

**TOWN COUNCIL OF DEWEY-HUMBOLDT
REGULAR MEETING NOTICE**

Tuesday, July 7, 2015, 6:30 P.M.

**COUNCIL REGULAR MEETING
2735 S. HWY 69**

**COUNCIL CHAMBERS, TOWN HALL
DEWEY-HUMBOLDT, ARIZONA**

AGENDA

The issues that come before the Town Council are often challenging and potentially divisive. In order to make sure we benefit from the diverse views to be presented, the Council believes that the meeting be a safe place for people to speak. With this in mind, the Council asks that everyone refrain from clapping, heckling and any other expressions of approval or disapproval. Council may vote to go into Executive Session for legal advice regarding any matter on the open agenda pursuant to A.R.S. 38-431.03 (A) (3), which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda. Agenda items may be taken out of order. Please turn off all cell phones. The Council meeting may be broadcast via live streaming video on the internet in both audio and visual formats. One or more members of the Council may attend either in person or by telephone, video or internet conferencing. **NOTICE TO PARENTS:** Parents and legal guardians have the right to consent before the Town of Dewey-Humboldt makes a video or voice recording of a minor child. A.R.S. § 1-602.A.9. Dewey-Humboldt Council Meetings are recorded and may be viewed on the Dewey-Humboldt website. If you permit your child to participate in the Council Meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate or by submitting your request to the Town Clerk that your child not be recorded.

1. Call To Order.

2. Opening Ceremonies.

2.1. Pledge of Allegiance.

2.2. Invocation.

3. Roll Call. Town Council Members Arlene Alen, Mark McBrady, Dennis Repan, Doug Treadway, Nancy Wright; Vice Mayor Jack Hamilton; and Mayor Terry Nolan.

4. Announcements Regarding Current Events, Guests, Appointments, and Proclamations.

Announcements of items brought to the attention of the Mayor not requiring legal action by the Council. Guest Presentations, Appointments, and Proclamations may require Council discussion and action.

5. Town Manager's Report. Update on Current Events.

6. Consent Agenda.

6.1. Minutes. Minutes from the April 30, 2015 Special Budget Meeting, May 5, 2015 Regular Meeting and May 12, 2015 Special Study Session.

6.2. Notice of Intention to establish a \$750 non-refundable application fee for Right-of-Way Vacation applications and direct the Town Clerk to publish as required by law. Possible council declaration of the intention to establish the fee (directed at the June 9, 2015 meeting).

7. Comments from the Public (on non-agendized items only). The Council wishes to hear from Citizens at each meeting. Those wishing to address the Council need not request permission or give notice in advance. For the official record, individuals are asked to state their name. Public comments may appear on any video or audio record of this meeting. Please direct your comments to the Council. Individuals may address the Council on any issue within its jurisdiction. At the conclusion of Comments from the Public, Council members may respond to criticism made by those who have addressed the public body, may ask Town staff to review a matter, or may ask that a matter be put on a future agenda; however, Council members are forbidden by law from discussing or taking legal action on matters raised during the Comments from the Public unless the matters are properly noticed for

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discussion and legal action. A 3 minute per speaker limit may be imposed. The audience is asked to please be courteous and silent while others are speaking.

8. Public Hearing Agenda.

8.1. Public Hearing on the FY2015-16 Budget.

9. Discussion Agenda – Unfinished Business. Discussion and Possible Action on any issue which was not concluded, was postponed, or was tabled during a prior meeting.

9.1. Resolution 15-117 to adopt the FY15-16 Budget in the amount of \$3,978,062 in total expenditure in all funds. (Budget document posted separately online) Discussion and possible adoption, rejection and/or postponing adoption.

9.2. To appoint a Council Member to the (AMRRP) Risk Fund Committee. [CAARF requested by Mayor Nolan]

10. Discussion Agenda – New Business. Discussion and Possible Action on matters not previously presented to the Council.

10.1. Transaction Privilege Tax (TPT) Collection Intergovernmental Agreement (IGA) with Arizona Department of Revenue (ADOR). Possible approval, modification or rejection.

10.2. IGA with Yavapai County Flood Control District for FY 2015-16 drainage project. Possible approval, modification or rejection.

10.3. Nomination of designated representative and alternate to NACOG for new Fiscal Year. [Letter from Chris Fetzer/NACOG regarding annual designation of representative to NACOG]

10.4. Renewal of the Franchise Agreement with Cable One for the period from July 2015 to July 2025. Possible approval, modification or rejection.

10.5. Discussion and possible action on cancelling all Town Council meetings for the Month of August. [CAARF requested by CM Wright]

10.6. Consideration to apply for a Fire Break on the West side of Town. [CAARF requested by Mayor Nolan]

THIS CONCLUDES THE LEGAL ACTION PORTION OF THE AGENDA.

11. Comments from the Public. The Council wishes to hear from Citizens at each meeting. Those wishing to address the Council need not request permission or give notice in advance. For the official record, individuals are asked to state their name. Public comments may appear on any video or audio record of this meeting. Please direct your comments to the Council. Individuals may address the Council on any issue within its jurisdiction. At the conclusion of Comments from the Public, Council members may respond to criticism made by those who have addressed the public body, may ask Town staff to review a matter, or may ask that a matter be put on a future agenda; however, Council members are forbidden by law from discussing or taking legal action on matters raised during the Comments from the Public unless the matters are properly noticed for discussion and legal action. The total time for Public Comment is 3 minutes per person. The audience is asked to please be courteous and silent while others are speaking.

12. Adjourn.

For Your Information:

Next Town Council Meeting: Tuesday, July 21, 2015, at 6:30 p.m.

Next Planning & Zoning Meeting: Thursday, July 9, 2015, at 6:00 p.m.

Next Town Council Work Session: Tuesday, July 14, 2015, at 2:00 p.m.

If you would like to receive Town Council agendas via email, please sign up at AgendaList@dhaz.gov and type Subscribe in the subject line, or call 928-632-7362 and speak with Judy Morgan, Town Clerk.

Certification of Posting

The undersigned hereby certifies that a copy of the attached notice was duly posted at the following locations: Dewey-Humboldt Town Hall, 2735 South Highway 69, Humboldt, Arizona, Chevron Station, 2735 South Highway 69, Humboldt, Arizona, Blue Ridge Market, Highway 69 and Kachina Drive, Dewey, Arizona, on the ____ day of _____, 2015, at ____ p.m. in accordance with the statement filed by the Town of Dewey-Humboldt with the Town Clerk, Town of Dewey-Humboldt.
By: _____, Town Clerk's Office.

Persons with a disability may request reasonable accommodations by contacting the Town Hall at 632-7362 at least 24 hours in advance of the meeting.

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**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
SPECIAL BUDGET WORKSHOP MINUTES
APRIL 30, 2015, 9:00 A.M.**

A SPECIAL BUDGET WORKSHOP OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON THURSDAY, APRIL 30, 2015, AT TOWN HALL AT 2735 S. STATE ROUTE 69, DEWEY-HUMBOLDT, ARIZONA. MAYOR NOLAN PRESIDED WITH VICE MAYOR HAMILTON PRESIDING FOR HIS ABSENCE DURING THE MEETING.

1. **Call To Order.** The meeting was called to order at 9:06 a.m. Vice Mayor Hamilton presided from 9:06 a.m. to 11:34 a.m. and 1:50 p.m. to 1:54 p.m. Mayor Nolan presided from 11:34 a.m. to 12:40 p.m. and 1:54 p.m. to 4:51 p.m.
2. **Roll Call.** Town Council Members Arlene Alen, Mark McBrady (arrived late at 9:17 a.m.), Dennis Repan, Doug Treadway, Nancy Wright; Vice Mayor Jack Hamilton; and Mayor Terry Nolan (arrived late at 11:34 a.m.) were present.
3. **FY2015-16 Budget Deliberation.** Legal Action can be taken. Council Deliberation and possible action to modify Preliminary Budget content.

3.1. Overview of Proposed FY 2015-16 Preliminary Budget. (Possible discussions about Public Works Level of Service and staffing situations.)

Town Manager Kimball spoke on the preliminary budget worksheets and this being the third version with modifications. Both Public Works Supervisor Ed Hanks and Accountant Deni Thompson were in attendance. Mr. Hanks would review with Council the 5-year dirt road plan and the updated 6-year paved road plan.

3.2. Review of Preliminary Budget by Funds and Departments (General Fund – Revenues, Expenditures: Town Council and Management, Town Clerk, Finance, Legal, IT, Magistrate Court, Public Safety, Engineering, Public Works, and Community Development, non-Departmental; HURF – Revenues, Expenditures: Engineering, Public Works; Grant Fund).

HURF fund and Public Works Department review: Council asked questions regarding manpower for this department (seasonal work); \$65k in flood control monies coming in for drainage; approximately \$300k from CDBG for roadwork and drainage.

Councilmember McBrady arrived at 9:17 a.m.

There was discussion on the HURF funds; the funding stopping in the future, therefore, using this aggressive but reasonable schedule while the funding exists. These monies can be used for either dirt or paved roads as long as they address drainage issues. There was discussion on the order in which to address problem roads.

There was discussion on Old Black Canyon Highway, previous decisions on this road and if or when it would be on the maintenance plan. Public Works Supervisor Ed Hanks indicated they would address drainage first then hot-patching of the roadway at a later time.

