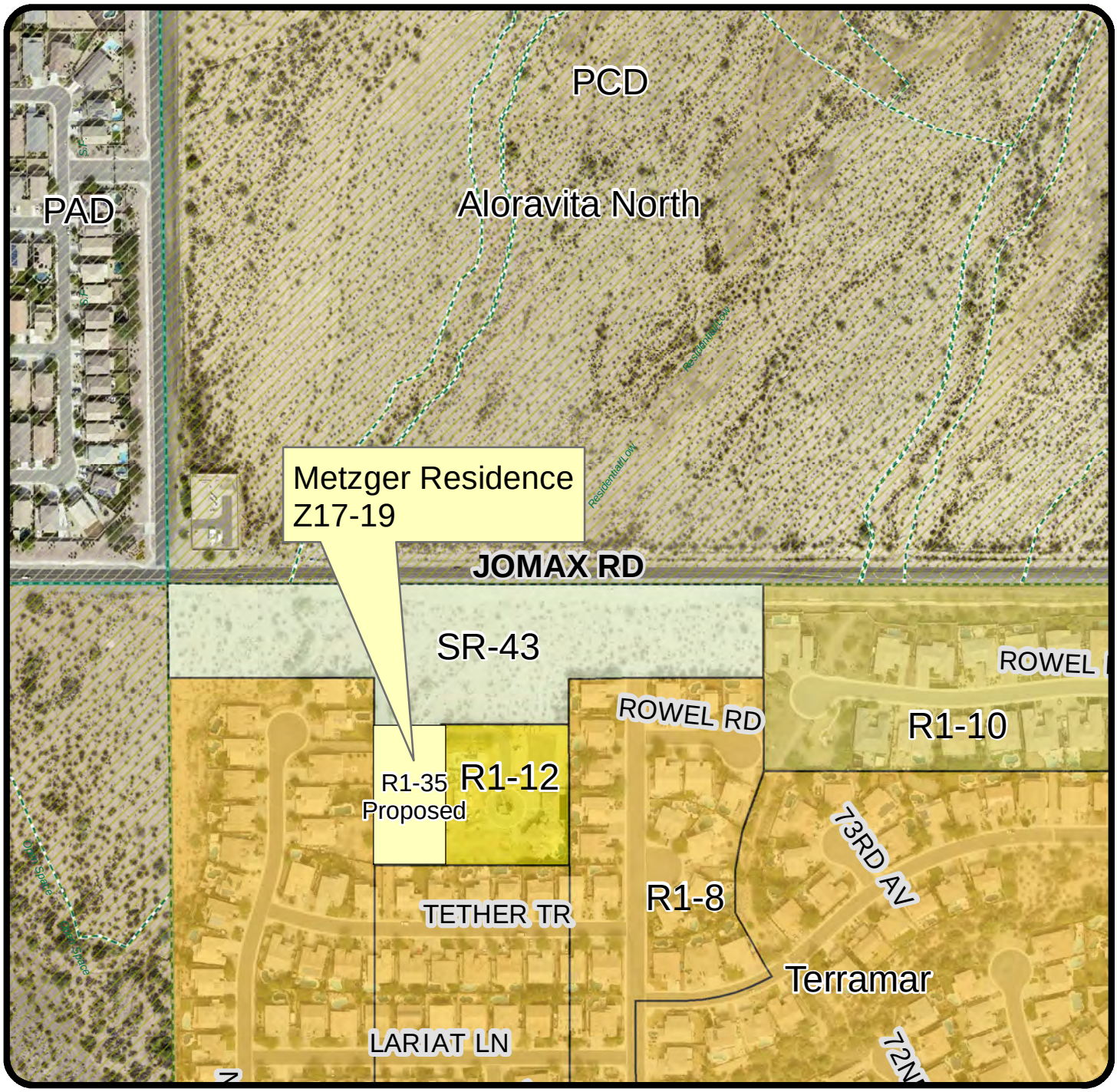
Location: 7423 W. Rowel Road

Exhibit C

N

Not to Scale

Z17-19 Proposed Zoning Map



Z17-19 Metzger Residence

Applicant: Jeremiah Metzger

Request: The applicant is requesting to rezone approximately 1 acre from SR-43 to R1-35.

Location: 7423 W. Rowel Road

Exhibit D

N

Not to Scale

Narrative Statement/Project Justification

Metzger Residence

Parcel #: 201-09-986

[redacted]

Peoria, AZ 85383

To Whom It May Concern,

We would like to request our property to be rezoned to R1-35. We feel that this would be a natural progression of our property transitioning it to fit in better with our surrounding neighbors. Directly to our east there are 4 custom home lots that have been rezoned to R1-12, and to our south and west the zoning is R1-8. Doing this will create a more logical zoning pattern and will allow functionality of our lot to match our surroundings. With our home complete, we will not be subdividing or changing the use of our property. Our property will remain a single-family residence.

Thank you for your consideration,

Jeremiah and Heather Metzger

Exhibit E

Metzger Rezoning Case #Z17-19

For: 7423 W. Rowel Road, Peoria, AZ 85383

Neighborhood Meeting was held Tuesday, October 3, 2017 from 6:00 to 7:00 pm at the Sunrise Mountain Library.

Attendees were:
Randy Proch, City of Peoria
Jeremiah Metzger, owner

The applicant and City representative were available from 6:00 p.m. to 7:00 p.m. in the Community Room. No members of public attended during the hour. The meeting was ended at 7:00 p.m.

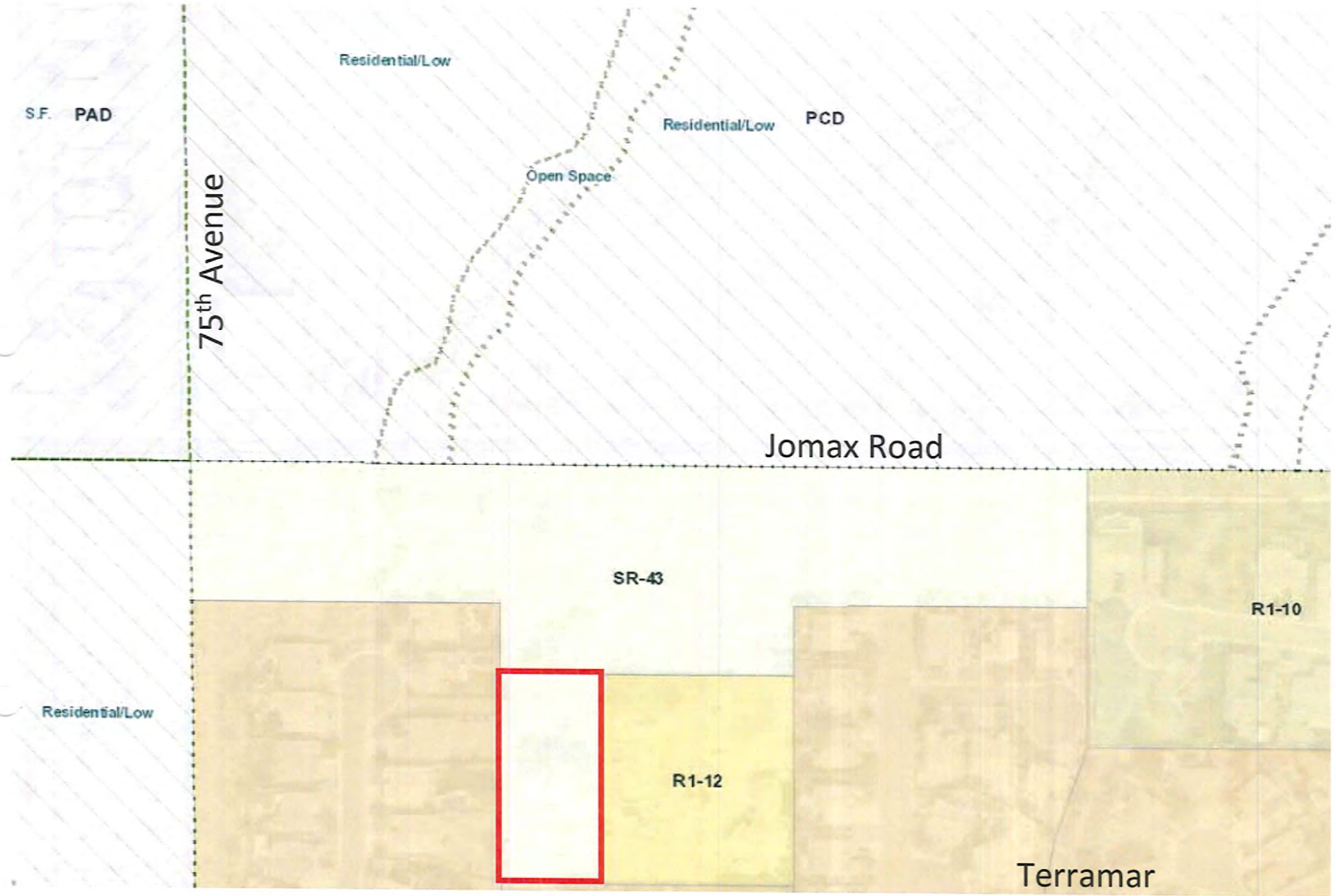
Exhibit F

Metzger Rezoning Z17-19

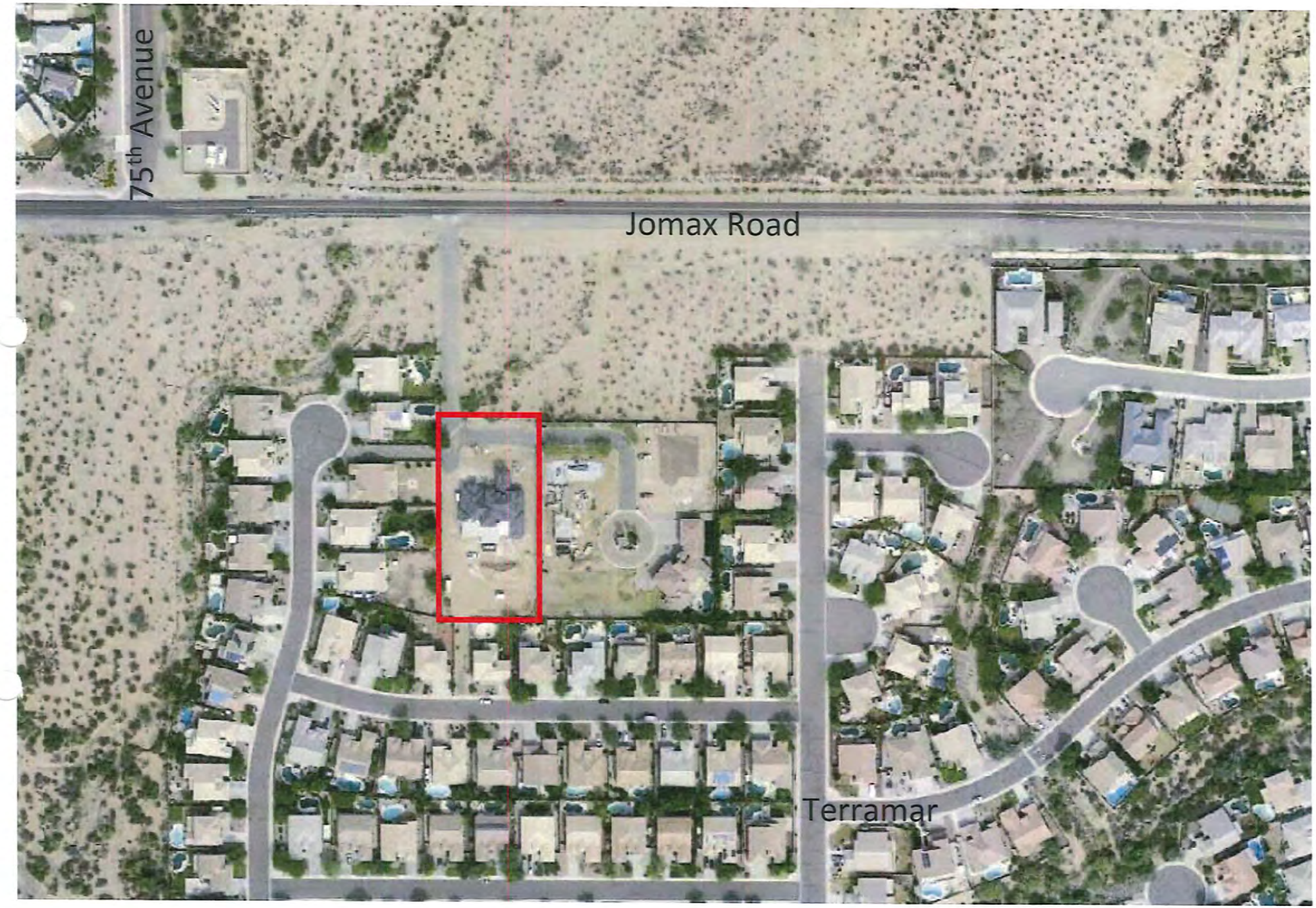
Neighborhood Meeting Tuesday, October 3, 2017

Name	Phone Number	E-mail
Randy Proch	623-773-5164	randy.proch@peoriaaz.gov
Jeremiah Metzger	[redacted]	[redacted]

Metzger
Rezoning Z17-19
Neighborhood
Meeting
←



7423 W. Rowel Road



7423 W. Rowel Road

Exhibit 3
Draft Ordinance

ORDINANCE NO 2017-48

AN ORDINANCE OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, REZONING PROPERTY FROM SUBURBAN RANCH 43 (SR-43) TO SINGLE-FAMILY RESIDENTIAL (R1-35) ZONING DISTRICT; AMENDING THE ZONING MAP AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Peoria Planning and Zoning Commission held a public hearing on November 16, 2017 in zoning case Z17-19 in the manner prescribed by law for the purpose of considering an amendment to the zoning district boundaries of property within the City of Peoria, Arizona to provide for rezoning of a parcel of land as described below from Suburban Ranch 43 (SR-43) to Single-Family Residential (R1-35) zoning district as provided in Section 21-415 of the Peoria City Code;

WHEREAS, due and proper notice of such Public Hearing was given in the time, form, substance and manner provided by law including publication of such notice in the Peoria Times Newspaper on October 27, 2017; and

WHEREAS, the City of Peoria Planning and Zoning Commission has recommended to the Mayor and the Council of the City of Peoria, Arizona, the zoning of property as aforesaid and the Mayor and the Council of the City of Peoria, Arizona desires to accept such recommendation and rezone the property as described below as aforesaid.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona that:

SECTION 1. A parcel of land in Peoria, Maricopa County, Arizona, which is more accurately described in Exhibits A, and B to this Ordinance is hereby rezoned from Suburban Ranch 43 (SR-43) to Single-Family Residential (R1-35) zoning district.

SECTION 2. Amendment of Zoning Map. The City of Peoria zoning map is herewith amended to reflect the change in districts referred to in Section 1 above and as defined by the Legal Descriptions as represented in Exhibit A, and the corresponding parcel map as shown as Exhibit B.

SECTION 3: Effective Date. This Ordinance shall become effective at the time and in the manner prescribed by law.

PASSED AND ADOPTED by the Mayor and Council for the City of Peoria, Arizona this 12th day of December, 2017

_____
Cathy Carlat, Mayor

_____
Date signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen J. Burg, City Attorney

Published in: Peoria Times
Publication Date: December 22, 2017
Effective Date:

Exhibit A
Legal Description

PARCEL ONE:

Commencing at the North quarter comer of Section 1, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, said point being a found brass cap at the centerline intersection of Jomax Road and 71st Avenue alignment;

Thence North 89 degrees 48 minutes 57 seconds West along the North line of the Northwest quarter of said section 1 a distance of 1788.92 feet;

Thence South 00 degrees 05 minutes 47 seconds West a distance of 307.53 feet to a found concrete nail;

Thence North 89 degrees 48 minutes 57 seconds West a distance of279.53 feet to a set ½" rebar and cap "LS #17461", said point being the True Point of Beginning.

Thence south 00 degrees 11 minutes 03 seconds West a distance of 307.50 feet to a set PK nail;

Thence North 89 degrees 48 minutes 57 seconds West a distance of 145.00 feet to a found PK nail;

Thence North 00 degrees 11 minutes 03 seconds East a distance of 307.50 feet to a found concrete nail;

Thence South 89 degrees 48 minutes 57 seconds East a distance of 145.00 feet to a set ½" rebar and cap and the True Point of Beginning;

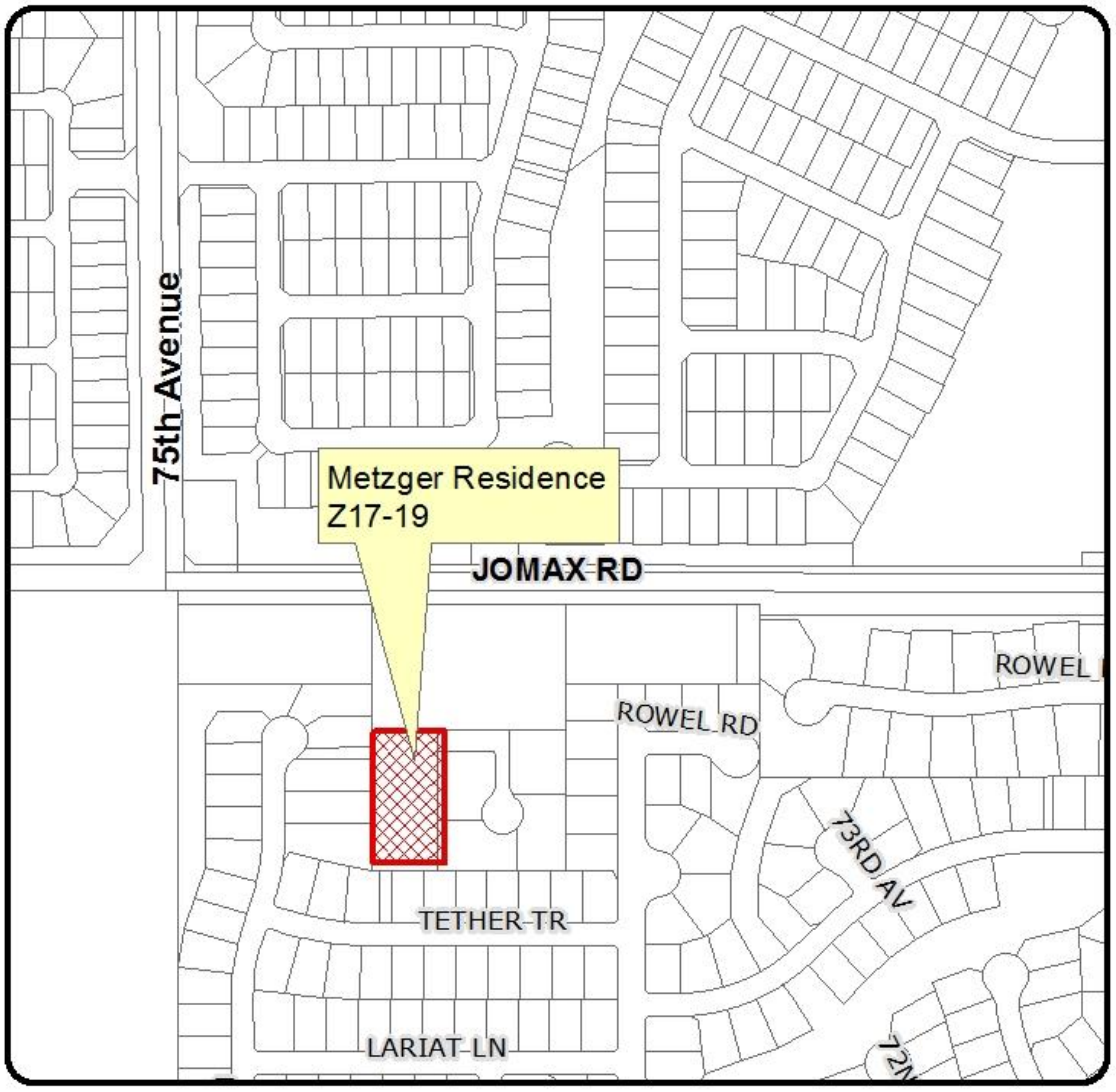
And reserving the North 33.00 feet thereof for ingress and egress and a public utility easement. The above described parcel contains 1.02 acres more or less but is subject to all legal roadways and easements of record.

PARCEL TWO:

An Easement for Ingress, Egress and Public Utilities as granted in that certain "Grant of Easement" recorded as Document no. 2004-075264 and more particularly described as follows:

The West 25 feet of the North 3 acres of the North 6 acres of the East 12 acres of the West 24 acres of Lot 4, Northwest quarter of the Northwest quarter of Section 1, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; Except the North 33 feet thereof.

Exhibit B
Parcel Map



CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 18R.

Date Prepared: 11/13/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

FROM: Laura Ingegneri, Human Resources Director

SUBJECT: Memorandum of Understanding, American Federation of State, County, and Municipal Employees Local 3282, July 2018 through June 2022

Purpose:

This is a request for City Council to consider a Memorandum of Understanding (MOU) for the American Federation of State, County, and Municipal Employees (AFSCME) Local 3282 for the period of July 2018 through June 2022 establishing wages, hours, and conditions of work.

Background/Summary:

Pursuant to City Code Chapter 6, the meet and confer process began on Tuesday, September 19, 2017 following the joint presentation to the City Council.

The major components of this new MOU are as follows:
*The agreement is for a four-year period, beginning July 2018 to June 2022;
*Establishes a 2% COLA for all employees and a 2.5% merit increase for all eligible employees in Year 1 and Year 3;
*Establishes a 3% merit increase for all eligible employees and a $1,200 lump sum payment to those at the maximum of their salary range in Year 2 and Year 4;
*Establishes a new sick leave payout program at retirement;
*Establishes a new 457 contribution schedule over the 4-year period;
*Increases the stand-by pay for designated positions.

Options:

A: Approve the AFSCME MOU in total for the period July 2018 through June 2022.

B: Do not approve the AFSME MOU in total for the period July 2018 through June 2022 and return for re-negotiation with specific direction.

Staff Recommendation:

Discussion and possible action to approve a Memorandum of Understanding with the American Federation of State, County, and Municipal Employees Local 3282 in total for the period July

2018 through June 2022.

Fiscal Analysis:

The ongoing cost of the four-year program is approximately $890,000 per year, dependent on the individual members use of the benefits as provided.

ATTACHMENTS:

Memorandum of Understanding

Contact Name and Number:

Laura Ingegneri, 623-773-7103

MEMORANDUM OF UNDERSTANDING

July 1, 2018 – June 30, 2022

CITY OF PEORIA

AND

AMERICAN FEDERATION OF STATE, COUNTY

AND

MUNICIPAL EMPLOYEES

LOCAL 3282

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PREAMBLE

Whereas, the well-being and morale of the employees of the City are benefited by providing employees an opportunity to participate in the formal process of meeting and conferring concerning wages, hours, and working conditions of their employment, and

Whereas, the parties hereby acknowledge that the provisions of the Memorandum of Understanding (hereinafter MOU) are not intended to abrogate the authority and responsibility of City government provided for under the statutes of the State of Arizona or the Charter or ordinances of the City of Peoria.

Whereas, the parties through their designated representative met and conferred in good faith pursuant to Ordinance #87-57 in order to reach agreement concerning wages, hours and working conditions of employees comprising the Unit, hereinafter referred to as the "Unit", of the City of Peoria.

Now therefore, the City of Peoria, hereinafter referred to as the "City", and Local 3282, as an affiliate of the American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter referred to as the "Association", having reached this complete agreement concerning wages, hours, and working condition for the term specified, the parties submit this Memorandum to the City Council of the City of Peoria with their joint recommendation that the City Council resolve to adopt its terms and provisions.

Article 1: Recognition

1. The City recognizes the Association as the sole and exclusive Meet and Confer agent, pursuant to Ordinance #87-57, for the purpose of representation regarding wages, hours, and working conditions of employment for all Unit Employees.

2. The City and the Association agree that the primary objective of the City is to provide good faith, fair treatment, and quality service to the citizens of Peoria in the most efficient manner. To achieve this objective requires the united efforts and teamwork of the City, its employees, and AFSCME.

Article 2: Gender

Whenever any words used herein are in the masculine, feminine or neuter, they will be construed as though they were also used in another gender in all cases they would so apply.

Article 3: Employee Rights and Responsibilities

1. All Unit employees will have the right to have the Association serve as their "Meet and Confer" representatives as set forth in Ordinance #87-57, without discrimination based on membership or non-membership in the Association.

2. Management and AFSCME agree not to interfere with the right of employees to become or not become members of AFSCME and further, that there will be no discrimination or coercion against any employee because of AFSCME membership or non-membership.

3. Management will not take disciplinary action or punitive action against an employee that impedes or interferes with that employee's exercise of any right granted under the law or under this MOU.

4. All AFSCME eligible employees will have the right to be represented by the Association in grievances (as defined in Article 6) alleging violation of the specific terms of this Agreement. AFSCME representation for the purpose of discipline and grievances meetings may include up to two (2) City management employees and one (1) representative of the employee's choice, exclusive of Human Resources representation. If either side believes there are circumstances with a discipline or grievance meeting that necessitate more representatives being present, they may request an exception to increase the total number of representatives and provide an opportunity for an equal number. For other meetings, representatives will be determined mutually on a case-by-case basis.

5. All employees have the right to present their own grievances in person alleging violation of the specific terms of this agreement with or without representation, provided the Association is notified of the pending grievance. No resolution will be reached with any Unit employee which conflicts with the purpose and intent of the negotiated terms of this agreement.

6. Any employee covered hereunder or his representative designated in written form signed by the employee and witnessed, will on request and by appointment, be permitted to examine his/her Personnel Files.

7. No employee will have any adverse comments entered into his/her Personnel Files without receiving a copy of the adverse comment. Employees must acknowledge receipt by signing the document presented. If employee refuses to sign, such refusal shall be noted on said document by the City.

8. Employees may, at their discretion, attach a statement of rebuttal of specific reference to any material, past or present, contained in their Personnel File which may be adverse in nature.

9. A letter of reprimand, or documented reprimand which does not contain a notice of suspension or demotion, will be active in an employee's personnel file for not longer than one (1) year provided there are no subsequent disciplinary actions of any kind.

   A notice of suspension or demotion will be active in an employee's personnel file for a period of not longer than three (3) years provided there are no subsequent disciplinary actions of any kind.

   A change in status of said letter(s) or notices from an employee's personnel file after the prescribed time frame would require the employee to submit a written request through their appropriate chain of command to the Human Resources Department, which will make the final determination as to whether the above criteria has been met in order to change the status of the letter or notice. If it has been determined that the criteria has been met, the letter will be removed from the personnel file and will not be used for any subsequent disciplinary actions. If required by law, the City may retain the letter outside of the personnel file or remove it according to the law.

10. Employees are expected to adhere to the following standards:

    - Employees will follow City departmental rules and procedures.
    - Employees will demonstrate an attitude and willingness to accomplish all of their assigned duties to the best of their abilities.
    - Employees will conduct themselves on the job and off the job with the goal of bringing honor to the City and public service.

Article 4: <u>Union Rights</u>

1. The Association, as the authorized representative, has the exclusive right to serve as the Meet and Confer representative of all employees in the Unit as determined by the Peoria City Council in Ordinance #87-57.

2. The City agrees that when orientation sessions are conducted by the Human Resources Department with new Unit employees, the Association will be invited to participate in the process. The purpose of this Association participation is to share information with new employees regarding AFSCME membership and benefits and to distribute enrollment forms. To facilitate these meetings AFSCME membership will receive a list of new employees prior to the meeting date. This time is for the sole purpose of providing membership information and hence will be tracked and coded as Union Release Time (URT).

3. Certain specified shift representatives of the Association have the right to paid release time under the Grievance Procedure to represent members herein as follows:

    a. A (one) shift representative may, when the Association is designated in writing by a grievant as his/her representative, attend mutually scheduled grievance meetings and hearings with department representatives without loss of pay or benefits. This time shall be tracked and coded as URT and deducted from the approved bank.

    b. The employee and the employee's one designated representative will be afforded the opportunity to use a reasonable amount of work time in conferring and preparing or presenting the grievance. Department managers will determine what is a reasonable amount of work time to be granted to the grieving employee and employee representative. This time shall be tracked and coded as URT and deducted from the approved bank.

    c. The Association representative is required to request and obtain permission of his/her immediate supervisor to absent himself from his/her duties to attend scheduled grievance meetings. A representative wishing to enter a work area for the purpose of investigating a formal grievance must first request and obtain the permission of the work area supervisor. Permission will not be unreasonably withheld, giving proper consideration to essential work of the department and the occupational safety of the shift representative. This time shall be tracked and coded as URT and deducted from the approved bank.

4. <u>Union Representatives</u>

    a. The Association may designate representatives as follows:

        - Seven (7) Executive Board Members
        - Eleven (11) Stewards

- One (1) Chief Steward

b. All Stewards will be appointed by the President or his/her designee. No more than three (3) of the twelve (12) total designated Stewards will be employed in any single department. Probationary employees will not be eligible for designation as a representative. The Association will use its best efforts to have a designated Steward from among employees regularly at a service area.
c. The Association will appoint one (1) of the twelve (12) Stewards as Chief Steward. No Steward will be recognized as Chief Steward until 48 hours after written notice to the City's Human Resources Director of his/her appointment. The Chief Steward or his/her designee is responsible for assigning Stewards as needed to meet representational needs.

d. If the Chief Steward needs to leave his/her area of service for a reasonable period of time to assist another Steward for the purpose of working on an unresolved grievance appeal/hearing of a grievance, or a matter of discipline, he/she will request and obtain permission from his/her immediate supervisor. If leave cannot be granted, due consideration will be given to a request that an alternate Steward be permitted such leave as "acting Chief Steward". This time shall be tracked and coded as URT and deducted from the approved bank.

e. It is agreed that a Steward will not log compensatory time, overtime, or any other premium pay for the time spent performing any function of a Steward.

5. In July and January of each year covered by this Agreement, the Association will provide the City with a complete list of current Association Representatives (Executive Board Members and Stewards). The Association will provide names of newly appointed Association Representatives (Executive Board Members and Stewards) and the name of any employee no longer serving as a representative within five (5) days of such change in designation.

6. Paid Release Time for Union Business

For each individual fiscal year (July 1 through June 30) during the term of this MOU, the Association will, subject to operational and scheduling requirements, be allowed release time with pay (URT) up to a maximum of one thousand six hundred (1,600) hours per MOU year for elected officers, trustees, executive board members, representatives, and members appointed by the President to attend Association business and Executive Board meetings or to attend Association seminars and conventions. "Association business" is that which is conducted at the initiation, or for the benefit or promotion of the Association. Examples include but are not limited to preparing for negotiations, grievances, or hearings, providing representation, attending NEO or benefit fairs, seminars or conferences, or otherwise tending to the needs of the members or the organization.

Time spent representing the Association at the invitation or initiative of the City shall be tracked and coded as Union Release City (URC) and shall not be deducted from the URT bank. Examples include but are not limited to labor/management meetings, labor negotiations with the City, or other meetings as requested by the City.

Notice of events and names of employees and their alternates attending should be submitted as soon as such information is available and must be submitted to the Department Director or designee by the Association not later than forty-eight (48) hours in advance of the release

time. An alternate may be substituted for the original selection with notification twelve (12) hours in advance.

7. Upon request, in July and January of each year covered by this Agreement, the City will provide the Association a list of Unit personnel on City payroll deduction in July and January during the term of this Agreement indicating name, and job assignment. The Association agrees to use this list solely for purposes of communicating with Unit personnel and will not share this information with other individuals or organizations.

8. During the life of this Agreement, the City agrees to deduct bi-weekly membership dues levied by the Association from the pay of each employee who completes an AFSCME dues authorization form. The City assumes no liability on account of any action taken pursuant to this paragraph.

9. The employer agrees that non-employee officers and representatives of the Association will have reasonable access to the premises of the Employer during working hours with advance notice to the appropriate employer representative. Such visitations will be for the reasons of the administration of this Agreement. The Unit agrees that such activities will not interfere with the normal work duties of employees. The City will provide the Association, upon request, non-confidential and readily available information concerning the Unit that is necessary to Association representatives for negotiation, and is not otherwise available to the Association, such as personnel census, employee benefit data, and survey information. Such requests will be made through the City Manager or his designee.

10. Facilities and Services

    The Association, through its designated representatives, may distribute materials on the City premises (buildings and grounds) before and after scheduled working hours or in non-work areas during scheduled work hours provided that both the employee distributing and the employee receiving such materials are on non-work periods.

    a. The City will provide the Association with up to nine (9) accessible bulletin boards for its use in communicating with its members, in worker assembly areas or other non-work locations. The City will grant sole and exclusive use of such bulletin boards to the Association.

    b. The Association may grieve arbitrary obstruction by the City to Association posting or distributing of official Association literature.

    c. The parties agree that this Article does not authorize or approve the posting or authorization for distribution of material that is political in nature, abusive of any person or organization, or disruptive of City department operations.

11. The City agrees that AFSCME will have the opportunity to hold luncheon/orientation meetings on City property. These meetings will be used for the purpose of member benefits orientation using the employee's personal time. The meetings will be arranged in advance between the Association and the City.

12. When possible, the City will provide forty-eight (48) hours' notice for meetings in which Association representative is party to the meeting.

Article 5: Management Rights

1. The Association recognizes that the City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its municipal services and work force performing those services.

2. The City Manager and the respective Department Director or designee have exclusive decision-making authority on matters not expressly modified by specific provisions of this Memorandum. Such decision-making will not in any way, directly or indirectly, be subject to the grievance procedure contained herein.

3. The exclusive rights of the City will include the right to determine the organization of City government and the purpose and mission of its constituent agencies, to set standards of service to be offered to the public, and through its management officials to exercise controls and discretion over its organization and operations, to establish and effect administrative regulations and employment rules consistent with law and the specific provisions of this Memorandum, to direct its employees, to take disciplinary action for proper cause, to relieve its employees from duty because of lack of work or other legitimate reasons, to determine the methods, means and personnel by which the City's services are to be provided, including the right to schedule and assign work and overtime, and to otherwise act in the interests of efficient service to the community. Nothing herein will be construed to diminish the right of the City under Ordinance #87-57.

4. To adopt and to manage its budget, provide for the funding of certain levels of service, to add, delete, modify, or suspend certain programs, functions, divisions, and departments as the City Council determines in the exercise of its legislative authority to create and manage the City's budget as necessary and appropriate.

5. The Association will provide the City with the names of new Stewards, department employed and names of previous Stewards within five (5) days of appointment.

6. The enumeration of the above rights is illustrative only and is not to be construed as being all inclusive.

Article 6: Grievance Procedure

1. Definition of Grievance

   A "grievance" is a written allegation by an employee, submitted as herein specified, claiming violation(s) of the specified express terms of the Memorandum of Understanding.

   A grievance is defined as a dispute or difference of opinion between an employee covered by this Agreement and the City, involving the meaning, or application of the expressed provision of this Agreement. In the event of such dispute, the matter will be treated as a grievance and be settled by the grievant and the City in accordance with the procedures defined in this Article.

   a. Grievant, as used in this Procedure, will mean an individual employee, a group of employees, or AFSCME.

b. Employees filing a grievance may request AFSCME representation throughout all steps of the grievance procedure. It is incumbent upon the employee to notify and secure appropriate AFSCME representation for the designated meeting time if desired.

2. Informal Resolution

Employees who believe that they have a complaint concerning a violation of the Agreement should promptly inform and discuss it with their immediate supervisor. The purpose of this discussion is to clarify the matter and attempt to resolve the problem at the employee-immediate supervisor level. An employee may request the assistance of one representative of the employee's own choosing, in preparing and presenting a grievance through all grievance steps. The employee must bring the matter to the supervisor's attention within fourteen (14) calendar days of the event that led to the complaint.

If such informal discussion does not resolve the problem to the Unit employee's satisfaction, and if the complaint constitutes a grievance as defined in Section 1, above, the Unit employee may file a formal grievance in accordance with the following procedure. Failure to complete and file a grievance form within the specified timelines will automatically terminate the complaint.

3. Time Limits

a. Failure of the grievant to comply with the time limits in this Article will constitute abandonment of the grievance.

b. Failure of the City representatives to comply with time limits specified in Step 1, Step 2, and Step 3 will entitle the grievant to appeal to the next level of review. Any failure to meet time limits by the City representatives will be considered as a factor in the review at the next level of the process.

c. Department Director or designee may extend time limits by notifying the grievant and the Unit in advance and designating an alternate time limit. An extension will be granted to accommodate absences or other lack of availability.

4. Formal Grievance Procedure

In processing a formal grievance, the following procedure will apply:

Step 1: Written Grievance

The Unit employee will reduce his grievance to writing by signing and completing all parts of the grievance form provided by the City, and submit it to his/her immediate supervisor as designated by the City, within fourteen (14) calendar days of the informal resolution meeting with the supervisor. The grievance must specify the express terms (including Article number) of the Agreement which has been violated. A copy of all grievances will be sent by the Association President to the Human Resources Director. Once the grievance is submitted in writing, it will not be materially changed throughout the grievance procedure.

Either party will then request that a meeting be held concerning the grievance, or they may mutually agree that no meeting be held. Either party may involve the unit manager (where such position exists) in the meeting. Such meeting will be scheduled to occur within fourteen

(14) calendar days from the date of the written grievance. Such timeline will be extended to accommodate scheduled absences of the parties.

Following the meeting, the supervisor will submit a written response to the grievant and the grievant's representative, if any, within fourteen (14) calendar days.

Step 2: Appeal to the Department Director and Subsequent Review and Response

If the response of the first level of review does not result in resolution of the grievance, the grievant may appeal the grievance by signing and completing the form and presenting it to the Department Director or designee within fourteen (14) calendar days of the grievant's, or his/her representative's receipt of the level one response.

Either party will request that a meeting be held concerning the grievance or may mutually agree that no meeting be held. Such meeting will be scheduled to occur within fourteen (14) calendar days from the date of the written appeal. Such timeline will be extended to accommodate scheduled absences of the parties.

Following the meeting, or upon the receipt of the appeal, the Department Director or designee will submit a written response to the grievant and the grievant's representative, if any, within fourteen (14) calendar days of the meeting.

Step 3: Appeal to the Grievance Committee and Subsequent Review and Response or Recommendation

If the response of the Department Director or designee does not result in resolution of the grievance, the grievant and the Association may submit the grievance to the Grievance Committee for review and recommendation within fourteen (14) calendar days of the receipt by the grievant or his/her representative of the Step 2 response. The Grievance Committee will consist of two (2) representatives of Local 3282 who were on the negotiating committee and two (2) representatives of the City Manager who were on the negotiating committee.

These four (4) individuals will review the grievance and submit a recommended disposition of the matter within fourteen (14) calendar days from the date of the Committee meeting to the City Manager. The recommendation must not alter, modify or otherwise be contrary to the language of the Agreement.

Intermediate Step

If the Grievance Committee recommendation does not result in the resolution of the grievance, the grievant and the Association may mutually agree with the City to engage the services of a certified mediator through the Federal Mediation and Conciliation Service. If the mediator is unable to have the parties reach a mutually acceptable resolution in a reasonable period of time, the process may move forward to arbitration as described in Step 4 below.

Step 4: Arbitration

If the Grievance Committee recommendation does not result in the resolution of the grievance, the grievant and the Association may jointly invoke the Step 4 procedure by submitting an appeal within ten (10) working days (excluding City holidays) of the receipt of

the recommendation. City management and the grievant, or their designated representatives, will then agree on an arbitrator. If the parties are unable to agree informally within a reasonable time, the parties will jointly request a list of five (5) arbitrators who have had experience in the public sector. The parties will, within ten (10) working days of the receipt of the list, select the arbitrator by alternately striking names from the list until one name remains, with the Unit striking first. Such person will be deemed to have been selected by mutual Association of the parties.

The arbitrator so selected will hold a hearing as expeditiously as possible at a time and place convenient to the parties, and will be bound by the following:

a. The arbitrator will have no authority to add to, subtract from, or modify any of the terms of this Agreement or of Department rules and regulations in considering any issue properly before him/her.

b. The arbitrator will expressly confine his/her recommendation to the precise issues submitted in the written grievance and will have no authority to consider any other issue not so submitted.

c. The arbitrator will be bound by applicable State, City and Federal law.

d. The arbitrator will, within thirty (30) days from the close of the arbitration hearing, submit a recommendation to both parties.

e. All costs of the arbitration will be equally shared by the parties except:

    i. Each party will be individually responsible for all costs associated with the presentation of their case.

    ii. Costs of a court stenographer or other transcription fees will be paid by the party requesting the service.

Step 5: Appeal to the City Manager

If the arbitrator's recommendation does not result in the resolution of the grievance, either party may submit the grievance to the City Manager within fourteen (14) calendar days of receipt of the arbitrator's recommendation.

The City Manager may accept, modify, or reject the arbitrator's recommendation. The City Manager will submit his/her decision in writing to the grievant and designated representative within twenty-one (21) calendar days of receipt of the appeal. The City Manager's decision is the final step of the appeal process.

5. Final Resolution

The City will notify the Association of final resolutions of grievances and disciplinary actions where the Association has not been designated as the grievant's representative for the purpose of allowing the Association to ascertain that a final resolution will not be contrary to the terms of the Agreement.

Article 7: Leave

1. Sick Leave

   All full-time employees will be entitled to paid sick leave. Employees will receive paid sick leave at the rate of eight (8) hours each complete calendar month of work.

   Employees will carry over unused sick leave from previous years to a total of one thousand, forty (1,040) hours. Any balance above 1,040 at the end of April will be paid at 50% during the month of May. Any payout of annual sick leave balance will be deposited in the employee's RHS account.

2. Emergency Claus

   It will be the policy of the City of Peoria to allow emergency donations of vacation leave by any City employee to another City employee to cover catastrophic illness or injury to the employee or 1st degree relative as defined in Section 5 (Bereavement Leave) of this Article. Catastrophic is defined as a serious health condition, which involves incapacity or treatment requiring inpatient or outpatient care or any subsequent treatment in connection with such inpatient or outpatient care, or continuing treatment by a health care provider from said inpatient or outpatient care.

   a. This donation of vacation will be limited to the amount needed by the employee to cover an absence of no more than thirty (30) calendar days. Employees must exhaust their own leave balances prior to being allowed to receive donated vacation leave time.

   b. Donations must be transferred and credited in quarter (.25) hour increments.

   c. Donations must be submitted on the City-approved form.

3. Leave without Pay

   Leave of absence without pay may be granted to a regular employee, upon written request, for a period not to exceed ninety (90) calendar days by the City Manager. Upon expiration of leave of absence without pay, the employees will return to work in the position held at the time that leave was granted. Failure, without good cause of the employee on leave, to report promptly when leave has expired will be considered as a resignation, except that an additional leave of absence without pay not to exceed ninety (90) calendar days may be granted, upon subsequent written request, by the City Manager for good cause (i.e. covered injury, sickness, or pregnancy). The additional leave in combination with the original leave will not exceed one hundred eighty (180) calendar days of both paid and unpaid absence. Employees may only accrue sick leave and vacation leave during the first thirty (30) days of a leave of absence without pay.

4. Industrial Leave

   Industrial leave is defined as leave necessitated by an injury or condition sustained through employment with the City, one which requires leave for treatment and/or recuperation as determined by a licensed physician.

Industrial leave is not accrued, but is available through the State Industrial Commission or the City's Employee Benefit Trust in conjunction with state law and City policy.

a. Job Related Injury

All job related personal injuries to employees must be reported to their immediate supervisor, absent extenuating circumstances, within twenty-four (24) hours of the time the accident occurred. The City has the right to request that an employee injured on the job seek medical assistance from a doctor of the City's choice.

i. Industrial leave is authorized through the Industrial Commission of Arizona or the Employee Benefit Trust.

ii. While on industrial leave, sick leave, vacation leave, compensatory leave, or any other paid leave will not be charged to the employee.

iii. While on industrial leave, the employee will remain in full pay status accumulating all benefits due to him/her. The employee shall not exceed 40 hours pay in a workweek, exclusive of a cash out from a comp bank.

b. Industrial Leave - Benefits

i. The employee will remain in a full paid status regardless of when the injury occurred. Subsequent adjustments to the employee's earnings will be made to account for the non-taxable income attributable to the statutory amount as determined by the Arizona State Worker's Compensation Fund.

ii. If a compensable claim is processed through the Arizona State Compensation Fund, a check is issued to the employee and must be endorsed back to the City.

iii. If the claim is determined not to be compensable, the employee may appeal the decision to the Industrial Commission of the State of Arizona for final disposition.