Councilmember Repan made a motion to give tentative approval on budget line items 20-100-3340 through 22-430-3400 (see page 7-8 preliminary budget worksheets in

meeting packet), as presented, seconded by CM Alen. It was approved by a 5-1 vote in favor, CM McBrady voting against and Mayor Nolan being absent for this vote.

General Fund Revenues: Council reviewed the General Fund Revenues and discussed the conservative philosophy for projection of revenues the Town Manager utilized. Council considered other investment options besides the LGIP fund for the town's money; considered whether to bring in LGIP representative to talk on the investments as well as bankers to give a different viewpoint. No official direction was given for presentations.

Insurance Benefits: Council discussed the health insurance increase and reasons for it; different options to consider for employee benefits; discussed whether to have a presentation from the insurance agent at a Council meeting.

Salary and wages: There was discussion on whether to offer merit raises or merit bonuses, with the bonus being a one-time amount that wouldn't increase the staff's salary base; factoring in the cost of insurance increase when looking at the salary package.

Vice Mayor Hamilton suggested a COLA increase of 1.75% with a bucket amount of \$7500 for merit bonuses (excluding Court personnel and Town Manager), with a \$1500 separate bucket for the Town Manager merit bonus.

Mayor Nolan arrived at 11:34 p.m. and proceeded to preside over the meeting, replacing VM Hamilton in this role.

Town Manager Kimball spoke on wanting to offer up to a 5% increase for personnel as there is money in the budget for this, no shortage.

Council looked at other benefits such as retirement and discussed the Council's decision to not participate in the Social Security system.

Vice Mayor Hamilton made a motion to give a 1.75% COLA increase with a bucket of \$7500 for merit bonuses to be disbursed by Town Manager as she sees fit to employees, with a bucket of \$1500 for the Town Manager's merit bonus, seconded by Councilmember Wright. The motion passed by a 5-2 vote in favor, CM McBrady and Mayor Nolan voting against.

There was discussion on the Magistrate personnel's merit considerations.

Vice Mayor Hamilton made a motion to give to the Magistrate Court personnel a 1.75% COLA increase with a bucket of \$500 for merit bonus to the Court Clerk and a merit bonus of \$1000 for the Judge, for the Council to decide. CM Wright seconded the motion. The motion passed by a 5-2 vote in favor, CM McBrady and Mayor Nolan voting against.

Council discussed whether address the consideration proposed by the Mayor to eliminate the magistrate court in-house. Mayor Nolan stated he wished to withdraw the proposal.

Councilmember Wright made a motion to discuss the magistrate court elimination issue, seconded by CM Repan. The motion passed by a 5-2 vote in favor, CM McBrady and Mayor Nolan voting against.

There was discussion on why this came up and how it has come up before.

Judge Kelley spoke on the costs to the town for Magistrate Court services whether in-house or contracted out and wanted to point out to all that this service has not and will not be free. She indicated she would like to see a raise for her Court Clerk but she is not asking for a raise for herself. Council spoke on their support for the Court department and personnel.

Councilmember Repan made a motion to recess for lunch, seconded by VM Hamilton. The motion passed by a 5-2 vote in favor, CM McBrady and Mayor Nolan voting against. Council recessed for approximately one hour at 12:41 p.m.

Council reconvened at 1:50 p.m. Mayor Nolan being absent, Vice Mayor Hamilton presided.

VM Hamilton spoke on the merit increase approved for the court clerk and explained he had assumed it was a full-time position. He wanted to change the merit bonus down to \$350 from \$500 to reflect the part-time status adjustment.

Vice Mayor Hamilton made a motion to approve reducing the court clerk's bucket amount for a merit bonus down to \$350, seconded by CM Repan. The motion passed by a 5-1 vote in favor, CM McBrady voting against and Mayor Nolan being absent from the vote.

TM Kimball adjusted the salary amount voted on and stated the net balance for the budget is now \$10,656.

Town Council Dues and Membership and Travel and Training: Council discussed the GPREP membership, WAC membership and Mayor/Manager Breakfasts.

CM Repan, as the Town representative for GPREP, spoke on the changes to the board and the town having no voting ability with GPREP, and whether the town sees a benefit for the membership.

Mayor Nolan arrived at 1:54 p.m. and presided over the meeting.

Council continued discussing the GPREP membership pros and cons. They discussed whether the Town could offer less to be a member, than the amount GPREP dictates for the Town's membership.

Vice Mayor Hamilton made a motion to approve allotting \$2,000 for GPREP membership, seconded by CM Alen. It was approved by a 6-1 vote in favor, Mayor Nolan voting against.

Dumpster Day: Town Manager Kimball address Dumpster Day and explained Council gave direction at the April 14th meeting to bring dumpster day back. There is \$20,000 for that line item (10-465-6950), which includes 1 annual Dumpster Day, (approximate cost of \$5000-\$6000 for each event). Council discussed how to man the event. Mr. Hanks explained the problems with holding this event are insufficient manpower and inadequate locations, which causes safety issues. Council discussed the current partnership with Prescott Valley on their "Clean-Up" event.

TM Kimball suggested they could delete \$5000 from that line item (10-465-6950), removing the 1 D-H dumpster day.

Museum: Council will hold off on this discussion until they look at the "Capital" section of the budget.

Town Council Management: There was discussion on the Newly Elected Official (NEO) training and who should be allowed to attend, OSP Elections budgeting or using contingency in the event of an election need.

Vice Mayor Hamilton made a motion to approve allotting \$4500 for OSP Elections (10-414-5300), seconded by CM Repan. It was approved by a 6-1 vote in favor, Mayor Nolan voting against.

CM Repan stated he doesn't ask for reimbursement for attending the YRMC Medical Council or GPREP attendance/travel, so that reimbursement consideration can be zeroed out.

Council looked at the Mayor Travel/Training line item. Mayor Nolan spoke on the benefits to the Town by his attendance at the GAMA, CYMPO, RTC, Quad Cities Mayor/Manager breakfast, and as a NACOG alternate. There was discussion on who attends the breakfasts; whether to reimburse the alternate representative if both the primary and alternate attend a meeting.

Vice Mayor Hamilton made a motion to only pay for the primary representative to go and if they can't make it then pay for the alternate to go, seconded by CM Repan. It was approved unanimously.

Councilmember Repan made a motion to change the Mayor Travel/Training line item to \$2000, seconded by CM Alen. It was approved by a 6-1 vote in favor, Vice Mayor Hamilton voting against.

Council looked at the surplus in the budget at that point (\$23k).

Museum: There was Council discussion on the museum benefits to the town; offering assistance by paying the museum building rent or consideration of buying the building for a Town asset. Vice Mayor Hamilton spoke on other options for the "museum" building (putting the magistrate Court, their offices and the Police/Sheriff Substation in it) and considering moving the museum down to Humboldt Station. Council discussed other options for the DHHS Museum such as charging entry and staying open more.

There was discussion on decreasing the rent amount paid by the Town to have the DHHS step up and work toward being self-sustaining in the long-term.

Council discussed the amount in the budget for a Citizen Survey being too light (\$5k) and needing to increase it.

Mayor Nolan made a motion to approve adding \$15k to the budget for the Citizen Survey, seconded by CM Alen. It was approved unanimously.

Town Clerk: There was a question about software which was answered. Council made no changes to this section of the budget.

Finance and Budget: There was discussion on the changed laws pertaining to ADOR's collection of TPT, cities and towns are now being charged for that collection service. There was discussion on the proposed additional employee shared between Finance and the Town Clerk's department. TM Kimball explained the current staffing and the proposed need for additional help.

Vice Mayor Hamilton made a motion to approve hiring a new Administrative Assistant under the wage scale of Administrative Assistant, seconded by CM Repan. It was approved unanimously.

Vice Mayor Hamilton made a motion to not increase the salary for the Community Development Coordinator position, seeing if they can fill the position under the range. It was seconded by CM Wright. It was approved by a 6-1 vote in favor, Mayor Nolan voting against.

Mayor Nolan made a motion to recess to a future meeting, seconded by CM Treadway. Vice Mayor Hamilton explained the budget item is on the May 5th, Tuesday meeting for further discussion. The motion was withdrawn.

3.3. Wrap up and potential future budget meeting discussion topics. Not addressed.

4. **Comments from the Public.** None.
5. **Adjourn.** The meeting was adjourned at 4:51 p.m.

Terry Nolan, Mayor

ATTEST:

Judy Morgan, Town Clerk

**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
REGULAR MEETING MINUTES
MAY 5, 2015, 6:30 P.M.**

A REGULAR MEETING OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON TUESDAY, MAY 5, 2015, AT TOWN HALL AT 2735 S. HIGHWAY 69, DEWEY-HUMBOLDT, ARIZONA. MAYOR TERRY NOLAN PRESIDED.

1. **Call To Order.** The meeting was called to order at 6:31 p.m.
2. **Opening Ceremonies.**
 - 2.1. **Pledge of Allegiance.** Done.
 - 2.2. **Invocation.** Given by Councilmember Nancy Wright.
3. **Roll Call.** Town Council Members Arlene Alen, Mark McBrady, Dennis Repan, Doug Treadway, Nancy Wright; Vice Mayor Jack Hamilton; and Mayor Terry Nolan were present.
4. **Announcements Regarding Current Events, Guests, Appointments, and Proclamations.**

Mayor Nolan spoke on a flower planting event with Humboldt Elementary School children at Humboldt Station. He thanked Mark McBrady and Kooiman Realty for contributions to the project and spoke on the town sponsoring T-shirts for the participating children.