5. Bereavement Leave

a. AFSCME employees will be entitled to bereavement leave in the following manner:

i. Up to three days to attend an in-state service

ii. Up to five days to attend an out-of-state service

b. Calculation of bereavement leave shall be based on the number of hours in the employee's regularly scheduled workday, and may be used to attend the funeral, memorial service, or similar event held within 30 days following the death.

c. Bereavement leave shall be allowed in the case of death of a relative. Employees are allowed up to 80 hours of bereavement leave in any calendar year. Exceptions to the 80 hour allowance may be approved by the Department Director and the Human Resources Director. Upon retirement or termination of employment, compensation shall not be paid for unused bereavement leave.

d. Relative shall mean any individual related to an employee by blood or marriage within the third degree, including step relationships. Relative shall also mean any individual named in an affidavit of domestic relationship filed with the Human Resources Department by an employee or any minor for whom the employee serves as the guardian or conservator.

   i. First Degree Relative: spouse or domestic partner, mother, father, daughter, son, full sister, full brother.

   ii. Second Degree Relative: grandmother, grandfather, granddaughter, grandson, aunt, uncle, niece, nephew, half-sister, half-brother.

   iii. Third Degree Relative: great grandmother, great grandfather, great granddaughter, great grandson, great aunt, great uncle, first female cousin, first male cousin, grandniece, grandnephew.

e. For the purposes of the Bereavement Leave Article, the definition of relative is established through marriage or by affidavit of domestic relationship and shall terminate upon death, divorce or termination of the marriage and/or the domestic partner affidavit filed with the Human Resources Department.

f. Employees with an attendance warning or other attendance issues may be asked to provide documentation regarding their request for bereavement leave. Employees are responsible for adherence to the guidelines regarding the use of bereavement leave. Failure to do so may result in disciplinary action.

g. Any additional hours beyond the limit may be charged to the employee's accrued compensatory, personal, or vacation leave upon the Department Director's approval.

h. Use of bereavement leave shall not result in an increase in an employee's regular compensation. Bereavement leave will be reduced so that the employee's regular compensation does not exceed their standard hours.

i. A Department Director may request supporting documentation from the employee for the need for Bereavement leave.

j. AFSCME and the City agree that abuse of bereavement leave shall not be tolerated. Any case involving suspected abuse of this leave will be addressed on an individual basis and may lead to further discussion between the City and the employee.

6. Personal Leave

Each full-time employee will receive sixteen (16) hours of personal leave annually, granted in the first pay period of the calendar year. Such leave may be used in quarter (.25) hour increments. Employees must give reasonable notice to the supervisor to use personal leave, however, ten (10) day notice is not required. Advance approval is required for use of four (4) or more hours of personal leave, or for use of personal leave when an employee requests to leave the job site after reporting to duty. Such leave will have cash value at termination or retirement and will not carry over from year to year.

Article 8: Vacation

1. Use of Vacation

   a. Vacation leave shall accrue on a monthly or bi-weekly basis (annual accruals remain the same) during continuous, active employment with the City. Vacation leave shall stop accruing when an employee is on leave without pay for more than 40 hours.

   b. Vacation leave will be taken with the approval of the unit manager concerned, with preference given to seniority in the event of multiple requests for the same time are received at the same time.

   c. Vacation will only be taken during such time, which will not disrupt the work schedule of the department.

   d. Each eligible employee will be entitled to take accrued vacation leave upon completion of six (6) months of full-time or part-time benefited employment.

   e. Eligible employees will submit a Request for Absence form not less than ten (10) working days prior to the first day of the requested vacation leave. Department Directors may waive the ten (10) day advance notice at their discretion.

   f. In the event that vacation leave is denied, the employee will be given notice in writing no less than one (1) week prior to the start of said vacation.

   g. In the event that an employee cancels a scheduled vacation leave, this time shall be offered to other employees based on total City seniority.

   h. Employees will be allowed to deduct vacation time in quarter (.25) hour increments.

   i. Full-time employees hired to work 40 hours per week may accrue up to 360 hours of vacation leave.

   j. Upon separation, vacation leave balances will be paid at 100% of the employee's current rate of pay.

   k. Vacation cash-out shall be as follows:

      i. Following completion of 5 years of full-time or regular part-time service, AFSCME represented employees may request payment for vacation hours in excess of 120 hours. A maximum of eighty (80) hours will be paid in any fiscal year. Requests for payment shall not reduce the balance of hours below 120 hours.

      ii. Requested payments will be made in June and December based on balances at the end of May and November.

2. Vacation Schedule

Years of Service	Hours Accrued Per Year
0-2.99 Years	96
3-4.99 Years	104
5-9.99 Years	128
10-13.99 Years	144
14-19.99 Years	168
20+ Years	176

Article 9: Holidays/Holiday Pay

1. The following holidays will be official holidays for all employees:

New Year's Day	January 1
Martin Luther King Jr. Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving	4th Thursday in November
Thanksgiving	Day after Thanksgiving
Christmas Day	December 25

Cesar Chavez Floating Holiday

Whenever a holiday falls on a Saturday, it will be observed on the preceding Friday. Whenever a holiday falls on a Sunday, it will be observed on the following Monday. For the purposes of determining premium pay as described in Section 4 below, New Year's Day, Independence Day, Veteran's Day and Christmas will always be paid premium pay for the dates January 1, July 4, November 11, and December 25 respectively regardless of the official day of City observance (the day on which holiday pay is paid).

2. Cesar Chavez Floating Holiday

To support the diversity of our workforce, employees will receive one Floating Holiday per calendar year, which shall be in honor of Cesar Chavez. Employees must give reasonable notice to the supervisor to use the Floating Holiday time, and use of Floating Holiday time is subject to management approval. Management, when possible, will refrain from scheduling work that when used in conjunction with the floating holiday results in over 40 hours for that workweek.

a. The Floating Holiday will be granted to those employed with the City as an AFSCME employee as of January 1 of that year, and will appear on the first pay period of the calendar year. This holiday will be referenced as "Cesar Chavez Floating Holiday" in all official City communication.

b. Floating Holiday time has no cash value at termination or retirement and will not carry over from year to year.

c. Employees that work a regular 5/8 schedule will receive eight (8) hours Floating Holiday Leave and employees that work a regular 4/10 schedule will receive ten (10) hours Floating Holiday Leave at his/her regular rate of pay. Changes to an employee's regular workweek schedule must be approved by the supervisor and manager.

d. The use of a Floating Holiday does not count as hours worked for the purpose of weekly overtime calculation.

3. Holiday Pay on Scheduled Day Off

If a holiday falls on a ten (10) hour employee's regularly scheduled day off, the employee will receive eight (8) hours holiday pay at straight time or eight (8) hours compensatory time, depending on the department procedure; if a holiday falls on an eight (8) hour employee's regularly scheduled day off, the employee will receive eight (8) hours holiday pay or eight (8) hours compensatory time, depending on the department procedure.

4. Holiday Pay on Regularly Scheduled Workday When Employee Does Not Work

If a holiday falls on a ten (10) hour employee's regularly scheduled workday, but the employee takes the holiday off, the employee will be paid ten (10) hours holiday pay at straight time; if a holiday falls on an eight (8) hour employee's regularly scheduled workday, but the employee takes the holiday off, the employee will be paid eight (8) hours holiday pay at straight time. Holiday pay does not count as hours worked for the purposes of weekly overtime calculation**.**

5. Holiday Pay on Scheduled Workday When Employee Works

If a holiday falls on an employee's regularly scheduled workday and the employee is required to work on the holiday, the employee will be paid (8) hours holiday pay for those working 5/8's and ten (10) hours holiday pay for those working 4/10's at his/her regular hourly rate of pay.

6. Premium Pay for Hours Worked

In addition to holiday pay described in Sections 1 and 2, all hours actually worked on the holiday (midnight to midnight) will be paid premium pay at time and one-half of the employee's regular rate of pay. Such premium pay will be for the day of City observance for all holidays, except that New Year's Day, Independence Day, Veteran's Day and Christmas will always be paid for the dates of January 1, July 4, November 11, and December 25 respectively regardless of the official day of City observance.

Article 10: Hours of Work

1. Eight (8) hours or ten (10) hours, excluding unpaid breaks, will constitute a day's work. Five (5) days of eight (8) work hours, or four (4) days of ten (10) work hours in the seven (7) day's work period will constitute a workweek. The work schedule of all employees will be established by each Department Director or designee.

2. The established work schedule will not be arbitrarily changed without just cause or reason. Except in the event of a justifiable emergency, a written notice will be submitted to all affected employees no later than two (2) weeks prior to said changes in established schedules.

3. Employees who are required to maintain a Commercial Driver's License (C.D.L.), in accordance with their assigned position, will receive a maximum of two (2) continuous hours, paid at the straight time rate, to renew the required C.D.L. only during their regularly scheduled workday, when necessary, provided a 10-day advance notice has been requested and approved by the department.

Article 11: Rest and Lunch Periods

1. All employees shall be permitted two (2) paid non-work periods of fifteen (15) minutes during each work shift to promote the health, safety, and efficiency of the employee. One such period will be observed during each one-half day of work.

2. All employees will be allowed an unpaid lunch period in conformance with the work schedule within each department.

3. Unless expressly authorized, in writing by the supervisor, employees are not permitted to combine rest periods and lunch breaks to create one longer break period.

Article 12: Educational Assistance Policy

Employees wishing to continue advanced education are eligible for the tuition assistance program as offered citywide.

Article 13: Wages

1. All step increases and one-time payments are subject to a rating of satisfactory or overall three or greater on an employee's annual performance evaluation.

2. For Year 1 (July 1, 2018 - June 30, 2019):

    a. Upon receiving a successful evaluation score (3 and above), eligible employees will receive a 2.5% merit increase in the pay period that includes their review date.

    b. Two percent (2%) COLA.

3. For Year 2 (July 1, 2019 - June 30, 2020):

    a. Upon receiving a successful evaluation score (3 and above), eligible employees will receive a 3.0% merit increase on their review date.

    b. Upon receiving a successful evaluation score (3 and above), employees who are at the top of their range will receive a $1,200.00 one-time payment on their review date.

4. For Year 3 (July 1, 2020 – June 30, 2021):

    a. Upon receiving a successful evaluation score (3 and above), eligible employees will receive a 2.5% merit increase on their review date.

b. Two percent (2%) COLA.

5. For Year 4 (July 1, 2021 - June 30, 2022):

   a. Upon receiving a successful evaluation score (3 and above), eligible employees will receive a 3.0% merit increase on their review date.

   b. Upon receiving a successful evaluation score (3 and above), employees who are at the top of their range will receive a $1,200.00 one-time payment on their review date.

6. The City will match each employee's voluntary contribution of $15.00 per pay period to the deferred compensation plan for twenty-six (26) pay periods per year.

7. Effective July 1, 2019, The City will match each employee's voluntary contribution of $25.00 per pay period to the deferred compensation plan for twenty-six (26) pay periods per year.

8. Effective July 1, 2021, The City will match each employee's voluntary contribution of $35.00 per pay period to the deferred compensation plan for twenty-six (26) pay periods per year.

9. Shift Work

   a. Employees who are regularly assigned to swing / 2nd shift will receive shift differential of fifty cents ($0.50) per hour.

   b. Employees who are regularly assigned to rotational shifts will receive a shift differential of fifty cents ($0.50) per hour.

   c. Employees who are regularly assigned to graveyard / 3rd shift will receive shift differential pay of one dollar ($1.00) per hour.

   d. Shift hours will be defined as follows:

      i. If the shift ends between 8:00 p.m. and 2:00 a.m., the shift is considered 2nd shift and should get paid 2nd shift differential.

      ii. If the shift ends between 2:00 a.m. and 7:00 a.m., the shift is considered 3rd shift and should get paid 3rd shift differential.

   e. When the city is able to record time worked on a daily basis, the way that shift pay is calculated will change. At such time, those actually working 2nd or 3rd shift will get paid the shift pay.

10. Employees designated and assigned by management, whose regular duties routinely require the frequent verbal translation from English to Spanish and Spanish to English will be paid fifteen dollars ($15.00) per pay period.

    Employees who have been designated and assigned by management and successfully completed the City testing for reading, writing and speaking in Spanish will receive thirty dollars ($30.00) per pay period.

Employees must pass an initial proficiency test to receive bilingual pay. Thereafter, employees may be tested periodically to ensure proficiency.

Employees currently receiving bilingual pay who have established proficiency and are currently utilizing this benefit will be grandfathered and will not be required to undergo any retesting, unless there is a question about an employee's Spanish proficiency use and ability, in which case Labor & Management will jointly create a process for evaluating those circumstances.

Employees initially tested and certified as bilingual after July 1, 2015 will be required to recertify after two years and then be grandfathered and will not be required to undergo any retesting, unless there is a question about an employee's Spanish proficiency use and ability.

The bilingual pay program and applicants will be reviewed, with input from AFSCME President or his/her designee, to determine the necessity of assignments throughout the City.

Article 14: Standby Pay/Call Back

When an employee is required to be available for emergency call back at times that the employee is not otherwise on duty, the employee will be compensated for such standby hours at two dollars and fifty cents ($2.50) per hour for hours on standby.

When an employee is on stand-by and called out to respond, the employee shall receive a minimum of two (2) hours compensation at one time-and-one half (1 ½).

A callback shall be when immediate response is needed and the employee is not on stand-by. Compensation time begins at the time the employee agrees to respond. Subsequent calls that occur during a two-hour callback and extend past the original two-hour (2) call shall be compensated for actual time worked.

Article 15: Out Of Class Pay

1. Unit personnel who are temporarily upgraded by management to perform substantially the full range of duties and responsibilities of a higher classification will receive the minimum rate for the higher classification or a five percent (5%) differential in the event of overlapping ranges for all time actually worked in the higher classification in excess of eighty (80) full-time qualifying hours. The qualifying hours should include training.

2. The higher rate of pay will be used in computing overtime when overtime is performed in the higher classification. The overtime rate will be the rate established by the overtime regulations that apply to the higher classification.

3. The time worked in a higher classification will not be credited toward the completion of probationary requirements in the higher classification.

4. Out of class pay is not authorized if the organization of a work unit is such that each unit member carries on his normal duties during the temporary absence of a supervisor. Temporary absence will mean four (4) hours or less.

5. No credit or compensation will be allowed unless verified by the appropriate supervisory report (authorization form and payroll sheet). Upgraded by management will mean directed

or requested by an authorized management representative to perform substantially the full range of duties and responsibilities of a higher classification.

Article 16: Longevity Pay Program

1. All full-time employees of the City will be entitled to longevity pay in addition to their regular monthly pay, as follows:

    a. Upon completion of ten (10) years of continuous full-time service, fifteen dollars ($15.00) per month. Compensation begins December of the employee's 11th year of continuous full-time service.

    b. Upon completion of fifteen (15) years continuous full-time service, twenty-five dollars ($25.00) per month. Compensation begins December of the employee's 16th year of continuous full-time service.

    c. Upon completion of twenty (20) years continuous full-time service, thirty-five dollars ($35.00) per month. Compensation begins December of the employee's 21st year of continuous full-time service.

2. Longevity is awarded on the last paycheck before Christmas.

Article 17: Sick Leave Conversion at Retirement

Employees who retire will be eligible to convert accrued sick leave at the regular, straight-time pay. Accrued hours at the time of full City of Peoria retirement through ASRS will be disbursed as follows:

001 to 499 all accrued hours paid at 25%
500 to 899 all accrued hours paid at 50%
900 and above all accrued hours paid at 75%

Such payment will be made to the Retiree Health Savings Account as provided under the provisions of the agreement and City regulations.

In the event of an employee's death while employed by the City, 100% of the employee's accumulated sick leave will be paid to his/her designated beneficiary.

Article 18: Overtime

1. All overtime must be authorized and assigned by a supervisor. Employees are required to work overtime and standby when assigned. However, when making such assignments supervisors will consider circumstances that cause an unusual burden on an employee and, when possible, make alternative arrangements.

2. Overtime will be calculated and paid at one and one-half (1.5) times the amount of the employee's hourly rate for hours in excess of forty (40) hours per week, defined as Saturday through Friday.

3. Authorized vacation, compensation, and personal leave time will be considered as time worked for the purposes of weekly overtime calculation.

4. Scheduled Overtime:

   a. The City will consider City-wide seniority within a work group as a factor in assigning scheduled overtime. Scheduled overtime will be defined as overtime that covers scheduled vacation, training, or other pre-approved absence from the work group, or planned work outside of the normal work schedule. The most senior employee in a specific job classification within a work group will be offered all scheduled overtime.

   b. Upon refusal of overtime, the next most senior employee will be offered the scheduled overtime. In the event an insufficient number of employees accept the overtime offer, the supervisor will use the seniority list in reverse order (least to most senior) to require the employee(s) to work the overtime.

   c. When an employee scheduled to work overtime for a specific job duty, reports for duty, and then is notified that the job has been cancelled, the employee shall be given the option to stay and work a minimum of two (2) hours or go home and receive a minimum of fifteen (15) minutes.

      If the employee's shift has ended but is notified due to an emergency that the employee will be required to report earlier or to hold over longer than his/her normal work schedule, compensation time begins at the time the employee is scheduled to report for duty.

5. Non-Scheduled Overtime

   a. Overtime resulting from employees calling in sick or other unplanned absence, unexpected activity, or equipment failure, will be assigned by the supervisor to optimize the completion of the work. When practical, existing seniority lists will be used to assign the work.

   b. Employees who are required to perform emergency work or unscheduled overtime of four (4) or more hours duration during the period beginning ten (10) hours prior to the start of their regularly scheduled shift and ending two (2) hours prior to the start of their regularly scheduled shift will be allowed a minimum of eight (8) rest hours prior to reporting for duty for the next scheduled shift.

   c. Employees will be allowed paid time off during the regular shift at straight time pay for any regularly scheduled hours that coincide with the eight (8) hours rest period. Such rest time that coincides with the regularly scheduled shift will be considered hours worked for the purpose of computing weekly overtime.

Article 19: Compensatory Time

All unit-covered employees may request compensatory time in lieu of overtime pay, for hours worked beyond forty (40) hours in a workweek. The maximum allowable accrued hours of compensatory time will be one-hundred twenty (120) hours at any time. Any overtime earned beyond the one-hundred (120) hours will be paid as overtime. Compensatory time may be carried beyond the end of the calendar year.

Compensatory leave time will be considered time worked.

Approval of compensatory time off will be based on staffing and customer service needs. Request for compensatory time will be submitted ten (10) days in advance, except in the case of an emergency.

An employee may request a payout for up to forty (40) hours of accumulated compensatory time twice per calendar year. Request for payment may occur during any pay period. The employee will request payout of compensatory time on a form provided by the City. It is the responsibility of the employee making the request to submit the form to the department timekeeper no later than the last day of the pay period for which the payout is requested.

Article 20: Uniform Allowance

1. Unit personnel who are required to purchase, wear and maintain uniforms pursuant to departmental rules and regulations will receive one annual payment between July and the following June to be used only to cover the cost, cleaning and maintenance of such uniforms in the amounts listed for the appropriate classification:

Lead Animal Control Officer	$900.00
Animal Control Officer	$900.00
Code Compliance Officer	$900.00
Code Technician	$900.00
Crime Scene Technician	$900.00
Police Services Officer/Park Rangers	$900.00
Police Property and Evidence Technician	$900.00
Automotive Technicians (I, II, Lead-Fire)	$550.00
Pawn Specialist	$550.00
Police Equipment Coordinator	$550.00
Police Public Education Specialist	$550.00
Programs Assistant - Victims Services	$550.00

2. Employees who are required as a condition of employment to purchase City approved safety footwear will receive a taxable check issued in the first pay period of August of each year in the amount of $250.00.

3. The City will provide field employees with five (5) T-shirts for optional wear as designated by department management. Employees will be responsible for laundering these shirts. These shirts are not intended to be the standard regulation uniform, but are acceptable apparel during normal working hours only.

4. T-shirts supplied by the City may be worn year round but will not replace any item of a required uniform.

Article 21: Required Licenses

Unit personnel designated by the City may be required as a condition of employment to obtain and maintain specific licenses. The City agrees to pay for annual renewal of licenses, other than Class D drivers' licenses, identified in the class specifications under "License or Certificate."

Article 22: Health and Dental Insurance

1. The City will continue to offer health insurance under City approved plan(s) for employees and their qualified dependents.

2. The City will continue to offer a City approved dental plan for employees and their qualified dependents.

3. The City will pay up to one hundred percent (100%) of the employee only combined monthly health and dental premiums but not more than the actual cost of the lowest combined health and dental premium, whichever is less.

The City agrees to pay a percentage of the cost for dependent health and dental premiums as established annually by City Council or their designee.

Article 23: Life Insurance

The City will provide life and dismemberment insurance in the amount of two thousand dollars ($2,000) for each one thousand dollars ($1,000) of an employee's current annual salary, rounded up to the nearest thousand dollars of the employee's pay range step.

Article 24: Seniority

Seniority will, for the purpose of this Agreement, be defined as an employee's length of continuous active full-time service.

1. Definition

   City-wide seniority: Each employee will have a seniority date established as of his/her date of hire in to the City, accumulating from that date forward as long as it is not lost through any other provision of this Agreement.

2. Application

   a. The City will consider City-wide seniority as a factor in establishing or changing shift schedules or shift assignments when employee skill level is equal and/or interchangeable. Such schedules or assignments will be for a designated time period and will not be changed during the interim unless staffing changes require the need for an earlier change.

   b. The City will consider City-wide seniority when it is necessary to set times or schedules where earned vacation may be taken.

   c. The City will consider City-wide seniority as a factor in assigning scheduled overtime. Scheduled overtime will be defined as overtime that covers scheduled vacation, training, or other pre-approved absence from the work group, or planned work outside of the normal work schedule.

   d. The City will consider City-wide seniority as a factor in a promotional selection process. All other factors in the selection process being equal, the most senior candidate will prevail.

3. Employees on approved Leave of Absence without pay up to a maximum of one hundred and eighty (180) calendar days will not be considered to have had a break in service for the purpose of this Article.

4. Upon request of the Association, the City will furnish a list of employees by City-wide seniority ranking.

5. If a member leaves employment from any AFSCME bargaining unit position with the City of Peoria and is then rehired with the City into any AFSCME bargaining unit position, the member will retain their initial seniority as defined by this MOU as long as they are rehired within one (1) year and one (1) day of their initial end of employment.

Article 25: Safety Committee

1. The City will continue to undertake all reasonable efforts to provide for employee health and safety in accordance with the State's Occupational Safety and Health Law.

2. The AFSCME President or designee will be a standing member of the City's Safety Committee.

3. Employee member of the committee will not lose pay or benefits for meetings mutually scheduled during their duty time.

4. Parties mutually agree that subjects and issues that are submitted to and accepted for review by the Committee will in no way be subject to the Agreement Grievance Procedure.

Article 26: Labor/Management Committee

1. There will be a Labor-Management Committee consisting of representatives of the Association and representatives of the City. The purpose of the Committee is to facilitate improved labor-management relations by providing a forum for the free discussion of mutual concerns and to attempt to resolve problems brought to its attention.

2. The Committee will meet monthly or at other mutually scheduled times.

3. The chairmanship of the Committee will be rotated amongst the parties. The members will, in advance of a meeting, provide the meeting chairman with proposed agenda items, and the chairman will provide the members with the meeting agenda in advance of the meeting.

4. Representatives of the Association on the Committee who are employees will not lose pay or benefits for meetings mutually scheduled during their duty time.

5. Parties mutually agree that subjects and issues that are submitted to and accepted for review by the Committee will in no way be subject to the MOU Grievance Procedure.

Article 27: Layoff and Recall Procedures

1. The City Manager may separate any employee because of lack of funds or work, abolishment of a position, or changes in the organization. Employees so laid off will have the following rights:

a. Notice of layoff shall be given in writing no less than ten (10) workdays of the effective date of the layoff.

b. No full-time or regular part-time employee shall be laid off while there are temporary part-time, temporary, or probationary employees serving in the same classification.

c. Layoff shall be determined in order of City seniority.

d. An affected employee who has held a position in another classification with the City may return to ("bump back") the most recent previous AFSCME MOU covered classification held by the employee, if the employee performed satisfactorily in the previous classification, the previous classification has not been eliminated and the employee meets the current minimum job requirements for the position. The employee must file a request to "bump back" with the Human Resources Director within five (5) work days after receipt of the written notice of layoff.

2. The employee seeking to exercise bumping rights will have the sole responsibility to:

a. Inform Human Resources of the election to bump;

b. Document the right to bump;

c. Complete steps (a) and (b) above by the close of business (Human Resources hours) of the fifth (5^{th}) workday after the notice of layoff. The day of the notice will be counted for the purpose of computing this time.

3. Recall Eligibility

a. Any employee who has been laid off, or reduced in lieu of layoff, will have his/her name placed on the recall list of laid off employees. Within one year of the effective layoff date, upon the request of the effected employee, he/she shall also be placed on a recall list of any lower classification.

b. The City will consider City-wide seniority as a factor in the recall and rehiring process. The City will establish written criteria and requirements for eligibility for any positions to be recalled. All other factors in the selection process being equal, the most senior candidate will prevail. If the employee(s) with the highest seniority on the list is not selected, such employee(s) shall retain his/her position on the recall list and will remain eligible for future rehiring.

c. When an employee whose name is on a recall list is re-employed as described above, that employee shall be restored with the seniority held prior to layoff in the class to which he/she is re-employed, and seniority shall resume on date of re-employment.

d. The name of any employee who is placed on a recall list pursuant to this Article shall be maintained on such list for a period not to exceed two (2) years from the date that the employee was laid off. At any time a laid off employee may request to be placed on the City's distribution list for e-mail notification of job openings. It is the employee's responsibility to ensure that the City has a current e-mail address.

e. If an employee on a recall list is offered a position, he/she will have ten (10) business days to accept the position before it will be offered to the next qualified employee on the recall list. A recalled employee will have twenty (20) business days from the time he/she is offered the position to begin work. If an employee on a recall list for a particular class declines an offer of a position, the employee's name shall be removed from the recall list for that class only.

Article 28: Prohibition of Strikes and Lockouts

1. The Association pledges to maintain unimpaired service delivery and related support services as directed by the Department Director or designee. It will not cause, condone, counsel, or direct its members, or employees, or any of them, to strike, fail to fully and faithfully perform duties, slow down, disrupt, impede, picket, or otherwise impair the normal function and procedures of the Department.

2. There will be no lockout by the City unless required to protect and preserve the public peace, health, or safety of the City and its residents or required by the City to enforce any violation of this Ordinance, any Memorandum of Understanding, or any applicable laws.

Article 29: Saving Clause

1. If any Article or section of this Memorandum should be held invalid by operation of law or by a final judgment of any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or section should be restrained by such tribunal, the remainder of this Memorandum will not be affected thereby; and upon issuance of such final decree, the parties, upon request of either of them, will Meet and Confer to endeavor to agree on a substitute provision or that such a substitute provision is not indicated.

2. It is recognized by the parties that the provisions of the Fair Labor Standards Act are currently applicable to certain of the wage and premium pay provisions of the MOU, and that this MOU will be administered in compliance with FLSA for so long as the Act is applicable.

   It is understood by the parties that the benefits provided by this MOU in Articles pertaining to Union Rights, Employee Rights, Grievance Procedure and Articles constituting labor management joint endeavors conducted under this MOU shall not be interpreted as requiring the employer to count as time worked any hours or fractions thereof spent outside the employee's work shift in pursuit of such benefits. The employer shall count as time worked any hours or fractions thereof spent within the employee's regular work shift in pursuit of such benefits.

Article 30: Term and Effect

1. This Memorandum of Understanding will remain in full force and effect commencing on July 1, 2018, and terminate on June 30, 2022.

2. It is agreed by the Employer and the Association that each has had full opportunity to fully discuss all mandatory and permissible subjects of bargaining, and that this MOU contains all the agreements reached by the parties in the course of their negotiations. It is further understood that there are no other agreements, written or oral, between the City and Association. It is understood and agreed that as to any matter not specifically covered in this Agreement, the City may unilaterally act.

3. The City will not be required to Meet and Confer concerning any other matters, covered or not covered herein, during the term of this Memorandum of Understanding. This provision does not constitute a waiver of either party's right to file an unfair labor practice.

4. Non-Discrimination

   The City will continue to keep in effect for the term of this MOU its current Affirmative Action and Equal Employment Opportunity policies and will be committed to non-discrimination with respect to race, creed, color, age, handicap and sex, under Federal and State laws.

   Disputes regarding this provision would first be heard at the supervisory level. If no resolution is reached at this step then an informal meeting including the Chief Steward and the Human Resources Director or designee will be held to seek resolution. Recourse at this point would be then provided through City Personnel Rules or State and Federal statutes.

IN WITNESS WHEREOF, the parties have set their hand this _____ day of _____ 2017.

CITY OF PEORIA

By:

Jeff Tyne, City Manager

Dede Gaetz
Lead Negotiator, City of Peoria

Claudia Hasbrouck
Negotiation Team Member

CamaLe Russell, HR Consultant
Negotiation Team Member

AFSCME, LOCAL 3282

By:

Walter Crenshaw, Meter Technician II
President, Local 3282

Erik McMorrow, Building Inspector II
Vice President, Local 3282

Tom Davis, Utility System Operator II
Negotiation Team Member

Dennis Whitney, Utility Locator II
Negotiation Team Member

ATTEST:

Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

Steve J. Burg, City Attorney

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 19R.

Date Prepared: 11/22/2017 Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

THROUGH: Andy Granger, Deputy City Manager

FROM: John R. Sefton, Jr., Director

SUBJECT: Public Art, Happy Valley Road and Lake Pleasant Parkway

Purpose:

To review the recommended public art submittal for installation at Happy Valley Road & Lake Pleasant Parkway and to award a contract to the artist in the amount of $180,000.

Background/Summary:

City staff has implemented a process designed to increase opportunities for public input into the development of Peoria's public art portfolio.

The input process for Happy Valley Road and Lake Pleasant Parkway public art included the following actions:

- A Public Art Panel consisting of Arts Commissioners, staff, and residents reviewed the artists' proposals at a live presentation at a public meeting.
- A web page publicized the three finalists work for the project including a recording of the live presentation of their concepts and opportunity for direct feedback.
- A postcard was mailed to 18,065 residents in a three-mile radius of the chosen location that gave residents information on the process and the meetings.
- A press release was sent out by the Office of Communications regarding the finalist presentations on 10/25/17.
- The front page of the *Peoria Times* featured an article on 11/3/17.
- The models supplied by the artists in their presentations have been on display in the City Hall lobby since 10/11/17.
- The Arts Commission reviewed and unanimously ranked the artists' proposals.

In all, 32 respondents provided rankings on the on-line questionnaire and 2 citizens attended public meetings. Approximately 47% ranked "Blooming Spire" as first choice, followed by 31% for "Aspire" and 22% for "Saguaro".

On November 14, 2017 the Peoria Arts Commission voted unanimously to forward artist Jeff Zischke's "Blooming Spire" as the recommended public art piece for Happy Valley Road and

Lake Pleasant Parkway. “Blooming Spire” is a colorful, 50’ high Landmark, programmable color lit sculpture.

Previous Actions:

There has been no previous action with regard to this item.

Options:

The following options are possible for the City Council to recommend:

A: The Council can accept the recommendation from the Peoria Arts Commission and award a contract in the amount of $180,000 for the “Blooming Spire” installation.

B: The Council can reject the Peoria Arts Commission recommendation.

C: The Council can request staff to conduct another call to artists and seek other ideas for Happy Valley Road and Lake Pleasant Parkway.

Staff Recommendation:

Discussion and possible action to: (a) approve the recommended artwork for Happy Valley Road and Lake Pleasant Parkway, Jeff Zischke’s “Blooming Spire”; and (b) authorize a contract to Jeff Zischke in the amount of $180,000 to construct and install public art at Happy Valley Road and Lake Pleasant Parkway.

Fiscal Analysis:

The funds are available in the Percent for the Arts Improvements Other Than Land/Buildings Account (Account 1111-0120-541003) for this expense.

ATTACHMENTS:

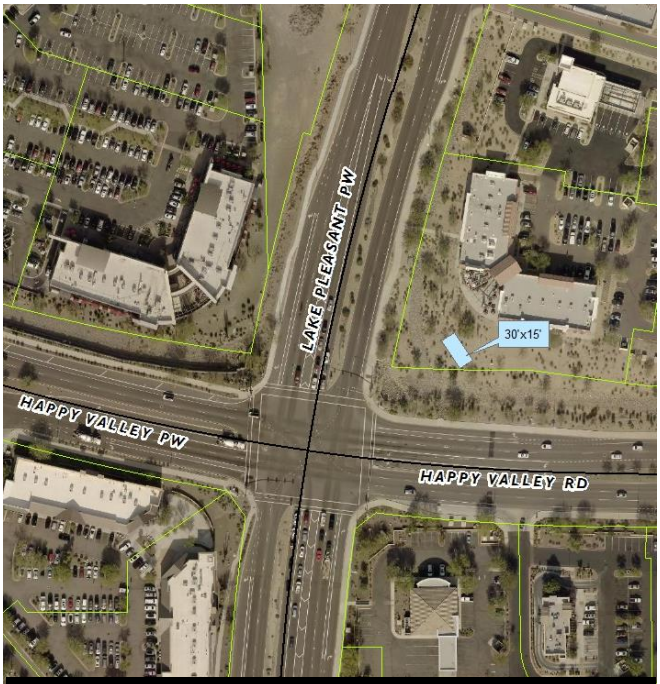
Exhibit 1: Public Art
Exhibit 2: Zischke Proposal

Contact Name and Number:

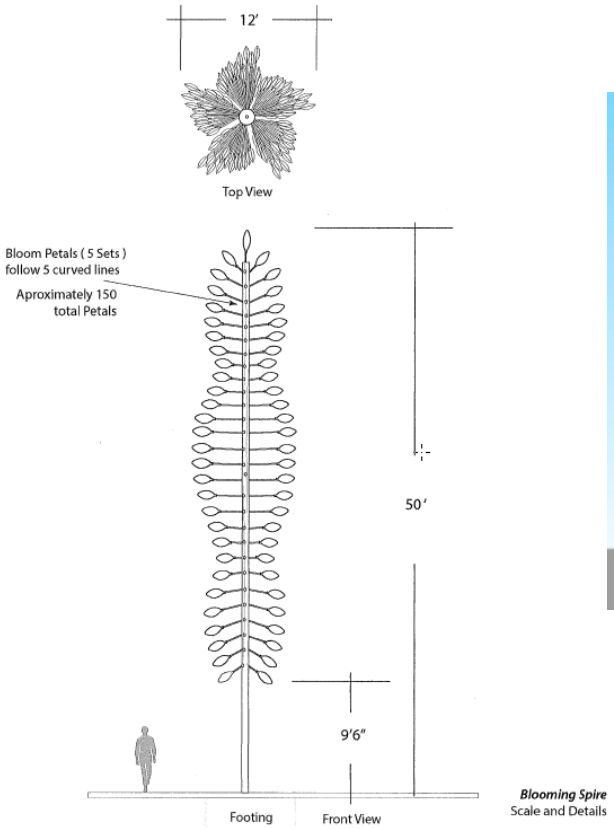
Marylou Stephens, 623-773-7968

Exhibit 1:
Public Art for Happy Valley Road & Lake Pleasant Parkway

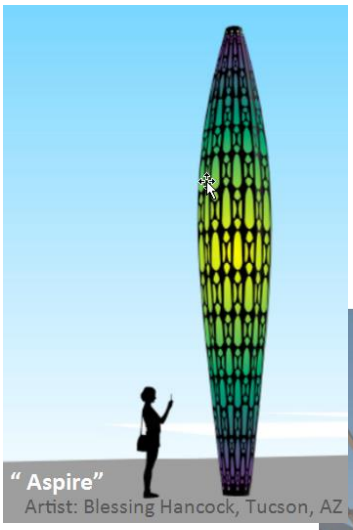
Rendering and Location



Planned Location:
NEC - Happy Valley & Lake Pleasant Parkway



Blooming Spire
Scale and Details



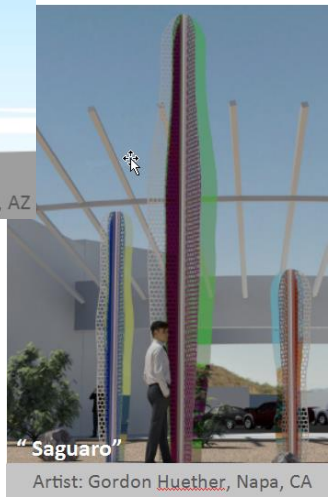


Exhibit 2 - Zischke Proposal

CITY COPY

BLOOMING SPIRE

Jeff Zischke

Sculpture Proposal for the City of Peoria

Artist Statement
Blooming Spire
Happy Valley Road
and Lake Pleasant Parkway
Peoria, AZ.

There are few iconic large scale sculptural landmarks in our valley. The ones that I can think about are the Frank lloyd Wright Spire on Frank Lloyd Wright Blvd. in Scottsdale, The immense fountain in Fountain Hills and the light towers of South Mountain. These are place markers that let people know where they are in the valley defining their particular space for future generations. The Frank Lloyd Wright Spire is a beacon for me , I have a gallery in Carefree and when I would drive home at night, I could see the spire from miles away letting me know that Frank lloyd Wright blvd. wasn't far away. This was the inspiration for my sculpture concept for this intersection in Peoria. I designed this sculpture to act like a beacon for both day and night time viewing, built on the grand scale to be seen from quite a distance away and destined to become a future iconic landmark for the City of Peoria.

Description

Blooming Spire is based on the organic shapes of some of our indigenous desert plants, including: blooms of the hesperaloe and aloe plants, penstemon flowers and leaves of the ocotillo. The sculpture is monumental in scale measuring 50' tall x 12' wide and deep. The central core of the sculpture is a 48' long thick wall aluminum tube that would be assembled from 3 pieces. Welded to the tube in drilled holes would be about 150 1" thick walled aluminum tubes that are cut to lengths from 2' to 4'. They are welded on vertical curves as well as change pitch creating a sense of incurred movement. There are 5 vertical sets with about 30 tubes each. The overall effect is a that of a wavy organic based desert form. The entire framework of tubing will be powder coated to ensure a long lasting and durable finish. Attached to the 1" tubes are 150 cast fiberglass shapes derived from the desert blooms. These shapes measure about 24" long and 10" deep and made of 2 hollow cast pieces each and have a faceted texture with a frosted finish so that they transmit, reflect and refract prismatic light.
Blooming Spire will be installed in the middle of a 24' diameter concrete plaza that connects via a concrete walkway to the existing pathway at the shopping area. The sculpture is engineered with footings to withstand the highest of winds in the Peoria area.

Lighting

Lighting is the night time essential element of the sculpture. Not only acting like a beacon for passersby in their cars but also people will be able to experience it up close from the plaza and shopping center. The types of lights that will be employed are very bright with saturated color designed for commercial applications like tall architecturalbuildings and the fixtures are waterproof , outdoor rated and very durable. They will last for more than 50,000 hours of use. (about 30 years). The lights can be programmed in advance for any kind of special events or holidays, change during weekends and could also depict the four seasons such that Spring could be generally shades of green, Summer various shades of red and purple, Fall ; shades of yellow and orange, and Winter; tonalities of blue and white. The lights can be static, slowly evolving and color changing or can be programmed for say 1 different color per night of the week or , or weekend, or..the lights could be just white during the week and colored on weekends. The lights will be programmed with a global clock so that they will begin and end at exact times that are decided by the City. The types of light fixtures and amount will be determined by lighting calculations and I will either use round or linear in ground uplights. The Fixtures will be wired together by an electrician, embedded into the slab, be flush mounted and will require external power supplies and a separate computer controller that should be installed inside one of the nearby buildings.

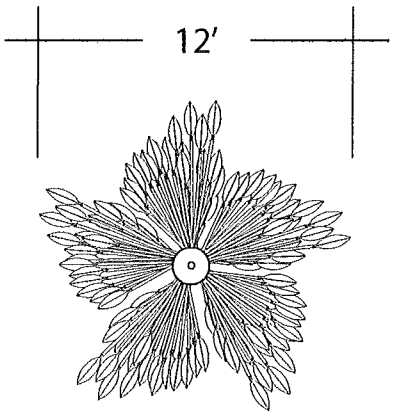
Blooms
On the model the blooms have a faceted gem like quality. I plan on exploring several design possibilities of various textures of the blooms to capture and reflect as much light as possible.

Longevity
The aluminum framework will be powder coated, this is a coating that has a durable baked on exterior finish with uv inhibitors so that it cleans easily, will not fade, doesn't collect dust and will keep the aluminum from spotting and oxidizing over the years. The fiberglass blooms will be made with resin that has UV inhibitors, and is as durable as the " Kalwall system" that is rated for architectural applications around the world, or as a durable as corvette automobile since the body of this car is also made of fiberglass. The entire sculpture and plaza environment will be able to be cleaned with a powerwasher.

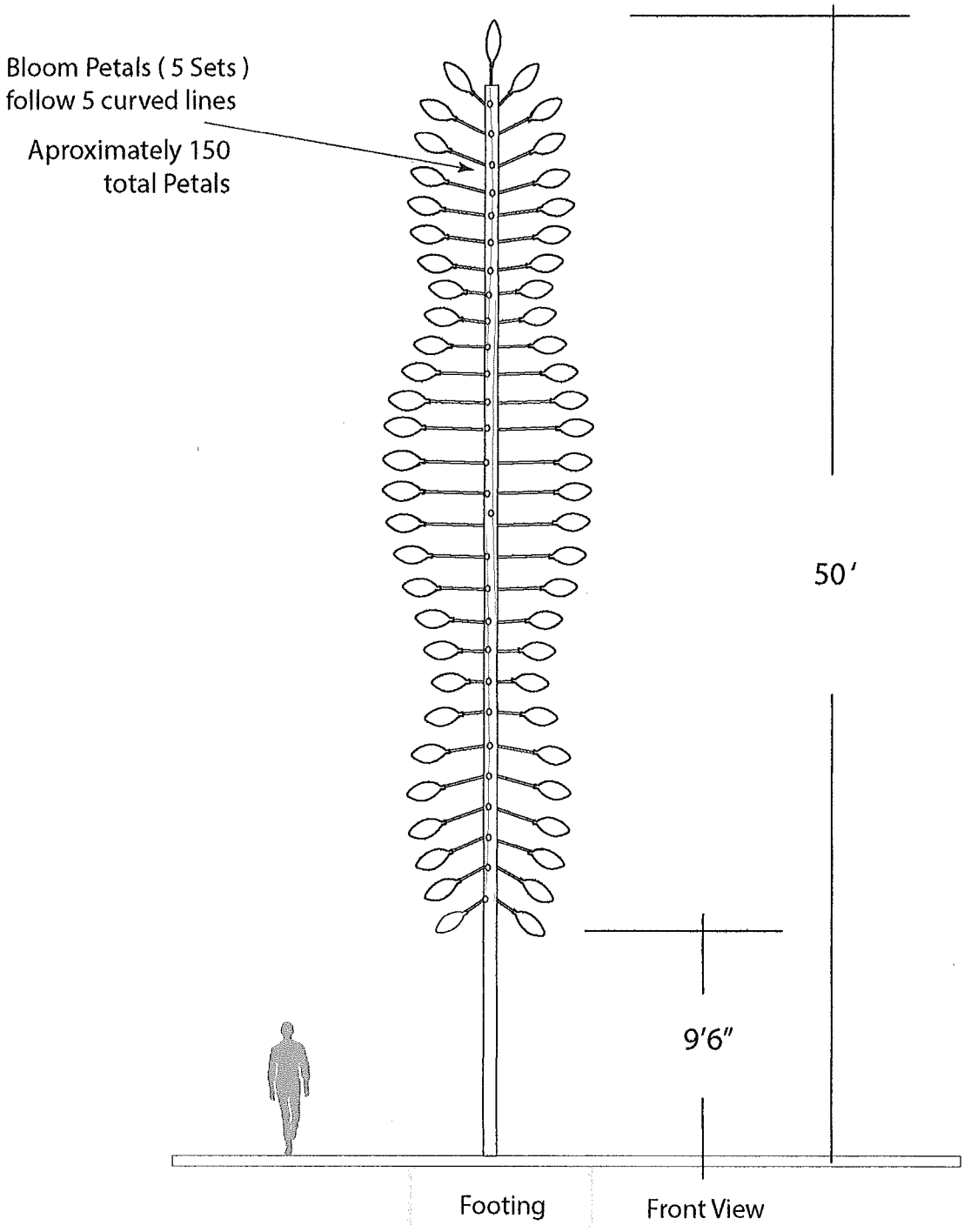
Installation
The plaza will have all of the electrical conduit and in ground boxes installed before the footings, slab, and walkway is poured in cement.
The various sculptural elements will be delivered on site with a flat bed truck, assembled on site and hoisted into place with a crane.

Experience
Critical functions of public art are the : fabrication, installation, maintaining timeline and staying on budget. I can proudly state that I have a reputation for being organized, a team collaborator, prepared, on-time and always within budget. All told, I am an experienced Arizona artist who has lived here for more than 30 years and whose vision corresponds with that of the City of Peoria , and am, particularly adept at planning and executing large-scale projects that not only achieve, but exceed their goals.

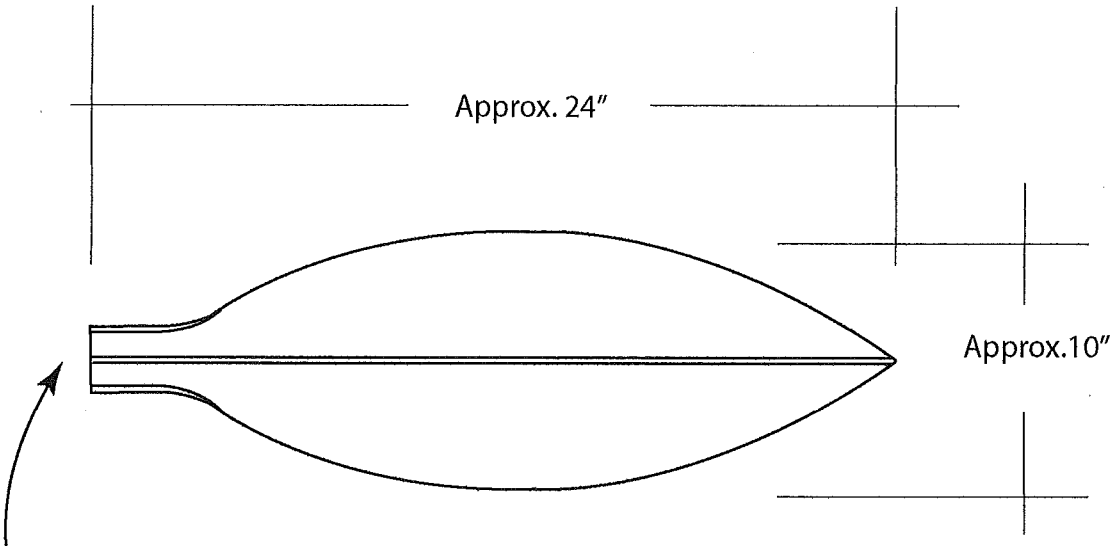
Interaction/ Iconic Sculpture
I think that ***Blooming Spire*** will become a landmark and an iconic sculpture for the City of Peoria that will draw people to the site and become a meeting place where everyone will want to make a social connection with the space, their friends, the City, the sculpture and maybe..the world.