 - 4.1. **Municipal Clerks Week Proclamation.** Mayor Nolan read the proclamation for Municipal Clerks' Week.
 - 4.2. **Mental Health Month "B4Stage4" Proclamation.** Mayor Nolan read the proclamation for Mental Health Month and Laura Norman was present to accept the proclamation and provide the Mayor with activities this month pertaining to Mental Health Month B4Stage4.
5. **Town Manager's Report.** Update on Current Events.
 - 5.1. **Report on April 22, 2015, CCLR Brownfield Conference.**

Town Manager Kimball gave an overview of the CCLR Brownfield Conference, explaining Brownfields are separate from Superfund sites and have separate resources. There were some valuable resources and contacts that might be helpful to the town, during the long process of superfund site. She spoke on another superfund site in Tempe that is now a mall. There was discussion on Council being more proactive with representatives of the state; further consultations with an environmental attorney for possible options and answers to questions about acquisition of property and the Town's liability.
6. **Consent Agenda.**
 - 6.1. **Minutes.** Minutes from the March 10, 2015 Work Session, March 17, 2015 Regular Council Meeting and March 24, 2015 Special Study Session.

Councilmember Wright made a motion to approve the March 10, 2015 Work Session, March 17, 2015 Regular Council Meeting and March 24, 2015 Special Study Session minutes, as presented. It was seconded by CM Treadway and was approved by vote unanimously.
7. **Comments from the Public (on non-agendized items only).**

Victoria Wendt spoke on having a volunteer animal advisory board to "get this straightened out".
8. **Discussion Agenda – Unfinished Business.**

8.1. Continued review and discussion of the Preliminary Budget by Funds and Departments (General Fund – Revenues, Expenditures: Town Council and Management, Town Clerk, Finance, Legal, IT, Magistrate Court, Public Safety, Engineering, Public Works, and Community Development, non-Departmental; HURF – Revenues, Expenditures: Engineering, Public Works; Grant Fund).

Town Manager Kimball reviewed where they left off at the last Budget Workshop on April 30th.

IT: There was discussion on the Town's computer equipment being new and the software not being compatible with older software that some Council members have on their personal computers. It was discussed whether the town could provide additional licenses for Council's personal computers. There was discussion on the proposed cost of new computers in the budget and the cost to keep software licensing current.

Magistrate Court: No changes were recommended.

Engineering: No changes were recommended.

Public Works Facilities – A/V System: TM Kimball explained money is being budgeted to upgrade the Town's Audio/Video system for the Council Chambers and meeting recordings (\$15k)

Town Hall Lease: There was discussion on the lease negotiations and whether an increase in rent is included in the budget. TM Kimball explained negotiations are still between the landlord and attorney with no increase news to report, but the fund balance can be used for this year if necessary to cover an increase.

Community Development: There was discussion about the salaries in this department going up from 118k to 129k. TM Kimball explained that the earlier amount was for a lower salary range but now she is looking to hire at a higher range for a higher level position.

10-465-6950: TM Kimball explained this line item includes the Citizen Survey and the 80% for museum rent.

Private Well Water Testing Kits: CM Repan suggested including \$10k in the budget for people to perform well water tests on their private wells, in an effort to be more proactive on the EPA problem. There was discussion on areas of Town that do not have private wells; challenges and false results with the testing kits; people's personal responsibility to take care of their own health; what to do with results since private wells aren't controlled.

Councilmember McBrady made a motion to approve putting \$10k in the budget for well testing kits with the decision on what to do with that money to be determined in the next fiscal year. It was seconded by CM Treadway and approved by a 6-1 vote in favor, VM Hamilton voting against.

There was discussion on where to now cut \$1500 from the budget to balance; Principles of Sound Financial Management (POSFM) requirements; consideration of percentage saved to contingency and reserves and whether to plan for a town hall purchase or continue to rent.

Ms. Kimball reviewed the timeline for the budget: May 19th – acknowledgement of tentative budget; June 30th is deadline in POSFM to adopt final budget. Verbiage can be added in the budget book to address the possibility of considering a possible town hall and possible allocation of funds out of the fund balance to handle the decision to be made later

in the year. The Town's current lease is good until December 31st so any cost overrun incurred with a lease increase could be handled through the contingency fund.

There was discussion on where to find the \$1500 adjustment in the budget with the added budget item (well testing kits). TM Kimball dropped by \$1500 the top end of the hiring range for the Community Development position to make that adjustment.

9. Discussion Agenda – New Business.

9.1. Resolutions for League Conference. To determine if we want to submit any resolutions for the League to work on. [CAARF requested by Mayor Nolan]

Mayor Nolan gave an overview and asked the Council to think about providing him with any resolution submittal suggestions they would like the League to push for in the legislature. He spoke on a possible suggestion for a cross-over lane on the Interstate 17 hill. No suggestions were given at this meeting.

10. Public Hearing Agenda. None.

11. Comments from the Public. None.

12. Adjourn. The meeting was adjourned at 9:10 p.m.

Terry Nolan, Mayor

ATTEST:

Judy Morgan, Town Clerk

**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
SPECIAL STUDY SESSION MEETING MINUTES
MAY 12, 2015, 2:00 P.M.**

A SPECIAL STUDY SESSION MEETING OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON TUESDAY, MAY 12 2015, AT TOWN HALL AT 2735 S. STATE ROUTE 69, DEWEY-HUMBOLDT, ARIZONA. MAYOR PRESIDED.

1. **Call To Order.** The meeting was called to order at 2:03 p.m.
2. **Roll Call.** Town Council Members Arlene Alen, Mark McBrady (arrived late at 2:26 p.m.), Dennis Repan, Doug Treadway, Nancy Wright; Vice Mayor Jack Hamilton; and Mayor Terry Nolan were present.
3. **Study Session.** No legal action to be taken.

3.1. Discussion of Town Hall future options as it relates to the recent Facility Needs Study conducted by Abacus Inc.

Town Manager Kimball gave an overview explaining the project was completed by the contractor, who then offered to revise the study with the Council's input for no additional charge. Council was provided copies to mark-up (provide input) for submittal to Abacus through Ms. Kimball.

Vice Mayor Hamilton spoke on finding Council consensus on parameters for a town hall. There was discussion on what this study was designed to provide and whether data provided to the contractor was flawed since it did not include Council's input; whether the recent study was unrealistic for Dewey-Humboldt in the size and facility space uses; providing feedback on which spaces to eliminate and number of employees in the future; location for town hall consideration; giving parameters for a more realistic space study of the future. Council agreed to submit their input on the facilities study by the 20th of May to the Town Manager.

3.2. Continued review and discussion of the Preliminary Budget by Funds and Departments (General Fund – Revenues, Expenditures: Town Council and Management, Town Clerk, Finance, Legal, IT, Magistrate Court, Public Safety, Engineering, Public Works, and Community Development, non-Departmental; HURF – Revenues, Expenditures: Engineering, Public Works; Grant Fund).

Mayor Nolan asked for clarification on the proposed \$10k set aside for private well testing kits.

Councilmember Wright spoke on the need to hire a Community Planner rather than a Coordinator and a Planner/Code Enforcement officer allows a higher salary range for this position. TM Kimball explained the salary range was established many years ago and the higher range would attract more people and higher level at this range.

Councilmember McBrady arrived at 2:26 p.m.

There was further discussion on the duties of this position and the need for someone with expertise in planning rather than just a Community Development Officer. There was consensus to go ahead with the title, description and range for the higher level position.

There was discussion on the Private Well Testing Kits, where to store, what to do with results, what to do if arsenic levels are high as private wells are not regulated; limitation within the town limits for those using the kits; EPA results indicating superfund impact is

localized and those areas already being tested; other options to use the money for or other ways to provide testing with more accurate results.

It was decided to keep the money in there for this purpose with a possible work session to continue this discussion.

Council reviewed the salary raise/bonus budget decision previously made. TM Kimball explained that bonuses are uncommon for municipalities but it can be done legally; impact of a bonus versus a raise on taxes.

Contingency will be funded at 10% of the total expenditure, as directed. Council's future decisions on Town hall/real property issue can be handled with the contingency fund.

4. **Special Session.** Legal action can be taken.

4.1. Central Yavapai Metropolitan Planning Organization (CYMPO) notice for CMYPO members to share the cost to host the Arizona State Transportation Board dinner and its request for the Mayor's attendance. Possibly approve/rectify the fund of the event and the Mayor's attendance.

There was discussion on the decision to share the costs (5 way split evenly) for this event; the Town's return on investment with their membership in CYMPO; Council having input on the decision to partner in this event.

Councilmember McBrady made a motion to pay the \$500 to support the Arizona State Transportation Board dinner this year, seconded by Mayor Nolan. It was approved by a 4-2-1 vote in favor, Councilmember Wright, Vice Mayor Hamilton voting against and Mayor Nolan abstaining from the vote.

4.2. Whether to hold additional special session(s) this month. This is an established agenda item for Council's discussion on whether to add an additional special study session and if so, to set the date.

Council reviewed the tentative agenda list and identified there were no time sensitive items that needed to be addressed immediately.

Vice Mayor Hamilton made a motion to hold no additional meetings this month, seconded by CM Wright. It was approved unanimously.

5. **Comments from the Public.**

Deni Thompson spoke on a CYMPO project to widen Highway 169, which might impact the Dewey-Humboldt citizens.

6. **Adjourn.**

The meeting was adjourned at 3:26 p.m.

Terry Nolan, Mayor

ATTEST:

Judy Morgan, Town Clerk

**TOWN OF DEWEY-HUMBOLDT
PUBLIC NOTICE**

**NOTICE OF INTENT TO ESTABLISH NEW ADMINISTRATIVE FEE FOR
PROCESSING REQUESTS TO VACATE TOWN RIGHT-OF-WAY**

The Council of the Town of Dewey-Humboldt, Yavapai County, Arizona, at a public meeting on July 7, 2015, adopted a motion to direct staff to publish a Notice of Intention that the Town of Dewey-Humboldt intends to establish a new administrative fee related to requests to vacate Town right-of-way that is no longer necessary for public use.

The proposed fee is based upon the actual estimated costs to the Town for processing applications from residents requesting vacation of right-of-way.

The following fee is proposed:

Right-of-way Vacation Fee: \$750.00

The Dewey-Humboldt Town Council will consider approving this proposed fee in a Public Hearing to be held September 15, 2015 in the Council Chambers, 2735 S Highway 69, Humboldt Station, Humboldt, AZ as part of the Council Meeting scheduled to begin at 6:30 pm.

THE ABOVE FEE WILL BECOME EFFECTIVE THIRTY (30) DAYS AFTER APPROVAL BY THE TOWN COUNCIL.

A copy of the data supporting this fee may be reviewed at the office of the Town Clerk of the Town of Dewey-Humboldt, 2735 S Highway 69, Suite 12, Humboldt Station, Humboldt, Arizona, during normal office hours, Monday through Friday, 8am – 5pm. Persons wishing to comment on the proposed fee may do so, in writing, prior to the public hearing to be held on the date listed above or may testify in person at the hearing.

Dated this __ day of July, 2015.

Town of Dewey-Humboldt
Judy Morgan
Town Clerk

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TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-7362 ▪ Fax 928-632-7365

TOWN COUNCIL REGULAR MEETING

July 7, 2015, 6:30 p.m. Town Council Meeting Chambers

Agenda Item # 8.1. and 9.1. FY 2015-16 Budget adoption.

To: Mayor and Town Council Members

From: Deni Thompson, Town Accountant

Date submitted: July 1, 2015

Recommendation: Adopt the FY 2015-16 Budget by Resolution 15-117.

Summary:

Town Council adopted the tentative budget at the June 6th Council meeting. The total expenditure in the Tentative Budget was \$3,978,062, which has established the maximum expenditure for the fiscal year 2015-16. The Town's budget has three funds: the General Fund, the HURF and the Grant funds.

Upon adoption, Staff followed state law requirements to publish the tentative budget and the notice for the final adoption on July 7th. The proposed Final Budget and the Tentative Budget are the same. We have posted the document online along with other meeting materials for this meeting.

Staff received one comment on the organizational chart in the Tentative Budget. We did not reflect the comment in the proposed Final Budget (Tentative Budget) yet as staff has not discussed the comment with the Council and we may receive additional comments on the Budget at the adoption public hearing.

Upon this July 7th Public Hearing, Council can elect to take action on the Final Budget. We have prepared a resolution for Council to use for adoption. Upon adopting the Budget, funds would be allocated for FY 2015-16; Staff also has further publication requirements to meet.



Town of Dewey-Humboldt

Estimates of Expenses and Notice of Public Hearing and Meeting

The Town invites all interested residents to attend the following meeting and public hearing about the Town budget for July 2015 to June 2016. The meeting will be held in the Town Council Chambers at 2735 S. Hwy 69, Suite 10, Humboldt, AZ 86329.

6:30 p.m. July 7, 2015	Council Budget Public Hearing and Final Adoption
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These are the estimates from the “tentative” budget, which could change prior to adopting the Final Budget in response to Council and resident discussions.

	EXPENDITURE SUMMARY BY FUNDING SOURCE (REVENUE)				
	GENERAL REVENUES	HURF REVENUES	GRANTS	CASH FUND BALANCE ALL FUNDS	TOTAL
Estimates of Revenues and Expenditures					
Revenues and Available CF Balance	1,608,906	304,162	1,865,000	199,994	3,978,062
Expenditures					
Town Council	176,715				176,715
Magistrate	86,835				86,835
Public Safety	395,884				395,884
Town Clerk	154,714				154,714
Finance	160,168				160,168
Legal & IT Support	53,405				53,405
Cost Over-run Contingency				210,350	210,350
Community Development	264,343				264,343
Public Works & Engineering					
Operational	279,486	86,162			365,648
Capital Expenditures	27,000	218,000	1,865,000		2,110,000
Other					-
Budgeted Expenditures	\$ 1,598,550	\$ 304,162	\$ 1,865,000	\$ 210,350	\$ 3,978,062

A complete copy of the Tentative Budget is available on-line at www.dhaz.gov, at Town Hall, and at the Town Library located at 2735 S. Corral St., Humboldt, AZ 86329. Please give us a call at 928-632-7362 if you have any questions.

RESOLUTION N^o 15-117

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF DEWEY-HUMBOLDT, COUNTY OF YAVAPAI, ARIZONA, ADOPTING THE DEWEY-HUMBOLDT FY2016 BUDGET; AND PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the Town of Dewey-Humboldt 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; and

Whereas, the Town of Dewey-Humboldt FY2016 Budget (the "Budget") has been developed by the Town of Dewey-Humboldt 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 Town of Dewey-Humboldt; and 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 Town's residents; and

Whereas, the Budget has been carefully reviewed by Council, who believes that it fairly provides for the provision of public goods and services to further the health, safety, and welfare of the Town's citizens.

Now, Therefore, Be it resolved by the Mayor and Common Council of the Town of Dewey-Humboldt, Arizona:

1. The Dewey-Humboldt FY2016 Budget shall be adopted as follows:
 - 1.1. The Budget is hereby adopted as an official Budget of the Town of Dewey-Humboldt for fiscal year 2016 (beginning on July 1, 2014, and ending on June 30, 2016).
 - 1.2. The Budget shall be implemented, monitored, and maintained by the officials and staff of the Town for a period of one year (FY2016) with the support of this resolution.
2. Effective Date. That this resolution shall be effective as of the 7th day of July 2015.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Dewey-Humboldt, Arizona, this 7th day of July 2015.

Terry Nolan, Mayor

ATTEST:

APPROVED AS TO FORM:

Judy Morgan, Town Clerk

Town Attorney

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TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-8562 ▪ Fax 928-632-7365

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: 7/7/15

Date of Request: 6/13/15

Type of Action: Routine/Consent Regular

Requesting: Action Report Only

Agenda Item Text (a brief description for placement on the agenda; please be exact):
to appoint a council member to the Risk Fund Committee

Purpose and Background Information (Detail of requested action). _____

If you are interested in serving on the AMRRP Board of Trustees or if you wish to make a nomination, please provide the Nominating Committee with the candidate's name and a one paragraph biographical sketch by July 9, 2015. Nominations

Staff Recommendation(s): _____

Budgeted Amount: _____

List All Attachments: _____

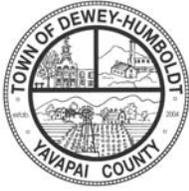
Type of Presentation: Oral

Special Equipment needed: Laptop Remote Microphone
 Overhead Projector Other: _____

Contact Person: Mayor, Nolan

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.

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TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-7362 ▪ Fax 928-632-7365

TOWN COUNCIL REGULAR MEETING

July 7, 2015, 6:30 p.m. Town Council Meeting Chambers

Agenda Item # 10.1. Transaction Privilege Tax (TPT) Intergovernmental Agreement (IGA).

To: Mayor and Town Council Members

From: Deni Thompson, Town Accountant

Date submitted: July 1, 2015

Recommendation: Accept the TPT IGA with Arizona Department of Revenue (ADOR).

Summary:

The Arizona Department of Revenue and the Town of Dewey-Humboldt entered into an Intergovernmental Agreement (IGA) on February 5, 2008 regarding the Department of Revenue authority for administration, collection, auditing and licensing of transactions of all taxes due the Town of Dewey-Humboldt, now known as "Transaction Privilege Tax".

Local Transaction Privilege Tax (TPT) administration is governed by A.R.S. 42-6001. This statute was recently modified for the purpose of tax simplification- HB2111 (2013) & 2389 (2014). The statute now requires the Arizona Department of Revenue (ADOR) to administer the transaction privilege and use taxes imposed by all cities and towns and to enter into a new IGA effective on July 1, 2015 through June 30, 2016, which renews automatically each year. To implement the changes, the Department of Revenue notified cities and towns that DOR elects to terminate the existing agreement that was entered into in 2008 on June 30th, 2015.

Comparing to the 2008 IGA, the IGA intends to cover all aspects of administration for cities and towns and clearly define the working relationship between ADOR and Arizona cities and towns, including confidentiality procedures and more detailed taxpayer information until such time that ADOR is able to perform all the administrative functions documented in the Statute. The IGA includes direction for sharing of general taxpayer information, identifies which license and tax return data fields should be completed, new rules dealing with auditing, disclosure by taxpayer, commitment to audit for all jurisdictions, general audit guidance rules and a series of reports ADOR will soon provide to all cities for analysis purposes.