Top View



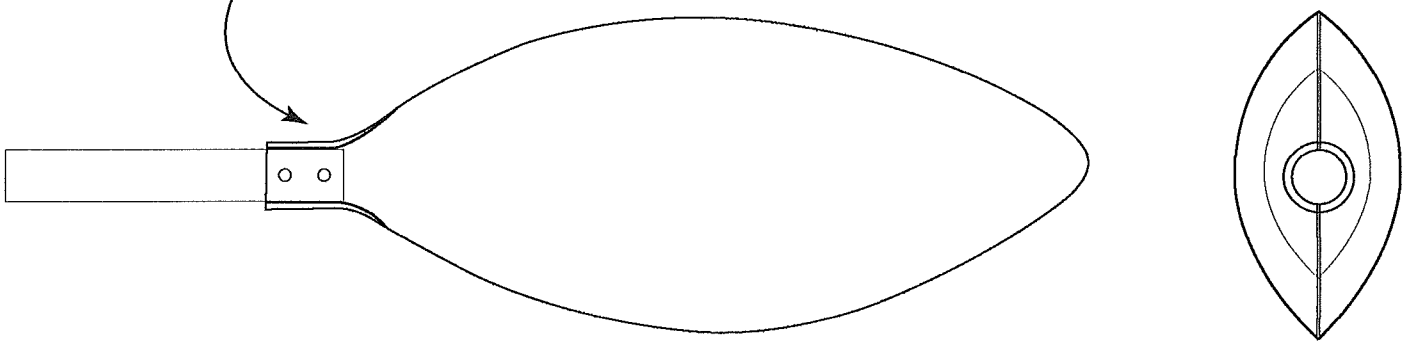
Blooming Spire
Scale and Details



TOP VIEW

Two halves are cast in fiberglass and permanently sealed together

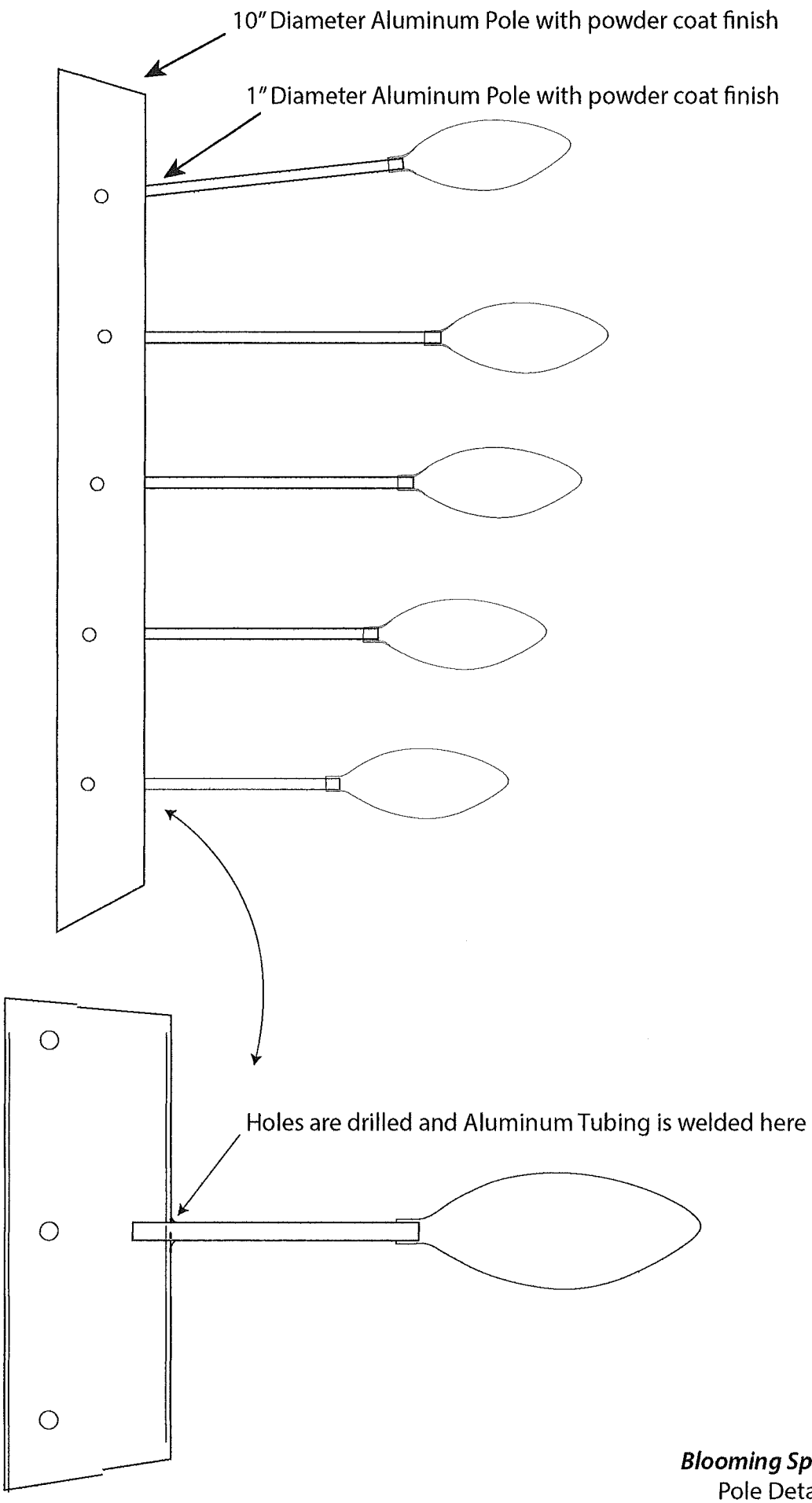
Cast fiberglass blooms are bolted to 1″ diameter aluminum thick wall tubing



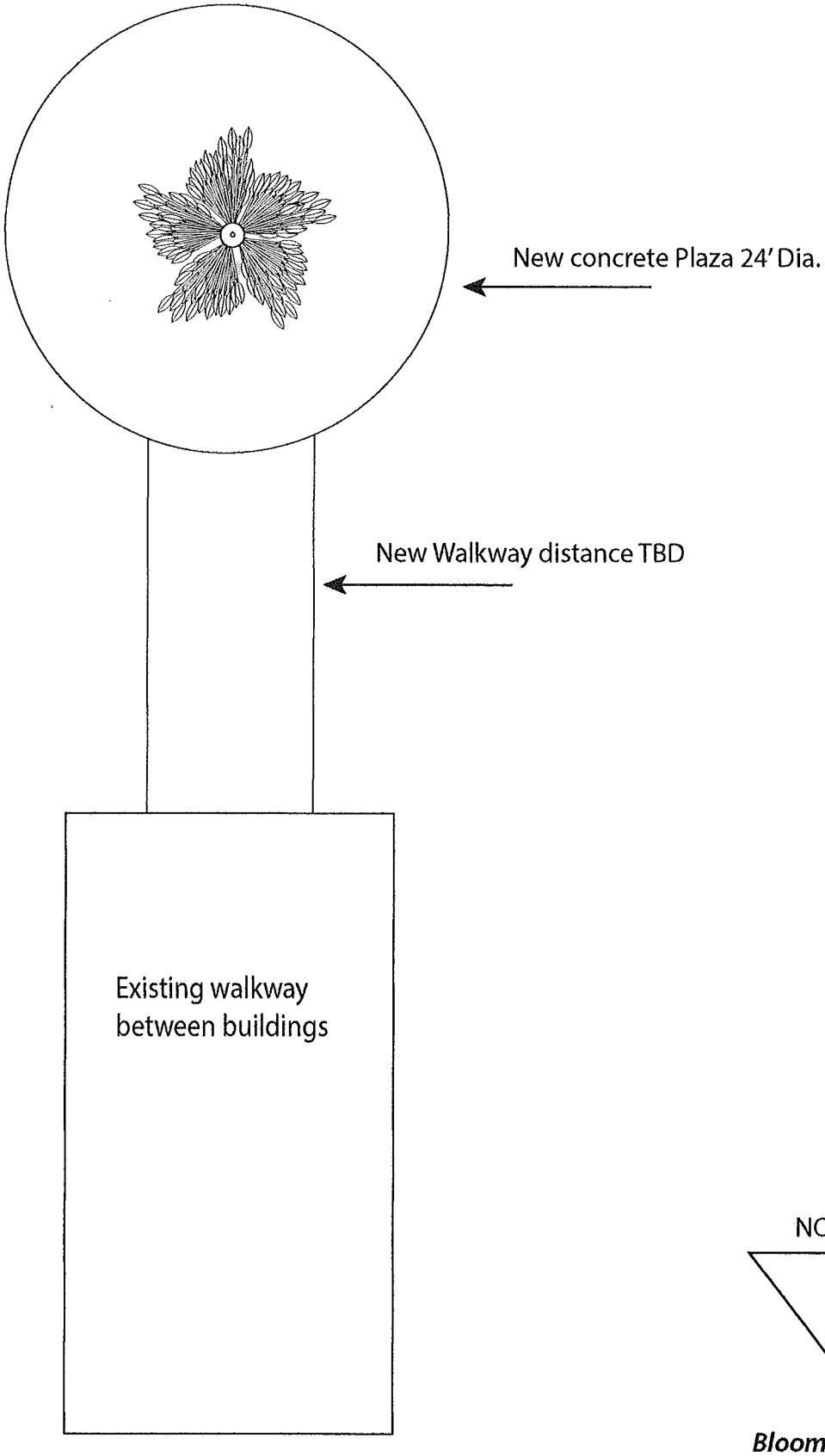
FRONT VIEW

SIDE VIEW

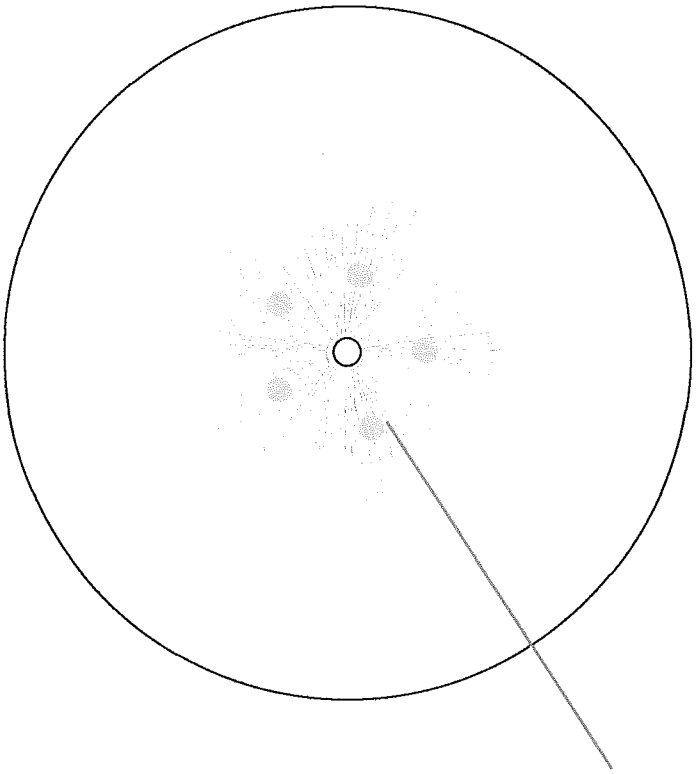
Blooming Spire
Petal Details



Blooming Spire
Pole Details

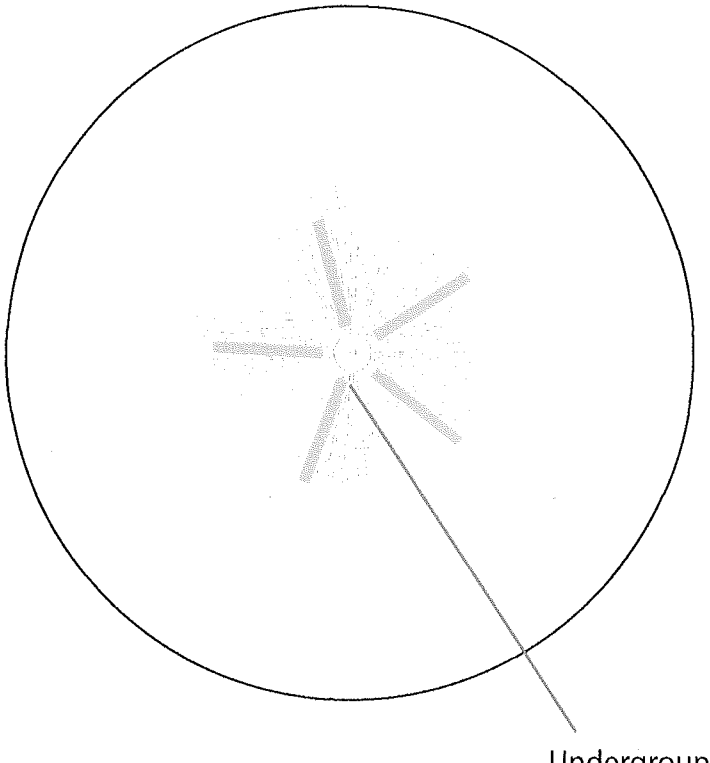


Blooming Spire
Plan View



Round in ground flush mounted with stainless steel trim RGB LED Lights

Underground wiring
to power supply and controller



Linear in ground flush mounted with stainless steel trim RGB LED Lights

Both concepts recquire a remote power supply in a waterproof box and a lighting controller best installed inside a nearby building.

Underground wiring
to power supply and controller

Blooming Spire
Lighting Plan Options

M9710

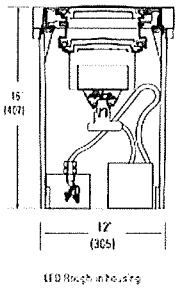
47W LED Color Changing In-Grade Luminaire Round Single Lens

LED *IP68*

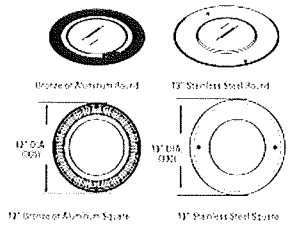
CATALOG NUMBER	
NOTES	
TYPE	

Specifications

L:	12" 305 mm
W:	12" 305 mm
H:	16" 407 mm



LED Rough-in housing



DESCRIPTION

Hydrel's M9710 RGB Series flow through in-gr multi-purpose unit designed for uplighting of a tural and landscape features with saturated, cont color for architainment effects.

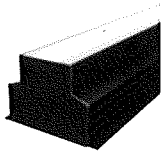
System is RDM enabled for field discovery and pr ming of luminaires. These luminaires use a Red and Blue (RGB) LED array and have an integra supply enclosed in the housing using an ELC RGB driver capable of dimming to 0%.

These units can be flushed mounted into a va substrates or landscape materials.

ORDERING INFORMATION

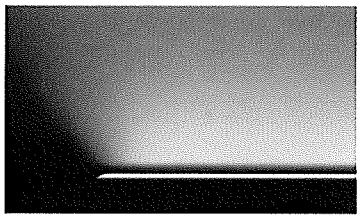
EXAMPLE: M9710 A 18LED RGB MVOLT NSP FLC 34S RC

Model	Door Material	Lamp Type	LED Color	Voltage	Distribution	Lens	
M9710 Round	A Aluminum	18LED 18	RGB Mixing	MVOLT	NSP Narrow Spot	FLC Flat Lens Clear	FLCSR[1] Flat Lens C



lumenfacade™ Inground

LINEAR GROUND RECESSED LIGHTING

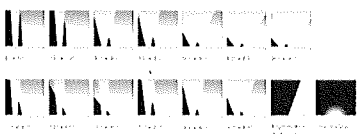


- Plug and play installation
- Exceptional uniformity
- Unequaled versatility
- Best in class performance
- Durable solution

Power

Mounting

Optics



Technical data

80+ 100V-277V

Colors

IK10

CITY OF PEORIA, ARIZONA
VISTANCIA COMMUNITY FACILITIES
DISTRICT COMMUNICATION

Agenda Item: 20C.

Date Prepared: 11/27/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, District Manager

FROM: Rhonda Geriminsky, District Clerk

SUBJECT: Minutes

Staff Recommendation:

Discussion and possible action to approve the November 28, 2017 Vistancia Community Facilities District Meeting minutes.

ATTACHMENTS:

November 28, 2017 Minutes

Contact Name and Number:

Rhonda Geriminsky, (623) 773-7340

MINUTES OF THE VISTANCIA COMMUNITY FACILITIES DISTRICT BOARD
CITY OF PEORIA, ARIZONA
COUNCIL CHAMBER
November 28, 2017

The Vistancia Community Facilities District Board met in open and public session at 8401 West Monroe Street immediately following the conclusion of the new business of the Peoria City Council.

Members Present: Board Chairperson Cathy Carlat; Vice Chairperson Jon Edwards; Board Members Bridget Binsbacher, Michael Finn, Vicki Hunt, Carlo Leone and Bill Patena.

Board Youth Liaisons: Maylee Acosta and Cassidy Gatrost.

Members Absent: None

Other Municipal Officials Present: Jeff Tyne, District Manager; Julie Arendall, Deputy District Manager; Andy Granger, Deputy District Manager; Steve Burg, District Counsel; Rhonda Geriminsky, District Clerk; Thomas Adkins, Intergovernmental Affairs Director; Sonia Andrews, Interim Chief Financial Officer; Katie Gregory, Management and Budget Director; John Imig, Information Technology Director; Chris Jacques, Planning and Community Development Director; Laura Ingegneri, Human Resources Director; Adina Lund, Development and Engineering Director; Roy Minter, Police Chief; Gary Bernard, Deputy Fire Chief; John Sefton, Community Services Director; Dawn Prince, Assistant to the District Manager; and Linda Blas, Deputy City Clerk.

Audience: Approximately 20 members of the public were present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the District Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which event the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Chairperson Carlat asked if any Board Member wished to have an item removed from the Consent Agenda. Having no requests from the Board, motion was made by Board Member Hunt, seconded by Board Member Binsbacher, to approve the Consent Agenda.

Upon vote, the motion carried unanimously 7 to 0.

CONSENT – New Business:

Clerk's Note: The agenda item numbers shown below reflect the items as they were numbered on the agenda.

23C. **Minutes**

Approved the May 16, 2017 Vistancia Community Facilities District Meeting minutes.

24C. **Ingress/Egress Easement, Central Arizona Water Conservation District, Vistancia Boulevard and Westland Road**

Adopted **RES. VCFD 2017-03** authorizing the District Manager to execute the Ingress/Egress Easement to Central Arizona Water Conservation District, northwest of Vistancia Boulevard and Westland Road.

Call To The Public (Non-Agenda Items)

None.

_____
Cathy Carlat, Board Chairperson

ATTEST:

_____
Rhonda Geriminsky, District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Vistancia Community Facilities District Meeting held on the 28th day of November, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of December, 2017.

(Seal)

_____
Rhonda Geriminsky, District Clerk

CITY OF PEORIA, ARIZONA
VISTANCIA COMMUNITY FACILITIES
DISTRICT COMMUNICATION

Agenda Item: 21C.

Date Prepared: 11/27/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, District Manager

THROUGH: Julie Arendall, Deputy District Manager

FROM: Sonia Andrews, Acting Finance Director

SUBJECT: Fiscal Year 2017 Annual Financial Report

Purpose:

This is a request for the District Board to receive and file the Vistancia Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2017.

Background/Summary:

We are pleased to submit to you the Annual Financial Report of the Vistancia Community Facilities District for the fiscal year ended June 30, 2017. The report was prepared by the Finance Department of the City of Peoria. The financial statements and related footnotes were audited by an independent firm of Certified Public Accountants, Heinfeld, Meech & Co., P.C., whose report is included herein.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operation of the District.

The annual financial report includes the District-wide financial statements, fund financial statements and related footnotes as well as Management's Discussion and Analysis and budgetary comparison schedules. These financial statements have been prepared in accordance with accounting principals generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Previous Actions:

There are no previous actions for this item.

Options:

A: Receive and file the District Annual Financial Report

B: Do not receive and file the District Annual Financial Report

Staff Recommendation:

Discussion and possible action to accept and file the Vistancia Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2017.

Fiscal Analysis:

This item has no financial implications.

Narrative:

For fiscal year ended June, 30 2017, the District Annual Financial Report received an unmodified opinion from the independent auditors. An unmodified opinion is a "clean" audit report, indicating the auditor's opinion that the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States. This is the desired opinion of each organization. The Annual Report is filed with the Municipal Securities Rulemaking Board (MSRB) as a required annual continuing disclosure for outstanding bond issues in accordance with SEC Rule 15c2-12.

ATTACHMENTS:

Financial Report

Contact Name and Number:

Sonia Andrews, (623) 773-5206

Vistancia
Community Facilities
District
Peoria, Arizona

Annual
Financial Report
For Fiscal Year Ended
June 30, 2017

District Board:
Cathy Carlat, Chairperson
John Edwards, Vice-Chairperson
Bridget Binsbacher
Michael Finn
Vicki Hunt
Carlo Leone
Bill Patena

District Administrative Staff:
Jeff Tyne, District Manager
Sonia Andrews, Acting District Treasurer & Chief Financial Officer
Steve Burg, District Counsel
Rhonda Geriminsky, District Clerk

Dedicated to:
Brent D. Mattingly, Past District Treasurer & Chief Financial Officer

Prepared by City of Peoria Finance Department

VISTANCIA COMMUNITY FACILITIES DISTRICT
Peoria, Arizona
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

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Vistancia Community Facilities District
Peoria, Arizona

November 8, 2017

Honorable Board of Directors:

The accompanying basic financial statements of the Vistancia Community Facilities District (the District) for the year ended June 30, 2017, have been prepared for the use of the District Board, staff and other interested parties. This report includes Management's Discussion and Analysis, the basic financial statements for the District including government-wide financial statements, fund financial statements and footnotes, and supplemental budget comparison schedules for the District's funds.

This report was prepared by the Financial Services Division of the Finance Department of the City of Peoria, Arizona (the City) as finance staff for the District. It is intended as District management's report to the District Board and other interested parties.