Town staff consulted with other municipalities and the League of Cities and Towns. It is our understanding that the IGA was negotiated with the Department of Revenue by city representatives including a Finance Director, tax administrator and two attorneys, along with assistance from the League of Arizona Cities and Towns. The League recommends program cities and towns to enter into the new IGA. Staff agrees with the League and recommends Council accept the IGA. The Town Attorney has reviewed the IGA and has no legal concerns.

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE STATE OF ARIZONA AND
THE TOWN OF DEWEY-HUMBOLDT**

THIS AGREEMENT is entered into this _____ day of July____, 2015, by and between the Arizona Department of Revenue, hereinafter referred to as Department, and the City/Town of Dewey-Humboldt, an Arizona municipal corporation, hereinafter referred to as City/Town. This Agreement shall supersede and replace all previous intergovernmental agreements, including amendments thereto, entered into by the Department and City/Town regarding the administration, collection, audit and/or licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use taxes and rental occupancy taxes imposed by the State, cities or towns.

R E C I T A L S

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies.

WHEREAS, A.R.S. § 42-6001 et seq. was amended effective January 1, 2015 to provide that the Department shall collect and administer any transaction privilege and affiliated excise taxes imposed by any city or town in Arizona and that the Department and each city or town shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns.

WHEREAS, City/Town has taken appropriate action by ordinance, resolution or otherwise, pursuant to the laws applicable to the governing body of City/Town, to approve and authorize City/Town to enter into this Agreement.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing, the Department and City/Town enter into this intergovernmental agreement as follows:

1. Definitions

- 1.1 A.R.S.** means the Arizona Revised Statutes.
- 1.2 Adoption of an Ordinance** means final approval by majority vote of the City/Town council.
- 1.3 Audit** means a review to determine the correct amount of tax owed by a taxpayer and includes, but is not limited to, desk reviews and reviews of claims for refund.
- 1.4 Closing Agreement** means an agreement to compromise or settle a tax liability.
- 1.5 Confidential Information** means all such information as defined in A.R.S. § 42-2001.

- 1.6 **Confidentiality Standards** means the standards set forth in Appendix A or such other written standards mutually agreed to by the Department and City/Town.
- 1.7 **Federal Tax Information** means federal return or return information the Department receives from the Internal Revenue Service including any information created by the Department derived from that information. Documents obtained from a taxpayer or State records are not considered Federal Tax Information.
- 1.8 **Model City Tax Code** means the document defined in A.R.S. § 42-6051. The official copy of the Model City Tax Code is published at modelcitytaxcode.az.gov.
- 1.9 **Modification** means a change to an assessment required or authorized by statute.
- 1.10 **Municipal Tax(es)** means transaction privilege and affiliated excise taxes, including use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax, imposed by City/Town in accordance with the Model City Tax Code. Unless the context provides otherwise, this definition includes tax, license fees, penalties, interest and other similar charges.
- 1.11 **State** means the State of Arizona.
- 1.12 **State and Local Uniformity Group** (“SLUG”) means an advisory group comprised of four representatives from municipal taxing jurisdictions and four representatives of the Department as set forth in Section 13 below.
- 1.13 **Taxpayer Information** means information protected from disclosure pursuant to Model City Tax Code § 510.

2. **Disclosure of Information by City/Town to Department**

- 2.1 **Qualified Recipients of Information:** The Department shall provide a list of the names and job titles of Department employees authorized to request and receive Taxpayer Information from City/Town. The Department shall inform City/Town of any additions, deletions or changes to this list within fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to City/Town at denithompson@dhaz.gov. The City/Town will not disclose Taxpayer Information to a Department employee whose name is not included on this list. City/Town may contact the Department with any questions related to qualified recipients by contacting the Cities Unit at CitiesUnit@azdor.gov.
- 2.2 **Use of Information:** Any Taxpayer Information released by City/Town to the Department may only be used by the Department for tax administration and collection purposes, and may not be disclosed to the public in any manner that does not comply with the Model City Tax Code. All Taxpayer Information shall be stored and destroyed in accordance with the Confidentiality Standards.
- 2.3 **Municipal Ordinance:**
 - (a) City/Town shall provide the Department with a copy of its Municipal Tax code or any City/Town ordinances imposing the taxes to be collected hereunder

within ten calendar days of a request for such information from the Department. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov.

- (b) City/Town shall provide the Department with a copy of any ordinance adopted by City/Town after execution of this Agreement that imposes or modifies the Municipal Taxes to be collected hereunder, including a new or different tax rate as defined by A.R.S. § 42-6053(E), within ten calendar days of Adoption of an Ordinance. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. No such ordinance shall take effect on a date other than the first day of the month that is at least sixty calendar days after city/town provides notice to the Department unless City/Town and the Department agree otherwise. The Department shall add the change to the official copy of the Model City Tax Code within ten business days of receipt of notice from City/Town. City/Town is responsible for confirming the change has been made. Pursuant to A.R.S. § 42-6053(E)(2), changes in tax rates have no effect unless reflected in the official copy of the Model City Tax Code.
- (c) Within fifteen calendar days following the adoption of an annexation ordinance, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at GIS@azdor.gov. City/Town shall also include with the notice a list of businesses City/Town knows to be located in the annexed area. The Department shall not be obligated to begin collection of Municipal Tax any sooner than the first day of the month that is at least sixty calendar days after the date the Department received notice from City/Town of the annexation.

2.4 Development and Impact Fees: Upon request, City/Town shall provide to the Department any information regarding development and impact fees to assist the Department with the auditing of taxpayers and billing and collection of taxes.

2.5 Audits: Upon request by the Department, City/Town shall allow inspections and copies of any City/Town tax audits.

2.6 Other Information: City/Town shall also provide other relevant information necessary for tax administration and collection purposes as requested by the Department.

2.7 Statutory Authority: The disclosure of confidential City/Town tax information is governed by Model City Tax Code Section 510.

3. Disclosure of Information by Department to City/Town.

3.1 Qualified Recipients of Information: City/Town shall provide a list of the names and job titles of City/Town employees and any independent auditors acting on behalf of City/Town authorized to receive Confidential Information. City/Town shall inform the Department of any additions, deletions or changes to this list within

fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. The Department will not disclose any Confidential Information to a City/Town employee or independent auditor whose name is not included on this list. The Department may contact City/Town with any questions related to qualified recipients by contacting Deni Thompson.

3.2 Suspension of Information: The Department will not withhold Confidential Information from City/Town so long as City/Town complies with A.R.S. § 42-2001 et seq. and the Confidentiality Standards.

- (a) If the Department has information to suggest City/Town, or any of its duly authorized representatives, has violated A.R.S. § 42-2001 or the Confidentiality Standards, the Department will send written notice to City/Town detailing the alleged breach as understood by the Department and requesting a response to the allegation within twenty calendar days of the date of the letter.
- (b) The Department will review the written response from City/Town and consider the information contained therein and all relevant circumstances surrounding the alleged violation before making a written determination as to whether a suspension of information is warranted and the length of the suspension.
- (c) If City/Town is dissatisfied with the Department's determination it may within ten calendar days, submit a written request to SLUG requesting the group review the determination.
- (d) If the Department has information to suggest City/Town has violated the Confidentiality Standards, the Department may inspect City/Town's records, facilities, and equipment to confirm whether there has been a violation.

3.3 Information to be Provided: Within the restrictions outlined in this Section, the Department shall provide all of the information detailed in Appendix B, which may be modified by the mutual agreement of the parties. The Department shall not provide Federal Tax Information to City/Town. In addition to the information detailed in Appendix B, City/Town may obtain upon request:

- (a) Inspections and/or copies of Department tax audits, including all information related to all cities and towns included in the tax audit; and
- (b) Other relevant information necessary for tax administration and collection purposes, including all information necessary to verify City/Town received all revenues collected by the Department on behalf of City/Town.

3.4 Storage and Destruction of Confidential Information: All Confidential Information provided by the Department to City/Town shall be stored, protected, and destroyed in accordance with the Confidentiality Standards.

3.5 Statutory Authority: The Department may disclose Confidential Information to City/Town pursuant to A.R.S. § 42-2003(H) if the information relates to a taxpayer

who is or may be taxable by a county, city or town. Any Confidential Information released to City/Town:

- (a) May only be used for internal tax administration purposes as defined in A.R.S. § 42-2001(4); and
- (b) May not be disclosed to the public in any manner that does not comply with the Confidentiality Standards.

A.R.S. § 42-2003(H)(2) provides that any release of Confidential Information that violates the Confidentiality Standards will result in the immediate suspension of any rights of City/Town to receive taxpayer information pursuant to A.R.S. § 42-2003(H).

3.6 Specificity of Data: A.R.S. § 42-6001 provides that taxpayers shall file and pay Municipal Taxes to the Department if the Department has developed the electronic and nonelectronic tools necessary to capture data with sufficient specificity to meet the needs of all taxing jurisdictions, including specific data regarding each tax classification and any corresponding deductions at each business location of the taxpayer. Pursuant to A.R.S. § 42-5015, the electronic system utilized by the Department must be able to capture data with sufficient specificity to meet the needs of the taxing jurisdiction. The Department and City/Town agree that JT2 and TPT2 (as summarized in Appendix C) are required to meet the specificity needs of City/Town.

(a) Non-Program City/Town: If City/Town performed its own Municipal Tax administration, collection, and licensing prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the following shall take place:

- (1) The term of the agreement entered into by the Department and City/Town pertaining to City/Town performing municipal licensing services on behalf of the Department shall be extended for one (1) year; and
- (2) All provisions in this Agreement pertaining to the administration, collection, and licensing of Municipal Taxes shall not go into effect until such time as the Department is able to meet the requirements of A.R.S. § 42-6001 and A.R.S. § 42-5015, however all language in this Agreement related to audit functions shall remain in full force and effect.

(b) Program Cities/Towns: If the Department performed Municipal Tax administration, collection and licensing for City/Town prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the Department will continue to perform those functions. The continued provision of such service, however, shall not be deemed waiver of any legal rights or remedies afforded to City/Town including, but not limited to, a failure to meet the requirements of A.R.S. § 42-6001 and A.R.S. § 42-5015.

4. Audit.

The Department shall administer the audit functions for City/Town in accordance with the following provisions.

4.1 **Training:** All auditors and supervisors shall be trained in accordance with the policies of the Department. Auditors who have not completed the training may only work in connection with a trained auditor and cannot be the only auditor assigned to the audit. The Department shall:

- (a) Provide audit training at least three times per year, or more frequently if there is a demonstrated need, and be responsible for its costs of the training and any associated materials;
- (b) Provide additional training when practical;
- (c) Notify City/Town of any training sessions at least thirty calendar days before the date of the training session;
- (d) Provide copies of State tax statutes, audit reference materials and audit procedures and manuals;
- (e) Permit City/Town auditors and supervisors to attend any scheduled training as space permits at designated training location: and
- (f) Provide additional training as needed to inform auditors and supervisors regarding changes in State law or Department policy.

4.2 **Conflict of Interest:** An auditor or supervisor trained and authorized to conduct an audit may not conduct any of the following prohibited acts:

- (a) Represent a taxpayer in any tax matter against the Department or City/Town while employed or in an independent contractor relationship with the Department or City/Town.
- (b) Attempt to use his/her official position to secure any valuable thing or valuable benefit for himself/herself or his/her family members.
- (c) Represent a taxpayer before the Department or City/Town concerning any matter in which he/she personally participated for a period of one year after he/she ends employment or the independent contractor relationship with the Department or City/Town.
- (d) Use information he/she acquires in the course of the official duties as an auditor or supervisor in a manner inconsistent with his/her official duties without prior written approval from the Department.
- (e) For a period of one year after he/she ends employment or an independent contractor relationship with the Department or City/Town, work in the same firm as a person who represents a taxpayer against the Department or City/Town unless the firm institutes formal barriers to prevent any sharing of information between the trained auditor or supervisor and the remainder of the firm.

The Department may revoke an individual's authority to audit and prohibit the use of any auditor or supervisor who violates this provision.

4.3 Audits and Refunds:

- (a) City/Town may conduct an audit of a taxpayer engaged in business only in City/Town. Before commencing such audit, City/Town shall notify the Department to ensure the taxpayer is not already scheduled for an audit. The Department will provide City/Town with a written response within fifteen calendar days of the notice from City/Town.
- (b) Except as permitted below, the Department shall conduct all audits of taxpayers having locations in two or more cities or towns. A City/Town auditor may participate in any audit City/Town requested the Department to perform.
- (c) City/Town shall notify the Department if it wants an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business activity is in the following business classifications taxable by City/Town, but not a taxable activity under State law:
 - 1. Residential rentals;
 - 2. Commercial rentals;
 - 3. Speculative Builders; or
 - 4. Advertising.

The Department will authorize such audits, to be overseen by the Department, unless there is already an audit of the taxpayer scheduled, or the Department determines the audit selection is discriminatory, an abuse of process or poses other similar defects. The Department will notify City/Town of its determination within thirty calendar days. No initial audit contact may occur between City/Town and a taxpayer until the Department approves the audit notice.

- (d) City/Town may request the Department conduct an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business is subject to both city and state tax. The request must be made using the Department's audit request form. Copies of the form can be obtained from the Department's TPT Hub Unit at HubUnit@azdor.gov. The Department shall notify City/Town of the decision regarding the request within thirty calendar days of receipt of the request.
- (e) The Department may deny a request for an audit for the following reasons:
 - 1. An audit is already scheduled or planned for the taxpayer within six months of the request;

2. The requested audit would interfere with strategic tax administration planning;
 3. The audit selection is discriminatory, an abuse of process or poses other similar defects;
 4. The request lacks sufficient information for the Department to determine whether it is appropriate;
 5. The Taxpayer was audited within the previous two years;
 6. The Department lacks sufficient resources to conduct the audit; or
 7. The scope or subject of the audit does not justify the use of Department resources.
- (f) If the Department denies a request to conduct an audit because it either lacks resources to conduct the audit itself or the scope or subject of the audit does not justify the use of Department resources then City/Town shall notify the Department if it wants to conduct the audit under the supervision of the Department. No initial audit contact may occur between City/Town and a taxpayer until the Department appoints someone to supervise the audit.
- (g) Any decision by the Department denying City/Town's request to conduct any audit may be referred to SLUG in accordance with Section 13 of this Agreement.
- (h) All audits conducted by City/Town shall be in accordance with standard audit procedures defined in the Department audit manual. All auditors shall be trained in accordance with Section 4.1 above.
- (i) The Department may appoint a manager to supervise any audit conducted by City/Town.
- (j) All audits shall include all taxing jurisdictions in the State regardless of which jurisdiction's auditors participate in the audit. All desk reviews must include all taxing jurisdictions for which there is information available.
- (k) The Department shall issue all audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.
- (l) The Department shall issue Modifications to audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.

4.4 Claims for Refund:

- (a) When a taxpayer files a request for refund, including refunds requested by filing amended returns, the Department shall process the request and review it for mathematical errors or for the failure of the taxpayer to properly compute the tax based on the taxable income reported on the return or refund request.

- (b) The Department will notify City/Town of all refund requests that are processed involving City/Town's Municipal Taxes within thirty calendar days of processing the refund. City/Town may request an audit of the taxpayer as set forth in Section 4.3 above. .
- (c) The Department may assign an auditor to review requests for refunds. The Department will notify City/Town, within thirty calendar days of initiating a review, of all refunds under review by an auditor pertaining to a taxpayer who engages in business within City/Town's taxing jurisdiction and may request that City/Town assign an auditor to assist with such reviews.
- (d) City/Town is responsible for payment of all amounts to be refunded to taxpayers for Municipal Tax incorrectly paid to City/Town. The Department may offset a remittance to City/Town under this Agreement to cover the amounts of allowed refunds. If there are insufficient funds available to pay the refund, City/Town must pay the Department within sixty days of written demand from the Department.
- (e) The Department shall issue refund approvals/denials on behalf of all taxing jurisdictions in a single notice to the taxpayer. City/Town may request copies of such determinations.

4.5 Protests: Taxpayer protests of audit assessments and desk review assessments and refund denials shall be directed to the Department. Appeals of audit assessments, desk review assessments and refund denials shall be administered pursuant to Title 42, Chapter 1, Article 6, Arizona Revised Statutes. Upon request, the Department shall notify City/Town of any appeals within 30 days of receipt of the protest.

4.6 Notice of Resolution: The Department shall notify City/Town when a protest is resolved, including information concerning the resolution of the protest, within 30 days after the resolution of a protest.

4.7 Status Reports: The Department shall keep SLUG apprised of the status of each protested matter involving the imposition of Municipal Taxes. City/Town may request to be on a distribution list for monthly status reports by contacting the Department's Cities Unit.

5. Voluntary Disclosure Agreements

The Department may enter into a voluntary disclosure agreement with a taxpayer. A voluntary disclosure agreement may limit the years subject to audit and waive penalties. City/Town may request to be kept informed of voluntary disclosure agreements involving City/Town Municipal Tax. If City/Town makes that request, the Department will notify City/Town of the Department's intent to enter into an agreement and the Department will provide the taxpayer's identity within thirty calendar days of disclosure. City/Town may request an audit of a taxpayer subject to a voluntary disclosure agreement pursuant to Section 4.3 above.

6. License Compliance

6.1 License Issuance and Renewal: The Department shall issue new Municipal Tax licenses and renew such licenses for City/Town Municipal Tax. The Department of Revenue shall provide City/Town with information about all persons obtaining and renewing tax licenses as set forth in Appendix B.

6.2 License Checks: The Department and City/Town shall coordinate efforts to conduct tax license compliance checks through canvassing and other compliance methods.

6.3 Confidentiality: Any tax license information City/Town obtains from the Department is considered Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. Any tax license information City/Town obtains through its own efforts may be disclosed as allowed by applicable City/Town laws.

6.4 Changes to License Fees: Within fifteen calendar days following the Adoption of an Ordinance (or official acknowledgment of approval of an ordinance by voters in an election of a charter city) issuing or modifying a tax license fee, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at CitiesUnit@azdor.gov. The Department shall not be obligated to begin collection of the new or modified fee any sooner than sixty calendar days after the date the Department received the ordinance from City/Town. Notice of an ordinance concerning a renewal tax license fee must be received by the Department by July 31 in order to be collected the following calendar year.