The District is a component unit of the City of Peoria, Arizona for financial reporting. As a component unit of the City, the accompanying financial statements were included in the annual audit of the City's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. A copy of the City's CAFR may be obtained by contacting the City's Finance Department at 8401 West Monroe Street, Peoria, Arizona 85345. Additionally, the auditors, Heinfeld, Meech & Co., P.C., have also expressed an opinion on the separate financial statements of the District included herein. That opinion may be found on page 1 of this financial report.

Questions about the financial statements included herein should be addressed to the City of Peoria, Finance Department at the above address.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vistancia Community Facilities District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Vistancia Community Facilities District (District), a component unit of the City of Peoria, Arizona, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Vistancia Community Facilities District, as of June 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, for the year ended June 30, 2017, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The transmittal letter, supplemental information, and continuing disclosure information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The transmittal letter and the continuing disclosure information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

[redacted]

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
November 8, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Vistancia Community Facilities District (the District), we offer this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, and (4) identify individual fund issues or concerns.

On October 15, 2002, the District was formed by petition to the City Council of the City of Peoria, Arizona (City) pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes. The District is a special purpose taxing district and separate political subdivision under Arizona statues. As such, the District can levy taxes and issue bonds, independent of the City. Property owners within the District boundaries pay for District infrastructure and functions through secondary property tax assessments. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. City staff administers the District. The Peoria City Council also serves as the District Board of Directors. The District is one of the City of Peoria's component units for the fiscal year ended June 30, 2017.

Financial Highlights

- The fiscal year 2017 tax levy remained unchanged at $2.10 per $100 valuation.
- District tax collections plus developer contributions were used to pay District debt service during fiscal year 2017.
- The fund balance of the District's governmental funds at June 30, 2017, was $6.9 million, a decrease of $1.6 million compared to prior year. This decrease was due mainly from a $1.0 million payment of one-time funds to the City for the treatment of water supplies within the District. Additionally, capital outlay expenditures of $0.3 million contributed to the decrease in fund balance versus prior year. Of the total ending governmental fund balance, $3.7 million is restricted for debt service, and $3.2 million is restricted for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduces the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide Financial Statements

The *statement of net position* is designed to provide a broad overview of the District's finances in a manner similar to those used by private businesses. The statement of net position presents information on all of the District's assets and liabilities, both current and long-term, with the difference between assets and liabilities reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, other indicators, including non-financial indicators should also be considered.

The *statement of activities* presents information showing how the District's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time that the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses related to accrued interest. This statement also focuses on both the gross and net costs of the various functions of the District, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

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 conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds and all are restricted, either by bond covenants or state law, as to use.

The District maintains two governmental funds, a general fund and a debt service fund. 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 each fund.

The District adopts annual budgets for both the general fund and the debt service fund. Budgetary comparison statements and schedules are provided to demonstrate compliance with the adopted budgets.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in conjunction with the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2017, the liabilities of the District exceed its assets by $28.5 million (net position). The deficit in net position is due to the nature of the District's operations. The purpose of the District is to acquire or construct certain capital infrastructure, primarily water and wastewater systems, within the boundaries of the District. Once the capital infrastructure is acquired or constructed, it is turned over to the City to operate. As a special purpose district and a separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners within the District are assessed property taxes to pay the debt service over the life of the bonds. The City has no liability for debt of the District. Because the completed capital assets are generally reported in the City's financial statements, the Statement of Net Position for the District reflects a large liability (bonds payable) without an offsetting asset. Capital assets are only shown on the District's financial statements if they are classified as work-in-process at year end.

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the District as a whole as of and for the year ended June 30, 2017, with comparative information for the previous year.

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the District for June 30, 2017, compared to the prior year.

Statement of Net Position
As of June 30
(In millions of dollars)

	Governmental Activities		
	2017	2016	% Change
Current and other assets	$ 6.9	$ 8.5	-18.8%
Capital assets	1.9	1.6	18.8%
Total assets	8.8	10.1	-12.9%
Total deferred outflows of resources	0.8	1.0	-20.0%
Other liabilities	0.8	0.9	-11.1%
Long-term liabilities outstanding	37.3	40.5	-7.9%
Total liabilities	38.1	41.4	-8.0%
Net position:			
Unrestricted	$ (28.5)	$ (30.3)	-5.9%

The District's current assets and long-term liabilities decreased due to the reduction (payment) of outstanding debt. Work-in-progress capital assets of $1.9 million were retained by the District at June 30, 2017 pending asset completion. Since the net position of the District is negative at June 30, 2017, they are classified as unrestricted.

Changes in Net Position

The following table compares the revenue and expenses for the current and previous fiscal year.

Changes in Net Position
As of June 30
(In millions of dollars)

	Governmental Activities	
	2017	2016
REVENUES		
Program revenues:		
Developer contributions	$ 1.5	$ 2.1
General revenues		
Property taxes	2.8	2.6
Investment earnings	-	-
Total revenues	4.3	4.7
EXPENSES:		
Program activities:		
General government	1.0	-
Interest expense on debt	1.5	2.3
Total expenses	2.5	2.3
Excess (shortage) before transfers	1.8	2.4
Transfers in (out)	-	-
Increase (decrease) in net position	$ 1.8	$ 2.4

Property tax collections increased in line with the increase of assessed valuations while the property tax rate remained the same as in prior years.

Under an agreement between the District and the developer, the developer is required to cover any deficits between tax collections and debt service requirements. In fiscal year 2017, the developer contributed $1.5 million for payments on district debt, a decrease of $0.6 million from the previous year.

The net position of the District increased $1.8 million in fiscal year 2017 compared to the prior year as current year expenses for debt interest expense were reduced as a result of the prior year refunding of debt and as the District spent all the remaining bond proceeds.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District maintains fund accounting to demonstrate compliance with budgetary and legal requirements related to special purpose districts and general obligation bonds.

The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's ability to pay the debt service on the general obligation bonds it issues to fund construction or acquisition of public infrastructure.

The fund balance of the District's combined governmental funds is $6.9 million, a decrease of $1.6 million from the previous year for the reason stated above. Of the total ending fund balance, $3.7 million is restricted for debt service and $3.2 million is restricted for capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District was formed to finance the acquisition or construction of public infrastructure that is subsequently donated to the City for operation. The District does not own or operate infrastructure once completed. Since formation, District bonds have been issued and the proceeds used to construct public infrastructure such as a water reclamation plant, wells, oversized sewer line, and booster stations. Construction in progress of $1.9 million was held by the District at the end of fiscal year 2017.

The District is authorized, by an election held November 12, 2002, to issue $100 million in District general obligation or revenue bonds. As of June 30, 2017, the District has $32.4 million remaining authorization from the election to issue general obligation bonds against the authorization. These bonds are to be repaid through property taxes levied on the property within the District.

In the event the District Board decides at a future time to dissolve the District, State statute provides that all taxable property in the District will remain subject to the lien for the payment of the bonds until all bonds have been defeased.

Outstanding Long-Term Debt at June 30

	Governmental Activities	
	2017	2016
General obligation bonds	$ 34,080,000	$ 36,985,000

BUDGETARY HIGHLIGHTS

The District's annual budget is the legally adopted expenditure control document of the District. The budgetary comparison statement required for the General Fund is presented with the basic financial statements. The statement compares the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. A budgetary schedule for the other governmental fund is also presented as supplemental information.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1 for more information on budget policies). Some of these amendments include transfers from contingency to cover approved carryovers from the previous budget, capital projects with budget overages (or whose timing was accelerated), and other unanticipated costs. There were no amendments to the District's budget during fiscal year 2017.

ECONOMIC FACTORS

The City of Peoria, where the District is located, continues to enjoy one of the lowest unemployment rates in the Phoenix metropolitan area while the City's population continues to increase creating demand for housing. The unemployment rate in the City of Peoria June 2017 was 4.2%, which is below the state rate of 5.3% and in line with the national average.

Locally improving consumer confidence has resulted in higher sales tax revenues and is forecasted to increase by 2.7% in fiscal year 2018.

New residential construction in Peoria is growing, while commercial construction has begun to show expansion and stability. Existing home valuations have continued to increase and information from the County Assessor's Office projects slight increases in the City's assessed valuations for the fourth consecutive year. Future valuations should continue to increase, resulting in higher tax collections in subsequent years.

The adopted fiscal year 2018 budget for the District is $4.6 million. The tax rate for the District for fiscal year 2018 is $2.10, unchanged from the fiscal year 2017 tax rate. The fiscal year 2018 Limited Assessed Value for the District is $144,687,229.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the District's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Finance Department at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.

BASIC FINANCIAL STATEMENTS

VISTANCIA COMMUNITY FACILITIES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	$ 115,169
Cash with fiscal agents	6,738,557
Interest receivable	616
Due from other governments	31,344
Property taxes receivable	6,416
Non-depreciable capital assets	1,865,219
Total assets	8,757,321
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on bond refunding	818,594
Total deferred outflows of resources	818,594
Total assets & deferred outflows	9,575,915
LIABILITIES	
Interest payable	823,900
Non-current liabilities:	
Due within one year:	
Current portion of bonds payable	2,755,000
Due in more than one year:	
Noncurrent portion of bonds payable	34,528,055
Total liabilities	38,106,955
NET POSITION	
Unrestricted	(28,531,040)
Total net position	$ (28,531,040)

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues	
	Expenses	Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
			Governmental Activities
Functions/Programs			
Primary government:			
Governmental activites:			
General government	$ 20,500	$ -	$ (20,500)
Public Works	1,000,000	-	(1,000,000)
Community Facilities District	-	1,518,145	1,518,145
Interest on long-term debt	1,462,044	-	(1,462,044)
Totals	2,482,544	1,518,145	(964,399)
General revenues			
Taxes:			
Property taxes, levied for debt service			2,801,258
Investment earnings			3,940
Total general revenues and transfers			2,805,198
Change in net position			1,840,799
Net position - beginning			(30,371,839)
Net position - ending			$ (28,531,040)

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Debt Service Fund	Totals
ASSETS & DEFERRED OUTFLOWS			
Cash and cash equivalents	$ -	$ 115,169	$ 115,169
Cash with fiscal agents	3,159,657	3,578,900	6,738,557
Interest receivable	-	616	616
Due from other governments	-	31,344	31,344
Property taxes receivable	-	6,416	6,416
Total assets	3,159,657	3,732,445	6,892,102
Total assets & deferred outflows	$ 3,159,657	$ 3,732,445	$ 6,892,102
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES			
Deferred inflow of resources:			
Unavailable revenue-property tax	-	6,416	6,416
Total deferred inflow of resources	-	6,416	6,416
Fund balances:			
Restricted for:			
Debt service	-	3,726,029	3,726,029
Capital projects	3,159,657	-	3,159,657
Total fund balance	3,159,657	3,726,029	6,885,686
Total liabilities, deferred inflows & fund balance	$ 3,159,657	$ 3,732,445	$ 6,892,102

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Fund balances - total governmental funds balance sheet	$	6,885,686
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets		1,865,219
Deferred outflows used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred loss on refunding		818,594
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental bonds payable		(34,080,000)
Bond premiums are recognized at the time of issuance in the governmental funds, but are deferred and recognized over the life of the bonds for government-wide reporting.		(3,203,055)
Property tax revenue earned but not received within 60 days of year-end is deferred for the governmental statements, but is recognized as revenue for the government-wide statements		6,416
Interest payable on long-term debt is not reported in the governmental funds.		(823,900)
Net position of governmental activities - statement of net position	$	(28,531,040)

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Debt Service Fund	Totals
REVENUES:			
Taxes	$ -	$ 2,794,842	$ 2,794,842
Investment earnings	8	3,932	3,940
Developer contributions	-	1,518,145	1,518,145
Total revenues	8	4,316,919	4,316,927
EXPENDITURES:			
Current:			
General government		20,500	20,500
Public Works	1,000,000	-	1,000,000
Debt service:			
Principal payments	-	2,905,000	2,905,000
Interest and other charges		1,709,400	1,709,400
Capital outlay	281,517	-	281,517
Total expenditures	1,281,517	4,634,900	5,916,417
Excess (deficiency) of revenues over expenditures	(1,281,509)	(317,981)	(1,599,490)
Net change in fund balances	(1,281,509)	(317,981)	(1,599,490)
Fund balances - beginning	4,441,166	4,044,010	8,485,176
Fund balances - ending	$ 3,159,657	$ 3,726,029	$ 6,885,686

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds	$	(1,599,490)
Amounts reported for governmental activities in the statement of activities are different because:		
Certain revenues are deferred in the governmental funds because they do not provide current financial resources, but are considered revenue on the statement of net activities		6,416
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and calculated for bond and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.		247,356
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the the amount by which capital outlays ($281,517 exceeded depreciation ($0) in the current period.		281,517
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. No effect on net position.		2,905,000
Change in net position of governmental activities- statement of activities	$	1,840,799

VISTANCIA COMMUNITY FACILITIES DISTRICT
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	$ -	$ -	$ 8	$ 8
Total revenues	-	-	8	8
EXPENDITURES:				
Current:				
Public Works	-	-	1,000,000	1,000,000
Capital outlay	1,260,000	1,260,000	281,517	(978,483)
Total expenditures	1,260,000	1,260,000	1,281,517	21,517
Excess (deficiency) of revenues over (under) expenditures	(1,260,000)	(1,260,000)	(1,281,509)	(21,509)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(1,260,000)	(1,260,000)	(1,281,509)	(21,509)
Fund balances - beginning	1,260,000	1,260,000	4,441,166	3,181,166
Fund balances - ending	$ -	$ -	$ 3,159,657	$ 3,159,657

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
PEORIA, ARIZONA

NOTES TO THE FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Vistancia Community Facilities District, a component unit of the City of Peoria, Arizona (City), have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the City's more significant policies, as applicable to the District, follows.

A. Financial Reporting Entity

The Vistancia Community Facilities District (the District) was formed by petition to the City Council in 2002. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for the District's property taxes, and thus for the costs of operating the District. The City Council serves as the Board of Directors of the District. The City has no liability for the District's debt. For financial reporting purposes, the transactions of the District are included as governmental type funds in the City's financial statements as if they were part of the City's operations.

B. Basis of Presentation – Government-wide Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report financial information on all of the activities of the District. All of the activities of the District are governmental activities.

Governmental activities for the District are normally supported by taxes and developer contributions.

The statement of activities demonstrates the degree to which the direct expenses for a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues may include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

The District does not currently employ an indirect cost allocation system. The City's General Fund and certain other funds charge administrative service fees to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration). These administrative fees are eliminated from the City's financial statements at both the government-wide and fund level like a reimbursement, by reducing revenues and expenditures/expenses in the allocating fund. Currently, the City does not charge any of these fees to the District.

Governmental Funds

Separate financial statements are provided for governmental funds (general fund and debt service funds). Major individual funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund accounts for the proceeds from the sales of Community Facilities District bonds and the acquisition of capital assets or construction of major capital projects within the District.

Debt Service Fund accounts for the resources accumulated for, and the servicing of the general long-term debt of the District, including principal, interest and other related costs.

C. Measurement Focus and Basis of Accounting

The government-wide 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.

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 earned and available to pay liabilities of the current period (generally these revenues are earned by June 30 and are expected to be collected within six months after year-end, except for property taxes). For property taxes, the District uses a 60 day collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to debt service, claims and judgments, which are recorded only when payment is due.

Changes in fair value of investments are recognized in investment income at the end of the year. All other revenue items are considered to be measurable and available only when the District receives cash.

Because different measurement focuses and bases of accounting are used in the government-wide statement of net position and in governmental fund balance sheets, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted net position in the statement of net position. Generally, the District would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Generally, the effect of the interfund activity has been removed from these statements.

D. Budgets and Budgetary Accounting

The District prepares its annual budget on a basis consistent with generally accepted accounting principles. The District uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before October 1 each year.
- Prior to June 30, the proposed budget for the following fiscal year is presented by the District Treasurer to the District Board. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain taxpayer comment.
- Prior to June 30, the District Board legally enacts the budget, through the passage of a resolution. The resolution sets the limit for expenditures for the year. There were no supplemental appropriations made during fiscal year 2017.
- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.
- All unencumbered expenditure appropriations expire at the end of the fiscal year.
- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary. Budgetary carry forwards are approved by the District Board.

- All funds of the District have legally adopted budgets. Formal integration of these budgets into the District's financial systems is employed as a management control device during the year for all funds.

E. Deposits and Investments

Cash Equivalents
The District considers short-term investments, including restricted investments, money market mutual funds and U.S. Treasury bills and notes with maturities of less than three months at acquisition date to be cash equivalents.

The City's Investment Policy applies to the District funds held by the City. The City's Investment Policy authorizes the District to invest in obligations of the U.S. Government or any of its agencies and instrumentalities, certificates of deposit, bankers' acceptances, commercial paper, money market funds, repurchase agreements, corporate securities, the State of Arizona local government investment pool and State of Arizona debt including counties, incorporated cities, towns or duly organized school districts. As required by statute, collateral is required for demand deposits, certificates of deposit and repurchase agreements at 102% of all deposits not covered by Federal depository insurance.

The City generally reports investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. The fair value of participants' position in the Local Government Investment Pool approximates the value of the pool shares. Other non-pooled investments are also generally carried at fair value. The fair value of non-pooled investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the funds' current share price.

The District's deposits at June 30, 2017, were collateralized with securities held by the pledging financial institution's trust department in the District's name.

F. Capital Assets

Governmental Fund types do not display capital assets on the face of the fund financial statements. The costs of purchasing, or constructing, capital assets are shown as capital outlay expenditures in the Governmental Statement of Revenues, Expenditures and Changes in Fund Balance, unless the capital assets have already been transferred to the City. The capital assets of the District, once completed and acceptable to the City, are transferred to the City. All subsequent costs of operating and maintaining those assets will be the responsibility of the City.

Since the capital assets acquired or constructed by the District are turned over to the City once they are operational, the District generally does not own capital assets. Capital assets still under construction at fiscal year-end are shown as work-in-progress on the District's government-wide financial statements.

G. Restricted Assets

Certain proceeds of the District's bonds, as well as certain resources set aside for their repayments, are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

H. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest 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 in the period in which the bonds are issued. 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.

The long-term debt of the District is serviced by the District's Debt Service Fund.

I. Net Position

In the government-wide and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. The net investment in capital assets balances are separately reported because capital assets make up a significant portion of net position. Restricted balances account for the portion of net position restricted by external resource providers or through enabling legislation. Unrestricted balances are the remaining balances not included in the previous two categories. The District reports only unrestricted net position and no restricted net position or net investment in capital assets.

J. Fund Balance policies

In the fund financial statements, governmental funds distinguish between nonspendable and spendable fund balances. Nonspendable balances include amounts that cannot be spent because they are not in a spendable form, such as inventory or prepaid items, or because resources legally or contractually must remain intact. Spendable balances are further classified as restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amount can be spent.

Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (creditors, grantors, etc.) or through enabling legislation.

Committed fund balances includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Such commitments are created by legislative action of the District Board, the District's highest level of decision making authority, by resolution or ordinance and would require the same legislative action to reverse. Ordinances and resolutions both require public votes of the District and, although the uses may differ, they are both considered to be of the highest level of decision making authority for the District.

Amounts in the *assigned* fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

As previously noted above, generally, the District would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The order in which the District would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned.

K. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For general liability, the District is insured up to an

aggregate of $3,000,000 and $1,000,000 per occurrence. The District is also insured up to $3,000,000 aggregate for professional liability and $2,000,000 aggregate for excess liability.

Claims liabilities will be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2017, the District had no outstanding claims. Additionally, through a development agreement between the District and the developer, the developer is responsible for up to $250,000 of any insurance deductibles that might be paid by the City on behalf of the District until such time that the developer's contractual commitments under the development agreement are met.

L. Property taxes

The District Board adopts the annual tax levy each year on or before the third Monday in August based on the full cash value as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the full cash value is determined as of January 1 of the tax year. The District has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent.

M. Use of Estimates

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

N. New Accounting Principles

For the year ended June 30, 2017, the District implemented the provisions of GASB Statement No. 77, *Tax Abatement Disclosures,* which establishes standards for disclosing tax abatement agreements the District entered into and agreements that other governments entered into that reduced the Distrcit's tax revenues.

2. CASH AND INVESTMENTS

The District participates in the pooled cash and investments of the City for daily transactions. The City then periodically requests reimbursement from the District's restricted funds held by the trustee. At June 30, 2017, the District had a balance of $115,169 in the City's pooled cash and investments. In addition, the District has deposited $3,159,657 in a developer trust account with a fiscal agent in accordance with developer agreements for the construction and acquisition of water projects. Additional funds to be used for debt service payments shortly after year-end of $2,811,405 were deposited with the District's trustee with an additional $767,495 in transit at June 30 2017.

Below are the relevant policies with regard to interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Interest rate risk: In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2017, 65.7% of the City's investments have a maturity of less than one year and 5.2%

of investments have a maturity of greater than three years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed three years. The WAM at June 30, 2017 for the City's investments were in compliance with the City's policy.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy also limits the purchase of Corporate Bonds or Notes and Banker's Acceptances to those securities rated Aa or better by two nationally recognized rating agencies and with a maximum maturity of two years and 180 days, respectively. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a collateralization level of at least 102 percent of the market value of principal and accrued interest.

Investment Type	Moody's Rating
Agency coupon securities	Aaa
Commercial Paper	P-1
Corporate Bonds – Apple Inc.	Aa1
Corporate Bonds – all other	Aa2

The City's investment in the State of Arizona local government investment pool is limited to a pool (Pool 7) that invests only in government securities. Pool 7 is not rated.

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2017, the City's investments include 53.5% invested in U.S. Agency Coupon securities, 20.4% in Commercial Paper, 8.9% in Money Market investments and 8.8% in U.S. Treasury Notes and 8.2% in Corporate Notes.

Custodial credit risk: To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values along with original safekeeping receipts.

The District 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 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified in Level 2 are valued using a matrix pricing model. The City has the following recurring fair value measurements as of June 30, 2017:

- All U.S. Treasury securities are valued using other observable inputs (Level 2)
- All agency coupon securities are valued using other observable inputs (Level 2)
- All commercial paper is valued using other observable inputs (Level 2)
- All corporate bonds are valued using other observable inputs (Level 2)

The City's investment in the State of Arizona's local government investment pool is stated at fair value, which also approximates the value of the investment upon withdrawal.

3. TRANSFERS

In the Fund Financial Statements, there may be transfers between the District's General Fund and the Debt Service Fund. There were no such transfers in fiscal year June 30, 2017.

4. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As described in Note 1, the District was formed to finance and acquire or construct capital infrastructure assets that are subsequently dedicated to the City for operation. The District does not own or operate capital assets. Therefore the Statement of Net Position reflects a large liability (bonds payable) without an offsetting asset and, therefore, negative net position at June 30, 2017.

5. CAPITAL ASSETS

The following table discloses the capital asset activity of the District, for the government-wide financial statements, for the fiscal year ended June 30, 2017.

	Balances June 30, 2016	Additions/ Transfers in	Disposals/ Transfers out	Balances June 30, 2017
Non-depreciable assets:				
Work in Progress	$ 1,583,702	$ 281,517		$ 1,865,219
Total Capital Assets	$ 1,583,702	$ 281,517	$ -	$ 1,865,219

6. LONG-TERM DEBT

Community Facilities Districts (CFD's), are special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City, are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued only after approval of the voters within the district.

On October 15, 2002 the City Council formed the Vistancia Community Facilities District (the District) pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes. The District was subsequently authorized, by the voters of the district on November 12, 2002, to issue up to $100,000,000 in general obligation bonds to construct public infrastructure within the District. The district issued $21,250,000 in fiscal year 2003, $23,550,000 in fiscal year 2005, and $22,760,000 in fiscal year 2007 of general obligation bonds against this authorization. The District refunded all these obligations in fiscal year 2016 through the issuance of $36,985,000 in general obligation bonds. These bonds will be repaid by the property owners within the District. The bonds are obligations of the District only. The City has no obligation for the District debt other than the administration of the collection of the property taxes and payment of the debt service on behalf of the District.

Legal Debt Limit – General Obligation bonded indebtedness for the District cannot exceed 60 percent of the market value of the property in the District after the infrastructure is completed plus the value of the infrastructure improvements made.

The following is a summary of the long-term debt activity of the District for the fiscal year ended June 30, 2017.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 36,985,000	$ -	$ 2,905,000	$ 34,080,000	$ 2,755,000
Deferred bond premium	3,555,685	-	352,630	3,203,055	-
Total Debt	$ 40,540,685	$ -	$ 3,257,630	$ 37,283,055	$ 2,755,000

The following tables disclose the long-term debt obligations of the District as of June 30, 2017, for the government-wide financial statements.

Description	Maturity Dates	Net Interest Rate	Original Principal Balance	Principal Balance Outstanding
Series 2015	7/15/16-26	3.47	36,985,000	$ 34,080,000
				$ 34,080,000

The following table discloses the debt service requirements as of June 30, 2017, segregating principal and interest, for the next five years and in five-year increments thereafter.

Fiscal Year	Principal	Interest	Total
2018	$ 2,755,000	$ 1,592,700	$ 4,347,700
2019	2,865,000	1,480,300	4,345,300
2020	2,980,000	1,348,500	4,328,500
2021	3,130,000	1,195,750	4,325,750
2022	3,285,000	1,035,375	4,320,375
2023-2026	19,065,000	2,476,375	21,541,375
Totals	$ 34,080,000	$ 9,129,000	$ 43,209,000

SUPPLEMENTAL INFORMATION

VISTANCIA COMMUNITY FACILITIES DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 2,804,460	$ 2,804,460	$ 2,794,842	$ (9,618)
Investment earnings	-	-	3,932	3,932
Developer contributions	2,093,940	2,093,940	1,518,145	(575,795)
Total revenues	4,898,400	4,898,400	4,316,919	(581,481)
Current:				
General government	285,000	285,000	20,500	(264,500)
Debt service:				
Principal payments	2,905,000	2,905,000	2,905,000	-
Interest and other charges	1,705,900	1,705,900	1,709,400	3,500
Total expenditures	4,895,900	4,895,900	4,634,900	(261,000)
Excess (deficiency) of revenues over (under) expenditures	2,500	2,500	(317,981)	(320,481)
OTHER FINANCING SOURCES (USES):				
Contigencies	(2,500)	(2,500)	-	2,500
Total other financing sources and uses	(2,500)	(2,500)	-	2,500
Net change in fund balances	-	-	(317,981)	(317,981)
Fund balances - beginning	4,084,604	4,084,604	4,044,010	(40,594)
Fund balances - ending	$ 4,084,604	$ 4,084,604	$ 3,726,029	$ (358,575)

CONTINUING DISCLOSURE INFORMATION

VISTANCIA COMMUNITY FACILITIES DISTRICT
Peoria, Arizona

CONTINUING DISCLOSURE INFORMATION

SEC Rule 15c2-12, as amended, requires the City to provide Continuing Disclosure Annual Reports that include audited financial statements and other financial information for the benefit of owners and holders of bond obligations issued by the City. The Continuing Disclosure Annual Report shall contain or incorporate by reference certain information as set forth in the Continuing Disclosure Agreements and Undertakings executed by the City with the issuance of its municipal bond obligations.

Information in this section is provided solely pursuant to the requirements of SEC Rule 15c2-12 and Continuing Disclosure Agreements and Undertakings and include financial information that is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore unaudited and not covered by the auditor's opinion.

Annual continuing disclosure information is filed with the Municipal Securities Rulemaking Board (MSRB) for public access via their Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

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Table 4 – Property Tax Levies and Collections 29

VISTANCIA COMMUNITY FACILITIES DISTRICT **Table 1**

PROPERTY VALUATIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Limited Property Value	Net Assessed Value
2017	$ 1,325,512,939	$ 133,208,262
2016 (a)	1,225,611,559	124,610,452
2015	1,136,932,307	116,395,550
2014	995,725,463	102,696,067
2013	1,005,368,597	104,536,480
2012	994,568,536	102,606,002
2011	1,028,867,678	110,252,442
2010	1,220,773,658	134,171,551
2009	1,288,420,041	144,250,779
2008	805,644,326	91,288,926

a) Prior to fiscal year 2015-2016 (FY2015-16), Primary or Limited Property Values were used for primary ad valorem taxes which are levied for operations of the city and Secondary Assessed Values were used for secondary ad valorem taxes which are levied for debt service. Beginning in FY2015-16, with a voter approved constitutional amendment, both primary and secondary ad valorem taxes are now levied on the Limited Property Values. Because FY2015-16 is the first year for implementation of the constitutional amendment and use of Limited Property Values, there is no comparative data from prior years and accordingly the Net Assessed Values presented for years prior to FY2015-16 represent Secondary Assessed Values based on the then-applicable but now replaced valuation rules.

Source: Maricopa County Assessor, August State Abstract Report

VISTANCIA COMMUNITY FACILITIES DISTRICT
NET ASSESSED VALUE BY PROPERTY CLASS
AS OF JUNE 30, 2017

Table 2

Description	2016-17 Net Assessed Value	Percent of Total
Commercial, Industrial, Mining & Utilities	$ 6,280,593	4.72%
Agriculture & Vacant Land	6,543,301	4.91%
Residential - Owner Occupied	84,055,212	63.10%
Residential - Leased or Rented	36,329,156	27.27%
Net Assessed Value	$ 133,208,262	100.00%
Limited Property Value	$ 1,325,512,939	
Net Assessed Value as a Percentage of Limited Property Value	10.05%	

Source: Maricopa County Assessor

VISTANCIA COMMUNITY FACILITIES DISTRICT
NET ASSESSED VALUE BY MAJOR TAXPAYERS
AS OF JUNE 30, 2017

Table 3

Taxpayer	Type of Business	2016-2017 Net Assessed Valuation	As % of District's 2016-2017 Net Assessed Valuation
VISTANCIA ASSOCIATES LLC	Real Estate Development	$ 1,098,203	0.82%
BLACKSTONE COUNTRY CLUB	Sports and Recreation Clubs	1,081,610	0.81%
ACCIPTER COMMUNICATIONS INC	Data Communications	886,997	0.67%
PWREO VISTANCIA LLC	Investment	759,640	0.57%
SHEA HOMES SOUTHWEST INC	Real Estate Development	668,603	0.50%
MERITAGE HOMES OF ARIZONA INC	Real Estate Development	604,771	0.45%
SOUTHWEST GAS CORPORATION (T&D)	Gas Utility	600,969	0.45%
RREF II BB VISTANCIA JV LLC	Real Estate Development	481,038	0.36%
VISTANCIA 150 COMMERCIAL LLC	Real Estate Development	403,502	0.30%
MSR PUBLIC POWER AGENCY (T&D)	Electric Utility	352,039	0.26%
		$ 6,937,372	5.21%

Source: Maricopa County Assessor

VISTANCIA COMMUNITY FACILITIES DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 4

Fiscal Year Ended June 30,	District Tax Rate	Taxes Levied for the Fiscal Year [1]	Fiscal Year of the Levy [2]		Collections in Subsequent Years [2]	Total Collections To Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2017	$ 2.1000	$ 2,797,374	$ 2,779,963	99.38%	$ -	$ 2,779,963	99.38%
2016	2.1000	2,616,825	2,598,255	99.29%	11,550	2,609,805	99.73%
2015	2.1000	2,444,330	2,404,584	98.37%	26,586	2,431,170	99.46%
2014	2.1000	2,156,639	2,119,016	98.26%	35,143	2,154,159	99.89%
2013	2.1000	2,195,288	2,150,306	97.95%	32,690	2,182,996	99.44%
2012	2.1000	2,154,748	2,123,609	98.55%	23,653	2,147,262	99.65%
2011	2.1000	2,315,321	2,254,750	97.38%	49,638	2,304,388	99.53%
2010	2.1000	2,817,621	2,732,384	96.97%	58,247	2,790,631	99.04%
2009	2.1000	3,029,282	2,876,499	94.96%	52,898	2,929,397	96.70%
2008	2.1000	1,917,077	1,804,329	94.12%	96,511	1,900,840	99.15%

Notes: [1] Levy figures obtained from Maricopa County Tax Levy Books-February Publication.
[2] Collection amount obtained from Maricopa County Treasurer's Secured Levy Report at 6/30/2017.

Source: Maricopa County Treasurer's Office
Maricopa County Assessor's Office
City financial records and reports

CITY OF PEORIA, ARIZONA
VISTANCIA WEST COMMUNITY
FACILITIES DISTRICT COMMUNICATION

Agenda Item: 22C.

Date Prepared: 11/27/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, District Manager

FROM: Rhonda Geriminsky, District Clerk

SUBJECT: Minutes

Staff Recommendation:

Discussion and possible action to approve the November 7, 2017 Vistancia West Community Facilities District Meeting minutes.

ATTACHMENTS:

November 7, 2017 Minutes

Contact Name and Number:

Rhonda Germinisky, (623) 773-7340

MINUTES OF THE VISTANCIA WEST COMMUNITY FACILITIES DISTRICT BOARD
CITY OF PEORIA, ARIZONA
COUNCIL CHAMBER
November 7, 2017

The Vistancia West Community Facilities District Board met in open and public session at 8401 West Monroe Street immediately following the conclusion of the new business of the Peoria City Council.

Members Present: Board Chairperson Cathy Carlat; Vice Chairperson Jon Edwards; Board Members Bridget Binsbacher, Michael Finn, Vicki Hunt, Carlo Leone and Bill Patena.

Board Youth Liaisons: Maylee Acosta and Cassidy Gatrost.

Members Absent: None

Other Municipal Officials Present: Jeff Tyne, District Manager; Julie Arendall, Deputy District Manager; Andy Granger, Deputy District Manager; Steve Burg, District Counsel; Rhonda Geriminsky, District Clerk; Thomas Adkins, Intergovernmental Affairs Director; Gary Bernard, Deputy Fire Chief; John Imig, Information Technology Director; Chris Jacques, Planning and Community Development Director; Stuart Kent, Public Works/Utilities Director; Adina Lund, Development and Engineering Director; Sonia Andrews, Interim Finance Director; Roy Minter, Police Chief; John Sefton, Community Services Director; Jennifer Stein, Office of Communications Director; Dawn Prince, Assistant to the City Manager; and Marcella Carrillo, City Clerk Specialist.

Audience: Approximately 25 members of the public were present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the District Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which event the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Chairperson Carlat asked if any Board Member wished to have an item removed from the Consent Agenda. Having no requests from the Board, motion was made by Board Member Binsbacher, seconded by Board Member Finn, to approve the Consent Agenda.

Upon vote, the motion carried unanimously 7 to 0.

CONSENT – New Business:

Clerk's Note: The agenda item numbers shown below reflect the items as they were numbered on the agenda.

18C. Minutes

Approved the August 15, 2017 Vistancia West Community Facilities District Meeting minutes.

19C. Investment Report, Quarter Ending September 30, 2017

Accepted the Investment Report as presented.

Call To The Public (Non-Agenda Items)

None.

ADJOURNMENT:

Being no further business to come before the District Board, the meeting was duly adjourned at 7:38 p.m.

_____
Cathy Carlat, Board Chairperson

ATTEST:

_____
Rhonda Geriminsky, District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Vistancia West Community Facilities District Meeting held on the 7th day of November, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of December, 2017.

(Seal)

_____
Rhonda Geriminsky, District Clerk

CITY OF PEORIA, ARIZONA
VISTANCIA WEST COMMUNITY
FACILITIES DISTRICT COMMUNICATION

Agenda Item: 23C.

Date Prepared: 11/27/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, District Manager

THROUGH: Julie Arendall, Deputy District Manager

FROM: Sonia Andrews, Acting Finance Director

SUBJECT: Fiscal Year 2017 Annual Financial Report

Purpose:

This is a request for the District Board to receive and file the Vistancia West Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2017.

Background/Summary:

We are pleased to submit to you the Annual Financial Report of the Vistancia West Community Facilities District for the fiscal year ended June 30, 2017. The report was prepared by the Finance Department of the City of Peoria. The financial statements and related footnotes were audited by an independent firm of Certified Public Accountants, Heinfeld, Meech & Co., P.C., whose report is included herein.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operation of the District.

The annual financial report includes the District-wide financial statements, fund financial statements and related footnotes as well as Management's Discussion and Analysis and budgetary comparison schedules. These financial statements have been prepared in accordance with accounting principals generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Previous Actions:

There are no previous actions for this item.

Options:

A: Receive and file the District Annual Financial Report

B: Do not receive and file the District Annual Financial Report

Staff Recommendation:

Discussion and possible action to accept and file the Vistancia West Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2017.

Fiscal Analysis:

This item has no financial implications.

Narrative:

For fiscal year ended June, 30 2017, the District Annual Financial Report received an unmodified opinion from the independent auditors. An unmodified opinion is a "clean" audit report, indicating the auditor's opinion that the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States. This is the desired opinion of each organization. The Annual Report is filed with the Municipal Securities Rulemaking Board (MSRB) as a required annual continuing disclosure for outstanding bond issues in accordance with SEC Rule 15c2-12.

ATTACHMENTS:

Financial Report

Contact Name and Number:

Sonia Andrews, (623) 773-5206

Vistancia West Community Facilities District

Peoria, Arizona

Annual Financial Report

For Fiscal Year Ended
June 30, 2017

District Board:
Cathy Carlat, Chairperson
John Edwards, Vice-Chairperson
Bridget Binsbacher
Michael Finn
Vicki Hunt
Carlo Leone
Bill Patena

District Administrative Staff:
Jeff Tyne, District Manager
Sonia Andrews, Acting District Treasurer & Chief Financial Officer
Steve Burg, District Counsel
Rhonda Geriminsky, District Clerk

Dedicated to:
Brent D. Mattingly, Past District Treasurer & Chief Financial Officer

Prepared by City of Peoria Finance Department

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
Peoria, Arizona
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

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Vistancia West Community Facilities District
Peoria, Arizona

November 8, 2017

Honorable Board of Directors:

The accompanying basic financial statements of the Vistancia West Community Facilities District (the District) for the year ended June 30, 2017, have been prepared for the use of the District Board, staff and other interested parties. This report includes Management's Discussion and Analysis, the basic financial statements for the District including government-wide financial statements, fund financial statements and footnotes, and supplemental budget comparison schedules for the District's funds.

This report was prepared by the Financial Services Division of the Finance Department of the City of Peoria, Arizona (the City) as finance staff for the District. It is intended as District management's report to the District Board and other interested parties.

The District is a component unit of the City of Peoria, Arizona for financial reporting. As a component unit of the City, the accompanying financial statements were included in the annual audit of the City's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. A copy of the City's CAFR may be obtained by contacting the City's Finance Department at 8401 West Monroe Street, Peoria, Arizona 85345. Additionally, the auditors, Heinfeld, Meech & Co., P.C., have also expressed an opinion on the separate financial statements of the District included herein. That opinion may be found on page 1 of this financial report.

Questions about the financial statements included herein should be addressed to the City of Peoria, Finance Department at the above address.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vistancia West Community Facilities District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Vistancia West Community Facilities District (District), a component unit of the City of Peoria, Arizona, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Vistancia West Community Facilities District, as of June 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, for the year ended June 30, 2017, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The transmittal letter, supplemental information, and continuing disclosure information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The transmittal letter and the continuing disclosure information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

[redacted]

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
November 8, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Vistancia West Community Facilities District (the District), we offer this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, and (4) identify individual fund issues or concerns.

On August 27, 2014, the District was formed by petition to the City Council of the City of Peoria, Arizona (City) pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes. The District is a special purpose taxing district and separate political subdivision under Arizona statues. As such, the District can levy taxes and issue bonds, independent of the City. Property owners within the District boundaries pay for District infrastructure and functions through secondary property tax assessments. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. City staff administers the District. The Peoria City Council also serves as the District Board of Directors. The District is one of the City of Peoria's component units for the fiscal year ended June 30, 2017.

Financial Highlights

- The fiscal year 2017 tax levy remained unchanged at $2.10 per $100 valuation.
- District tax collections plus developer contributions were used to pay District debt service during fiscal year 2017.
- The fund balance of the District's governmental funds at June 30, 2017, was $231,241, an increase of $186,216 compared to prior year. This increase was due mainly from unspent bond proceeds and higher tax revenues. Of the total ending governmental fund balance, $108,772 is restricted for debt service, and $122,469 is restricted for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduces the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide Financial Statements

The *statement of net position* is designed to provide a broad overview of the District's finances in a manner similar to those used by private businesses. The statement of net position presents information on all of the District's assets and liabilities, both current and long-term, with the difference between assets and liabilities reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, other indicators, including non-financial indicators should also be considered.

The *statement of activities* presents information showing how the District's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time that the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses related to accrued interest. This statement also focuses on both the gross and net costs of the various functions of the District, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

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 conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds and all are restricted, either by bond covenants or state law, as to use.

The District maintains two governmental funds, a general fund and a debt service fund. 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 each fund.

The District adopts annual budgets for both the general fund and the debt service fund. Budgetary comparison statements and schedules are provided to demonstrate compliance with the adopted budgets.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in conjunction with the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2017, the liabilities of the District exceed its assets by $3 million (net position). The deficit in net position is due to the nature of the District's operations. The purpose of the District is to acquire or construct certain capital infrastructure, primarily water and wastewater systems, within the boundaries of the District. Once the capital infrastructure is acquired or constructed, it is turned over to the City to operate. As a special purpose district and a separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners within the District are assessed property taxes to pay the debt service over the life of the bonds. The City has no liability for debt of the District. Because the completed capital assets are generally reported in the City's financial statements, the Statement of Net Position for the District reflects a large liability (bonds payable) without an offsetting asset. Capital assets are only shown on the District's financial statements if they are classified as work-in-process at year end.

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the District as a whole as of and for the year ended June 30, 2017, with comparative information for the previous year.

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the District for June 30, 2017, compared to the prior year.

Statement of Net Position
As of June 30
(In millions of dollars)

	Governmental Activities		
	2017	2016	% Change
Current and other assets	$ 0.2	$ 0.1	100.0%
Total assets	0.2	0.1	100.0%
Other liabilities	0.1	0.1	0.0%
Long-term liabilities outstanding	3.1	-	
Total liabilities	3.2	0.1	3100.0%
Net position:			
Unrestricted	$ (3.0)	$ -	

The District's current assets and long-term liabilities increased due to higher tax revenues and the issuance of new debt. All capital assets were transferred out of the District at June 30, 2017 to the City's proprietary funds. Since the net position of the District is negative at June 30, 2017, they are classified as unrestricted.

Changes in Net Position

The following table compares the revenue and expenses for the current and previous fiscal year.

Changes in Net Position
As of June 30
(In millions of dollars)

	Governmental Activities	
	2017	2016
REVENUES		
Program revenues:		
Developer contributions	$ -	$ -
General revenues		
Property taxes	0.1	
Investment earnings	-	
Total revenues	0.1	-
EXPENSES:		
Program activities:		
General government		
Interest expense on debt	0.5	
Total expenses	0.5	-
Excess (shortage) before transfers	(0.4)	-
Transfers in (out)	(2.6)	-
Increase (decrease) in net position	$ (3.0)	$ -

Under an agreement between the District and the developer, the developer is required to cover any deficits between tax collections and debt service requirements. In fiscal year 2017, the developer contributed $82,545 for payments on district debt, an increase of $57,545 from the previous year.

The net position of the District decreased $3.0 million in fiscal year 2017 compared to the prior year due to the issuance of new debt in the amount of $3.0 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District maintains fund accounting to demonstrate compliance with budgetary and legal requirements related to special purpose districts and general obligation bonds.

The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's ability to pay the debt service on the general obligation bonds it issues to fund construction or acquisition of public infrastructure.

The fund balance of the District's combined governmental funds is $231,241, an increase of $186,216 from the previous year due to unspent bond proceeds and higher tax revenues. Of the total ending fund balance, $108,772 is restricted for debt service and $122,469 is restricted for capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District was formed to finance the acquisition or construction of public infrastructure that is subsequently donated to the City for operation. The District does not own or operate infrastructure once completed. District bonds have been issued to construct public infrastructure such as water lines and a water campus. All capital assets were transferred to the City at the end of fiscal year 2017.

The District is authorized, by an election held December 2, 2014, to issue $9.0 million in District general obligation bonds. As of June 30, 2017, the District has $6.0 million remaining authorization from the election to issue general obligation bonds against the authorization. These bonds are to be repaid through property taxes levied on the property within the District.

In the event the District Board decides at a future time to dissolve the District, State statute provides that all taxable property in the District will remain subject to the lien for the payment of the bonds until all bonds have been defeased.

Outstanding Long-Term Debt at June 30

	Governmental Activities	
	2017	2016
General obligation bonds	$ 3,018,000	$ 35,000

BUDGETARY HIGHLIGHTS

The District's annual budget is the legally adopted expenditure control document of the District. The budgetary comparison statement required for the General Fund is presented with the basic financial statements. The statement compares the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. A budgetary schedule for the other governmental fund is also presented as supplemental information.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1 for more information on budget policies). Some of these amendments include transfers from contingency to cover approved carryovers from the previous budget, capital projects with budget overages (or whose timing was accelerated), and other unanticipated costs. There were no amendments to the District's budget during fiscal year 2017.

General Fund issued $3 million of debt compared to $6.1 million budgeted and expended all but $.01 million toward the construction of capital assets and debt issuance costs.

ECONOMIC FACTORS

The City of Peoria, where the District is located, continues to enjoy one of the lowest unemployment rates in the Phoenix metropolitan area while the City's population continues to increase creating demand for housing. The unemployment rate in the City of Peoria June 2017 was 4.2%, which is below the state rate of 5.3% and in line with the national average.