7. Closing Agreements

7.1 **Approval** - The Department shall notify City/Town before entering into a Closing Agreement related to the tax levied and imposed by City/Town. The Department shall seek approval from either City/Town or SLUG before entering into such Closing Agreement. If the Closing Agreement concerns only City/Town, then the Department will attempt to obtain approval from City/Town first, and will only seek approval from SLUG if City/Town is unresponsive or the Department and City/Town cannot reach an agreement. Approval and notice is not required for Modifications of assessments.

7.2 **Litigation** - During the course of litigation, the Department shall seek a range of settlement authority from City/Town or SLUG, unless the circumstances prevent such action. The Department may also request a telephonic meeting of SLUG if time and circumstances require immediate action.

8. Responsibility for Representation in Litigation.

8.1 Administrative Proceedings: The Department shall be responsible for coordinating the litigation and defending the assessment or refund denial in any administrative appeals before the Office of Administrative Hearings or the Director

of the Department regardless of who conducted the audit. The Department shall be reasonably diligent in defending the interests of City/Town and City/Town shall assist in such representation as may be requested by the Department.

- 8.2 Further Appeals:** The Arizona Attorney General is responsible for defending the assessment or refund denial at the Board of Tax Appeals, the Arizona Tax Court and all higher courts. City/Town shall assist the Attorney General in such representation and litigation as requested by the Attorney General's Office.
- 8.3 Mutual Cooperation:** The Department and City/Town agree they shall cooperate in the appeal and litigation processes and shall ensure their auditors, supervisors, and other necessary employees are available to assist the Department and the Attorney General for informal interviews, providing documents and computer records, preparing for depositions, attending depositions and trial as witnesses, and assisting in trial/hearing preparation as needed.
- 8.4 Administrative Decisions:** The Department shall provide a copy of any and all administrative hearing level decisions, including Director's decisions issued by the Department to all jurisdictions on a distribution list. City/Town may request to be on the distribution list by contacting the Department's Cities Unit. Administrative decisions are Confidential Information and must be stored and destroyed in accordance with the Confidentiality Standards.

9. Collection of Municipal Taxes

- 9.1 Tax Returns:** Taxpayers who are subject to City/Town Municipal Taxes shall pay such taxes to the Department. Tax payments shall be accompanied by a return prepared by taxpayer on a form prescribed by the Department.
- 9.2 Collection:** The Department shall collect any Municipal Tax imposed by City/Town recorded on the Department's tax accounting system. Amounts the Department collects for delinquent City/Town Municipal Tax accounts after the termination of this Agreement shall be forwarded to City/Town.
- 9.3 Remittance:** All amounts collected by the Department for Municipal Taxes under this Agreement shall be remitted to City/Town weekly on the basis of actual collections. The Department shall initiate the electronic payment by noon on the Monday after the end of the week in which the collections were made. Remittance shall be made in the form of immediately available funds transferred electronically to the bank account designated by City/Town.
- 9.4 Abatement:** The Department, with the approval of the Attorney General, may abate tax under certain circumstances. During the ordinary course of business, the Department may determine for various reasons that certain accounts shall be closed or cancelled. The Department shall seek input from City/Town or SLUG before abating tax or closing accounts. The Department may request a telephonic meeting of SLUG if time and circumstances require immediate action.

- 9.5 Funds Owed to City/Town:** At all times and under all circumstances payments remitted by a taxpayer to the Department for City/Town Municipal Taxes will be considered property of City/Town. The Department may not retain or fail to remit such funds to City/Town for any reason not specifically set forth in this Agreement including, but not limited to, during the course of a dispute between City/Town and the Department.

10. Financing Collection of Taxes.

The costs incurred by the Department in administering this Agreement shall be financed through the State general fund appropriation to the Department.

11. Inter-Jurisdictional Transfers.

All inter-jurisdictional transfers of Municipal Tax monies by the Department shall be handled in the following manner:

- 11.1 Requests:** Requests for inter-jurisdictional transfers shall be made to the Department. The Department will review the request and will not automatically accept the request.
- 11.2 Notice:** The Department shall notify City/Town and any other city or town implicated in the requested transfer a minimum of thirty calendar days prior to any inter-jurisdictional transfer of money.
- 11.3 Dispute Resolution:** Any city or town subject to an inter-jurisdictional transfer shall resolve any dispute over the allocation of the tax in accordance with A.R.S. § 42-6003 and the Department shall transfer the funds subject to an inter-jurisdictional transfer in accordance with the agreed upon allocation in a timely manner.

12. Educational Outreach.

City/Town may conduct, at its own expense, educational outreach to taxpayers who are conducting business activities within City/Town's taxing jurisdiction concerning the Model City Tax Code and the collection and administration of Municipal Taxes. Educational outreach shall be consistent with applicable law and Department written guidance. Upon request, City/Town shall provide information to the Department concerning such educational outreach efforts.

13. SLUG.

The Department shall create an advisory group to help resolve issues

- 13.1 Members:** The members shall consist of four seats representing municipal taxing jurisdictions and four seats representing the Department. Member seats may be

split so some people fill the position for only certain issues, such as audit selection or collection abatement. There shall also be a list of alternate members, who may be asked by a regular member who is unable to attend a meeting to take that member's place at a SLUG meeting.

- 13.2 Selection:** The Director of the Department shall appoint people to serve as members of SLUG. Municipal taxing jurisdictions shall nominate members from municipal taxing jurisdictions. All members shall serve for a period of one year unless they resign at an earlier date. Members may be appointed to serve consecutive terms. Members appointed to fill vacancies shall serve for the time remaining on the term.
- 13.3 Meetings:** SLUG shall meet on a regular basis and at least monthly unless the members agree to cancel the meetings due to a lack of agenda items. It can schedule additional meetings as necessary to timely discuss issues presented. Alternate members may attend meetings, but cannot participate in any discussion or voting, unless filling the seat of a regular member.
- 13.4 Issues:** City/Town may refer issues to SLUG involving the following:
- (a) Decisions by the Department to not audit a taxpayer;
 - (b) Amendments to Department audit procedures or manuals;
 - (c) Closing Agreements or a range of settlement authority;
 - (d) Abatement or account closure in collections;
 - (e) Suspension of disclosure of information from the Department; and
 - (f) Other issues as authorized by the Director of the Department or agreed upon by the parties.
- 13.5 Recommendations:** SLUG shall make recommendations to the Director of the Department. If the recommendation is approved by at least five members of SLUG, the Director will accept the recommendation of SLUG. If SLUG cannot reach a recommendation agreeable to at least five members of the group, the Director may act as he deems to be in the best interests of all parties.
- 13.6 Voting:** Voting shall be by secret ballot.
- 13.7 Procedures:** SLUG may develop procedures concerning the operation of the group as long as they are not inconsistent with this Agreement.

14. Funding of Additional Auditors by City/Town.

- 14.1 Funding:** At the sole discretion of City/Town, City/Town may contribute funding to the Department to pay for additional auditors to assist the Department in the performance of audits of Municipal Tax owed to City/Town. Such additional auditors funded by City/Town shall at all times be deemed to be employees of the Department and under no circumstances shall be deemed to be employees or agents of City/Town. It is the parties' intention that City/Town funding be used to increase the capabilities of the Department to perform Municipal Tax audits and not to subsidize or replace State funding required for audit and collection of taxes.
- 14.2 Use of Funds:** City/Town funding for additional auditors under this Section shall be used to fund the auditors' salaries and employee related expenses and shall not be used to pay for Department office space, utilities, equipment, supplies, or similar kinds of overhead.
- 14.3 Pool of Funds:** The Department may pool any City/Town funding with any other similar funding provided by other municipal taxing jurisdictions to pay for additional auditors. The Department shall separately account for such funds in its annual budget.
- 14.4 Accounting:** The Department shall provide an annual accounting to City/Town, by August 31 each year describing how City/Town funding was used during the prior fiscal year.

15. Satellite Offices for Department Auditors.

- 15.1 Funding:** City/Town, at its own expense and at its sole discretion, may provide one or more satellite offices and associated amenities for use by Department employees to provide audit and/or customer service to taxpayers. Use of such facilities by Department employees shall be at the sole discretion of the Department. Nothing in this section shall require the Department to make use of such facilities provided by City/Town.
- 15.2 Requirements:** Any Department employee using a City/Town satellite office must meet reasonable requirements of City/Town related to the use of the facility. City/Town shall be responsible for notifying the Department of any concerns, and the Department shall be responsible for taking appropriate actions to resolve those concerns.
- 15.3 Termination:** Once a satellite office is established, City/Town shall provide at least 180 calendar days written notice to the Department prior to the termination or relocation of a satellite office. The Department may discontinue the use of a satellite office at any time upon notice to City/Town and shall promptly remove all Department property.
- 15.4 License:** All requirements of City/Town and the Department related to the satellite office shall be outlined in a mutually acceptable form of license and subject to separate approval.

16. Non-availability of Funds.

Every payment obligation of the Department and the City/Town pursuant to this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation, except for the rendering of funds to City/Town paid by a taxpayer for Municipal Taxes or tax license fees of City/Town. If funds are not appropriated, allocated and available or if the appropriation is changed resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section. The termination of this Agreement shall not entitle the Department to retain any Municipal Tax collected on behalf of City/Town pursuant to this Agreement.

17. Waiver.

Nothing in this Agreement should be interpreted as City/Town relinquishing its legal rights under the Arizona Constitution or other applicable law, nor that City/Town is conceding the administration and collection of its Municipal Tax is not of a local interest or should not be under local control.