Locally improving consumer confidence has resulted in higher sales tax revenues and is forecasted to increase by 2.7% in fiscal year 2018.

New residential construction in Peoria is growing, while commercial construction has begun to show expansion and stability. Existing home valuations have continued to increase and information from the County Assessor's Office projects slight increases in the City's assessed valuations for the fourth consecutive year. Future valuations should continue to increase, resulting in higher tax collections in subsequent years.

The adopted fiscal year 2018 budget for the District is $3.5 million. The tax rate for the District for fiscal year 2018 is $2.10, unchanged from the fiscal year 2017 tax rate. The fiscal year 2017 Limited Assessed Value for the District is $7,044,734.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the District's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Finance Department at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.

BASIC FINANCIAL STATEMENTS

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	$ 28,175
Cash with fiscal agents	84,500
Accounts receivable, net	244
Interest receivable	83
Property taxes receivable	252
Restricted investments	118,002
Total assets	231,256
Total assets & deferred outflows	231,256
LIABILITIES	
Accounts payable	15
Interest payable	58,634
Non-current liabilities:	
Due within one year:	
Current portion of bonds payable	18,000
Due in more than one year:	
Noncurrent portion of bonds payable	3,099,749
Total liabilities	3,176,398
Total liabilities & deferred inflows	3,176,398
NET POSITION	
Unrestricted	(2,945,142)
Total net position	$ (2,945,142)

The accompanying notes are an integral part of the financial statements

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues	
	Expenses	Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
			Governmental Activities
Functions/Programs			
Primary government:			
Governmental activites:			
General government	$ 14,585	$ -	$ (14,585)
Community Facilities District	-	82,545	82,545
Interest on long-term debt	495,280	-	(495,280)
Totals	509,865	82,545	(427,320)
General revenues			
Taxes:			
Property taxes, levied for debt service			70,992
Investment earnings			2,089
Transfers out			(2,600,583)
Total general revenues and transfers			(2,527,502)
Change in net position			(2,954,822)
Net position - beginning			9,680
Net position - ending			$ (2,945,142)

The accompanying notes are an integral part of the financial statements

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Debt Service Fund	Totals
ASSETS & DEFERRED OUTFLOWS			
Cash and cash equivalents	$ 4,223	$ 23,952	$ 28,175
Cash with fiscal agents		84,500	84,500
Accounts receivable, net	244	-	244
Interest receivable	-	83	83
Property taxes receivable		252	252
Restricted investments	118,002	-	118,002
Total assets	122,469	108,787	231,256
Total assets & deferred outflows	$ 122,469	$ 108,787	$ 231,256
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ 15	$ 15
Total liabilities	-	15	15
Fund balances:			
Restricted for:			
Debt service	-	108,772	108,772
Capital projects	122,469	-	122,469
Total fund balance	122,469	108,772	231,241
Total liabilities, deferred inflows & fund balance	$ 122,469	$ 108,787	$ 231,256

The accompanying notes are an integral part of the financial statements

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Fund balances - total governmental funds balance sheet	$	231,241
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental bonds payable		(3,018,000)
Bond premiums are recognized at the time of issuance in the governmental funds, but are deferred and recognized over the life of the bonds for government-wide reporting.		(99,749)
Interest payable on long-term debt is not reported in the governmental funds.		(58,634)
Net position of governmental activities - statement of net position	$	(2,945,142)

The accompanying notes are an integral part of the financial statements

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Debt Service Fund	Totals
REVENUES:			
Taxes	$ -	$ 70,992	$ 70,992
Investment earnings	1,560	529	2,089
Developer contributions	-	82,545	82,545
Total revenues	1,560	154,066	155,626
EXPENDITURES:			
Current:			
General government	5,000	9,585	14,585
Debt service:			
Principal payments	-	17,000	17,000
Interest and other charges	386,000	59,303	445,303
Total expenditures	391,000	85,888	476,888
Excess (deficiency) of revenues over expenditures	(389,440)	68,178	(321,262)
OTHER FINANCING SOURCES (USES):			
Issuance of debt	3,000,000	-	3,000,000
Premium on bonds issued	108,061	-	108,061
Transfers out	(2,600,583)	-	(2,600,583)
Total other financing sources and uses	507,478	-	507,478
Net change in fund balances	118,038	68,178	186,216
Fund balances - beginning	4,431	40,594	45,025
Fund balances - ending	$ 122,469	$ 108,772	$ 231,241

The accompanying notes are an integral part of the financial statements

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds	$	186,216
Amounts reported for governmental activities in the statement of activities are different because:		
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and calculated for bond and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.		(49,977)
The issuance of long-term debt provides current financial resources in the governmental funds, but creates a long-term liability in the statement of activities.		(3,000,000)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. No effect on net position.		17,000
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.		(108,061)
Change in net position of governmental activities- statement of activities	$	(2,954,822)

The accompanying notes are an integral part of the financial statements

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings	$ -	$ -	$ 1,560	$ 1,560
Total revenues	-	-	1,560	1,560
EXPENDITURES:				
Current:				
General Government	-	-	5,000	5,000
Debt service:				
Interest and other charges	600,000	600,000	386,000	(214,000)
Capital outlay	5,520,000	5,520,000	-	(5,520,000)
Total expenditures	6,120,000	6,120,000	391,000	(5,729,000)
Excess (deficiency) of revenues over (under) expenditures	(6,120,000)	(6,120,000)	(389,440)	5,730,560
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Issuance of debt	6,120,000	6,120,000	3,000,000	(3,120,000)
Premium on bonds issued	-	-	108,061	108,061
Transfers out			(2,600,583)	(2,600,583)
Total other financing sources and uses	6,120,000	6,120,000	507,478	(5,612,522)
Net change in fund balances	-	-	118,038	118,038
Fund balances - beginning	-	-	4,431	4,431
Fund balances - ending	$ -	$ -	$ 122,469	$ 122,469

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
PEORIA, ARIZONA

NOTES TO THE FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Vistancia West Community Facilities District, a component unit of the City of Peoria, Arizona (City), have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the City's more significant policies, as applicable to the District, follows.

A. Financial Reporting Entity

The Vistancia West Community Facilities District (the District) was formed by petition to the City Council in 2014. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for the District's property taxes, and thus for the costs of operating the District. The City Council serves as the Board of Directors of the District. The City has no liability for the District's debt. For financial reporting purposes, the transactions of the District are included as governmental type funds in the City's financial statements as if they were part of the City's operations.

B. Basis of Presentation – Government-wide Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report financial information on all of the activities of the District. All of the activities of the District are governmental activities.

Governmental activities for the District are normally supported by taxes and developer contributions.

The statement of activities demonstrates the degree to which the direct expenses for a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues may include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

The District does not currently employ an indirect cost allocation system. The City's General Fund and certain other funds charge administrative service fees to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration). These administrative fees are eliminated from the City's financial statements at both the government-wide and fund level like a reimbursement, by reducing revenues and expenditures/expenses in the allocating fund. Currently, the City does not charge any of these fees to the District.

Governmental Funds

Separate financial statements are provided for governmental funds (general fund and debt service funds). Major individual funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund accounts for the proceeds from the sales of Community Facilities District bonds and the acquisition of capital assets or construction of major capital projects within the District.

Debt Service Fund accounts for the resources accumulated for, and the servicing of the general long-term debt of the District, including principal, interest and other related costs.

C. Measurement Focus and Basis of Accounting

The government-wide 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.

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 earned and available to pay liabilities of the current period (generally these revenues are earned by June 30 and are expected to be collected within six months after year-end, except for property taxes). For property taxes, the District uses a 60 day collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to debt service, claims and judgments, which are recorded only when payment is due.

Changes in fair value of investments are recognized in investment income at the end of the year. All other revenue items are considered to be measurable and available only when the District receives cash.

Because different measurement focuses and bases of accounting are used in the government-wide statement of net position and in governmental fund balance sheets, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted net position in the statement of net position. Generally, the District would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Generally, the effect of the interfund activity has been removed from these statements.

D. Budgets and Budgetary Accounting

The District prepares its annual budget on a basis consistent with generally accepted accounting principles. The District uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before October 1 each year.

- Prior to June 30, the proposed budget for the following fiscal year is presented by the District Treasurer to the District Board. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain taxpayer comment.

- Prior to June 30, the District Board legally enacts the budget, through the passage of a resolution. The resolution sets the limit for expenditures for the year. There were no supplemental appropriations made during fiscal year 2017.

- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.

- All unencumbered expenditure appropriations expire at the end of the fiscal year.

- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary. Budgetary carry forwards are approved by the District Board.

- All funds of the District have legally adopted budgets. Formal integration of these budgets into the District's financial systems is employed as a management control device during the year for all funds.

E. Deposits and Investments

Cash Equivalents
The District considers short-term investments, including restricted investments, money market mutual funds and U.S. Treasury bills and notes with maturities of less than three months at acquisition date to be cash equivalents.

The City's Investment Policy applies to the District funds held by the City. The City's Investment Policy authorizes the District to invest in obligations of the U.S. Government or any of its agencies and instrumentalities, certificates of deposit, bankers' acceptances, commercial paper, money market funds, repurchase agreements, corporate securities, the State of Arizona local government investment pool and State of Arizona debt including counties, incorporated cities, towns or duly organized school districts. As required by statute, collateral is required for demand deposits, certificates of deposit and repurchase agreements at 102% of all deposits not covered by Federal depository insurance.

The City generally reports investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. The fair value of participants' position in the Local Government Investment Pool approximates the value of the pool shares. Other non-pooled investments are also generally carried at fair value. The fair value of non-pooled investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the funds' current share price.

The District's deposits at June 30, 2017, were collateralized with securities held by the pledging financial institution's trust department in the District's name.

F. Capital Assets

Governmental Fund types do not display capital assets on the face of the fund financial statements. The costs of purchasing, or constructing, capital assets are shown as capital outlay expenditures in the Governmental Statement of Revenues, Expenditures and Changes in Fund Balance, unless the capital assets have already been transferred to the City. The capital assets of the District, once completed and acceptable to the City, are transferred to the City. All subsequent costs of operating and maintaining those assets will be the responsibility of the City.

Since the capital assets acquired or constructed by the District are turned over to the City once they are operational, the District generally does not own capital assets. Capital assets still under construction at fiscal year-end are shown as work-in-progress on the District's government-wide financial statements.

G. Restricted Assets

Certain proceeds of the District's bonds, as well as certain resources set aside for their repayments, are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

H. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest 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 in the period in which the bonds are issued. 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.

The long-term debt of the District is serviced by the District's Debt Service Fund.

I. Net Position

In the government-wide and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. The net investment in capital assets balances are separately reported because capital assets make up a significant portion of net position. Restricted balances account for the portion of net position restricted by external resource providers or through enabling legislation. Unrestricted balances are the remaining balances not included in the previous two categories. The District reports only unrestricted net position and no restricted net position or net investment in capital assets.

J. Fund Balance Policies

In the fund financial statements, governmental funds distinguish between nonspendable and spendable fund balances. Nonspendable balances include amounts that cannot be spent because they are not in a spendable form, such as inventory or prepaid items, or because resources legally or contractually must remain intact. Spendable balances are further classified as restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amount can be spent.

Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (creditors, grantors, etc.) or through enabling legislation.

Committed fund balances includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Such commitments are created by legislative action of the District Board, the District's highest level of decision making authority, by resolution or ordinance and would require the same legislative action to reverse. Ordinances and resolutions both require public votes of the District and, although the uses may differ, they are both considered to be of the highest level of decision making authority for the District.

Amounts in the *assigned* fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

As previously noted above, generally, the District would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The order in which the District would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned.

K. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For general liability, the District is insured up to an

aggregate of $3,000,000 and $1,000,000 per occurrence. The District is also insured up to $3,000,000 aggregate for professional liability and $2,000,000 aggregate for excess liability.

Claims liabilities will be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2017, the District had no outstanding claims. Additionally, through a development agreement between the District and the developer, the developer is responsible for up to $250,000 of any insurance deductibles that might be paid by the City on behalf of the District until such time that the developer's contractual commitments under the development agreement are met.

L. Property taxes

The District Board adopts the annual tax levy each year on or before the third Monday in August based on the full cash value as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the full cash value is determined as of January 1 of the tax year. The District has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent.

M. Use of Estimates

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

N. New Accounting Principles

For the year ended June 30, 2017, the District implemented the provisions of GASB Statement No. 77, *Tax Abatement Disclosures,* which establishes standards for disclosing tax abatement agreements the District entered into and agreements that other governments entered into that reduced the District's tax revenues.

2. CASH AND INVESTMENTS

The District participates in the pooled cash and investments of the City for daily transactions. The City then periodically requests reimbursement from the District's restricted funds held by the trustee. At June 30, 2017, the District had a balance of $28,175 in the City's pooled cash and investments. In addition, the District has deposited $118,002 in a developer trust account with a fiscal agent in accordance with developer agreements for the construction and acquisition of water projects. Funds to be used for debt service payments shortly after year-end of $84,500 were deposited with the District's trustee.

Below are the relevant policies with regard to interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Interest rate risk: In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2017, 65.7% of the City's investments have a maturity of less than one year and 5.2%

of investments have a maturity of greater than three years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed three years. The WAM at June 30, 2017 for the District's and the City's investments was in compliance with the City's policy.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy also limits the purchase of Corporate Bonds or Notes and Banker's Acceptances to those securities rated Aa or better by two nationally recognized rating agencies and with a maximum maturity of two years and 180 days, respectively. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a collateralization level of at least 102 percent of the market value of principal and accrued interest.

Investment Type	Moody's Rating
Agency coupon securities	Aaa
Commercial Paper	P-1
Corporate Bonds – Apple Inc.	Aa1
Corporate Bonds – all other	Aa2

The City's investment in the State of Arizona local government investment pool is limited to a pool (Pool 7) that invests only in government securities. Pool 7 is not rated.

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2017, the District was invested only in money market funds. As of June 30, 2017, the City's investments include 53.5% invested in U.S. Agency Coupon securities, 20.4% in Commercial Paper, 8.9% in Money Market investments 8.8% in U.S. Treasury Notes and 8.2% in Corporate Notes.

Custodial credit risk: To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values along with original safekeeping receipts.

The District 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 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified in Level 2 are valued using a matrix pricing model. The City has the following recurring fair value measurements as of June 30, 2017:

- All U.S. Treasury securities are valued using other observable inputs (Level 2)
- All agency coupon securities are valued using other observable inputs (Level 2)
- All commercial paper is valued using other observable inputs (Level 2)
- All corporate bonds are valued using other observable inputs (Level 2)

The City's investment in the State of Arizona's local government investment pool is stated at fair value, which also approximates the value of the investment upon withdrawal.

At June 30, 2017, the District's investments included $118,002 in money market funds.

3. TRANSFERS

In the Fund Financial Statements there may be transfers between the District's General Fund and the Debt Service Fund. There were no such transfers in fiscal year June 30, 2017.

4. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As described in Note 1, the District was formed to finance and acquire or construct capital infrastructure assets that are subsequently dedicated to the City for operation. The District does not own or operate capital assets. Therefore the Statement of Net Position reflects a large liability (bonds payable) without an offsetting asset and, therefore, negative net position at June 30, 2017.

5. CAPITAL ASSETS

The following table discloses the capital asset activity of the District, for the government-wide financial statements, for the fiscal year ended June 30, 2017.

	Balances June 30, 2016	Additions/ Transfers in	Disposals/ Transfers out	Balances June 30, 2017
Non-depreciable assets:				
Work in Progress	$ -	$ 2,600,583	$ (2,600,583)	$ -
Total Capital Assets	$ -	$ 2,600,583	$ (2,600,583)	$ -

6. LONG-TERM DEBT

Community Facilities Districts (CFD's), are special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City, are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued only after approval of the voters within the district.

On August 27, 2014 the City Council formed the Vistancia West Community Facilities District (the District) pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes. The District was subsequently authorized, by the voters of the district on December 2, 2014, to issue up to $9,000,000 in general obligation bonds to construct public infrastructure within the District. The District issued $35,000 in fiscal year 2015, and $3,000,000 in the current fiscal year of general obligation bonds against this authorization. These bonds will be repaid by the property owners within the District. The bonds are obligations of the District only. The City has no obligation for the District debt other than the administration of the collection of the property taxes and payment of the debt service on behalf of the District.

Legal Debt Limit – General Obligation bonded indebtedness for the District cannot exceed 60 percent of the market value of the property in the District after the infrastructure is completed plus the value of the infrastructure improvements made.

The following is a summary of the long-term debt activity of the District for the fiscal year ended June 30, 2017.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 35,000	$ 3,000,000	$ 17,000	$ 3,018,000	$ 18,000
Bond premium	-	108,061	8,312	99,749	-
Total Debt	$ 35,000	$ 3,108,061	$ 25,312	$ 3,117,749	$ 18,000

The following tables disclose the long-term debt obligations of the District as of June 30, 2017, for the government-wide financial statements.

Description	Maturity Dates	Net Interest Rate	Original Principal Balance	Principal Balance Outstanding
Series 2015	7/15/2017	1.97	$ 35,000	$ 18,000
Series 2016	7/15/18-29	4.15	3,000,000	3,000,000
			$ 3,035,000	$ 3,018,000

The following table discloses the debt service requirements as of June 30, 2017, segregating principal and interest, for the next five years and in five-year increments thereafter.

Fiscal Year	Principal	Interest	Total
2018	$ 18,000	$ 117,090	$ 135,090
2019	120,000	115,113	235,113
2020	220,000	110,013	330,013
2021	225,000	103,338	328,338
2022	235,000	96,144	331,144
2023-2027	1,285,000	357,573	1,642,573
2028-2030	915,000	70,125	985,125
Totals	$ 3,018,000	$ 969,396	$ 3,987,396

SUPPLEMENTAL INFORMATION

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	$ 72,903	$ 72,903	$ 70,992	$ (1,911)
Investment earnings	-	-	529	529
Developer contributions	414,597	414,597	82,545	(332,052)
Total revenues	487,500	487,500	154,066	(333,434)
Current:				
General government	285,000	285,000	9,585	(275,415)
Debt service:				
Principal payments	18,000	18,000	17,000	(1,000)
Interest and other charges	182,000	182,000	59,303	(122,697)
Total expenditures	485,000	485,000	85,888	(399,112)
Excess (deficiency) of revenues over (under) expenditures	2,500	2,500	68,178	65,678
OTHER FINANCING SOURCES (USES):				
Contigencies	(2,500)	(2,500)	-	2,500
Total other financing sources and uses	(2,500)	(2,500)	-	2,500
Net change in fund balances	-	-	68,178	68,178
Fund balances - beginning			40,594	40,594
Fund balances - ending	$ -	$ -	$ 108,772	$ 108,772

CONTINUING DISCLOSURE INFORMATION

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
Peoria, Arizona

CONTINUING DISCLOSURE INFORMATION

SEC Rule 15c2-12, as amended, requires the City to provide Continuing Disclosure Annual Reports that include audited financial statements and other financial information for the benefit of owners and holders of bond obligations issued by the City. The Continuing Disclosure Annual Report shall contain or incorporate by reference certain information as set forth in the Continuing Disclosure Agreements and Undertakings executed by the City with the issuance of its municipal bond obligations.

Information in this section is provided solely pursuant to the requirements of SEC Rule 15c2-12 and Continuing Disclosure Agreements and Undertakings and include financial information that is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore unaudited and not covered by the auditor's opinion.

Annual continuing disclosure information is filed with the Municipal Securities Rulemaking Board (MSRB) for public access via their Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

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Table 3 – Net Assessed Value by Major Taxpayers 28

Table 4 – Property Tax Levies and Collections 29

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT **Table 1**

PROPERTY VALUATIONS

LAST TWO FISCAL YEARS

Fiscal Year Ended June 30,	Limited Property Value	Net Assessed Value
2017	$ 27,131,012	$ 3,380,585
2016	$ 5,514,534	$ 882,333

Source: Maricopa County Assessor, August State Abstract Report

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT **Table 2**
NET ASSESSED VALUE BY PROPERTY CLASS
AS OF JUNE 30, 2017

Description	2016-17 Net Assessed Value	Percent of Total
Agriculture & Vacant	2,003,023	59.25%
Residential (owner occupied)	821,198	24.29%
Residential (rental occupied)	556,364	16.46%
Net Assessed Value	$ 3,380,585	100.00%
Limited Property Value	$ 27,131,012	
Net Assessed Value as a Percentage of Limited Property Value	12.46%	

Source: Maricopa County Assessor

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT **Table 3**
NET ASSESSED VALUE BY MAJOR TAXPAYERS
AS OF JUNE 30, 2017

Taxpayer	Type of Business	2016-2017 Net Assessed Valuation	As % of District's 2016-2017 Net Assessed Valuation
Vistancia West Construction LP	Real Estate Development	1,230,538	36.40%
Individual	Individual	42,548	1.26%
Family Trust	Family Trust	41,100	1.22%
Individual	Individual	39,645	1.17%
Individual	Individual	39,406	1.17%
Individual	Individual	39,060	1.16%
Individual	Individual	38,547	1.14%
Individual	Individual	38,438	1.14%
Family Trust	Family Trust	38,310	1.13%
Family Trust	Family Trust	37,962	1.12%
		$ 1,585,554	46.90%

Note: Names of individual (private) taxpayers were not disclosed in the above table

Source: Maricopa County Assessor

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TWO FISCAL YEARS

Table 4

Fiscal Year Ended June 30,	District Tax Rate	Taxes Levied for the Fiscal Year [1]	Fiscal Year of the Levy [2]		Collections in Subsequent Years [2]	Total Collections To Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2017	$ 2.1000	$ 70,992	$ 70,992	100.00%	$ -	$ 70,992	100.00%
2016	$ 2.1000	$ 18,529	$ 18,529	100.00%	$ -	$ 18,529	100.00%

Notes: [1] Levy figures obtained from Maricopa County Tax Levy Books-February Publication.
[2] Collection amount obtained from Maricopa County Treasurer's Secured Levy Report at 6/30/2017.

Source: Maricopa County Treasurer's Office
Maricopa County Assessor's Office
City financial records and reports

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 24.

Date Prepared: 11/20/2017

Council Meeting Date: 12/12/2017

TO: Jeff Tyne, City Manager

FROM: Rhonda Geriminsky, MMC, City Clerk

SUBJECT: Council Calendar

Purpose:

To provide the Mayor and City Council with the City Council Calendar for January.

ATTACHMENTS:

January

« Previous Month

JANUARY 2018

Next Month »

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1	2	3	4	5	6
7	8	9 5:00 PM Special City Council Meeting & Executive Session 7:00 PM City Council Meeting	10	11	12	13
14	15	16	17	18	19	20
21	22	23 5:00 PM Special City Council Meeting & Executive Session 7:00 PM City Council Meeting	24	25	26	27
28	29	30	31	1	2	3