18. Cancellation

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

19. Notice.

- (a) When any Notice to City/Town is required under the terms of this Agreement, such Notice shall be mailed to City/Town at the following address, directed to the attention of:

Deni Thompson
Town of Dewey-Humboldt
P.O. Box 69
Humboldt, AZ 86329 _____

- (b) When any Notice to the Department is required under the terms of this Agreement, such Notice shall be mailed to:

Arizona Department of Revenue
Attn: Director, Division Code 20
1600 W. Monroe
Phoenix, AZ 85007

Notice to the Department's Hub Unit or City Unit may be mailed to:

Arizona Department of Revenue
Division Code 16
1600 W. Monroe
Phoenix, AZ 85007

20. Non-discrimination.

The Department and City/Town shall comply with Executive Order 2009-9, which mandates all persons, regardless of race, color, religion, sex, age, or national origin, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Department and City/Town shall take affirmative action to ensure applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

21. Compliance with Immigration Laws and A.R.S. § 41-4401.

- 21.1** The Department and City/Town shall comply with all Federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214(A) which reads in part: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the e-verify program."
- 21.2** A breach of compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and may be grounds for the immediate termination of this Agreement.
- 21.3** The Department and City/Town retain the legal right to inspect the papers of any employee who works on the Agreement to ensure the Department and City/Town is complying with the applicable Federal immigration laws and regulations and State statutes as set forth above.

22. Audit of Records.

City/Town and the Department shall retain all data, books, and other records ("Records") relating to this Agreement for at least six (6) years (a) after termination of this Agreement, and (b)

following each annual renewal thereof. All Records shall be subject to inspection by audit by the State at reasonable times. Upon request, the Department and City/Town shall produce any or all such records. This Agreement is subject to A.R.S. §§ 35-214 and -215.

23. Amendments.

Any amendments to or modifications of this Agreement must be executed in writing in accordance with the provisions of this Agreement.

24. Mutual Cooperation.

In the event of a disagreement between the parties with regard to the terms, provisions and requirements of this Agreement or in the event of the occurrence of any circumstances bearing upon or affecting this Agreement, parties hereby agree to mutually cooperate in order to resolve the said disagreement or deal with the said circumstance.

25. Arbitration.

To the extent required by A.R.S. § 12-1518(B) and as provided for in A.R.S. § 12-133, the parties agree to resolve any dispute arising out of this Agreement by arbitration. The parties agree that any lawsuit filed by City/Town relating to the issues outlined in Section 17 of this Agreement is not considered to be a dispute arising out of this Agreement.

26. Implementation.

The implementation and execution of the provisions of this Agreement shall be the responsibility of the Director of the Department or his representative and the Mayor his/her designee, or another party with designated authority pursuant to applicable law or City/Town charter on behalf of City/Town.

27. Limitations.

Nothing in this Agreement shall be construed as limiting or expanding the statutory responsibilities of the parties in performing functions beyond those granted to them by law, or as requiring the parties to expend any sum in excess of their appropriations.

28. Duration.

- 28.1 The term of this Agreement shall be from July 1, 2015 through June 30, 2016. This Agreement shall automatically be renewed for successive one year terms thereafter unless either party shall terminate this Agreement by notice, in writing, no later than sixty calendar days prior to the expiration of the term then in effect.

- 28.2 If State legislation enacted subsequent to the date of this Agreement substantially affects the performance of this Agreement by either party or substantially diminishes the benefits either party would receive under this Agreement, either party may then terminate this Agreement by giving at least thirty calendar days' notice to the other party. The termination will become effective immediately upon the expiration of the notice period unless otherwise agreed to by the parties.
- 28.3 Notwithstanding any provision to the contrary herein, both parties may by mutual agreement provide for the termination of this contract upon such terms and at such time as is mutually agreeable to them.
- 28.4 Any notice of termination shall be mailed and served on the other party in accordance with Section 19 of this Agreement.
- 28.5 During the term of this Agreement, the terms and conditions of this Agreement will undergo an annual review to be completed no later than March 1st of each year. The review will be performed by a committee made up of equal parts representatives of the Department and representatives of the municipal taxing jurisdictions entering into an IGA with the Department for the administration and collection of Municipal Taxes.

29. Choice of Law.

The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Agreement, and any disputes arising from this Agreement.

30. Entire Agreement.

This document, including other documents referred herein, and any approved subcontracts, amendments and modifications made thereto, shall constitute the entire Agreement between the parties and shall supersede all other understandings, oral or written.

31. Signature Authority.

- 31.1 By signing below, the signer certifies he or she has the authority to enter into this Agreement on behalf of his or her respective party, and he or she has read the foregoing and agrees to accept the provisions herein on said party's behalf.

31.2 This Intergovernmental Agreement may be executed in counterpart.

Signature _____ Date _____	Signature _____ Date _____
Typed Name and Title _____	Terry Nolan, Mayor Typed Name and Title _____
Entity Name _____	Town of Dewey-Humboldt Entity Name _____
Address _____	PO Box 69 Address _____
City _____ State _____ Zip _____	Humboldt, AZ 86329 City _____ State _____ Zip _____
RESERVED FOR THE ATTORNEY GENERAL:	RESERVED FOR CITY/TOWN ATTORNEY:
<p>This agreement between public agencies has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General.</p> <p style="text-align: center;">MARK BRNOVICH The Attorney General</p> <p style="text-align: center;">_____ Signature Assistant Attorney General</p> <p>Date: _____</p>	<p>APPROVED AS TO FORM AND AUTHORITY:</p> <p>BY: _____ CITY/TOWN ATTORNEY</p> <p>Date: _____</p>

APPENDIX A

ARIZONA DEPARTMENT OF REVENUE CONFIDENTIALITY REQUIREMENTS

1. Confidential Information

- 1.1 Confidential Information is defined in A.R.S § 42-2001. Confidential Information may not be disclosed except as provided by statute. A.R.S. § 42-2001(B).
- 1.2 License information obtained from the Department of Revenue is Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. License information obtained from other sources is not Confidential Information.
- 1.3 Information about a taxpayer's identity obtained from the Department of Revenue is Confidential information and may only be disclosed as authorized by A.R.S. § 42-2003. Identity information obtained from other sources is not Confidential Information.
- 1.4 Confidential Information includes information about a single taxpayer and also aggregated information about a group of identified or identifiable taxpayers. Aggregated information from fewer than three taxpayers in a grouping on a statewide basis or fewer than ten taxpayers in a grouping for an area that is less than state level (city or town) may be Confidential Information. Such information may not be released unless the City/Town Administrator reviews the relevant information concerning the aggregate data and makes a determination in writing that the aggregate data does not reveal information about any specific taxpayer. Such determination should take into consideration the following:
 - a. The proportionality of the tax information applicable to individual members of the group of taxpayers; no individual taxpayer's information should be discernable due to its relative size/taxable sales, compared to other members of the group;
 - b. The total aggregated tax information; the aggregate information cannot allow viewers to draw conclusions about individual taxpayers (e.g., there are 6 car dealers in the city and the total aggregate sales were \$900,000 and none of them reported individual sales above the \$20,000 mark, which would have qualified for the lower tax rate on large purchases)
 - c. Any other factor that could cause the aggregate data to be used to determine information specific to a single taxpayer.

2. Protecting Information

- 2.1 City/Town must identify all places, both physical and logical, where Confidential Information is received, processed and stored and create a plan to adequately secure those areas.

- 2.2 Confidential Information must be protected during transmission, storage, use, and destruction. City/Town must have policies and procedures to document how it protects its information systems, including Confidential Information contained therein. An example of appropriate protection standards is set forth in National Institute of Standards and Technology Special Publication 800-53. The publication may be found at <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf>
- 2.3 Employees are prohibited from inspecting information unless they have a business reason for the information. Browsing information concerning friends, neighbors, family members, or people in the news is strictly prohibited.
- 2.4 All removable media, including paper and CDs, containing Confidential Information must be secured when not in use and after normal business hours by placing all materials in a locked drawer or cabinet. During use, Confidential Information must be protected so that it is not visible to members of the public or anyone without a business need for the information.
- 2.5 All individuals accessing or storing Confidential Information from an alternative work site must enter into a signed agreement that specifies how the Confidential Information will be protected while at that site. Only trusted employees shall be permitted to access Confidential Information from alternative sites. Confidential Information may not be accessed while in public places such as restaurants, lounges, or pools.
- 2.6 Confidential Information may not be sent outside the local area network by unencrypted email. City/Town is responsible for ensuring in-flight email communications containing Confidential Information are sent through a secure process. This may include encryption of the email message, a secure mailbox controlled by City/Town, an encrypted point-to-point tunnel between the correspondents or use of Transport Layer Security (TLS) between correspondents. The acceptable encryption algorithms are set forth in the standards attached as Exhibit 1, which may be updated to accommodate changed technology.
- 2.7 Confidential Information may not be discussed in elevators, restrooms, the cafeteria, or other public areas. Terminals should be placed in such a manner that prohibits public viewing of Confidential Information.
- 2.8 When transporting confidential materials the materials should be covered so that others cannot see the Confidential Information. When sending Confidential Information by fax a cover sheet should always be used.
- 2.9 Any person with unsupervised access to Confidential Information shall receive training on the confidentiality laws and requirements to protect such information before being given access to such Information and annually thereafter. They must sign certificates after the training acknowledging that they understand their responsibilities. City/Town must keep records to document this training and certification.

3. Disclosure of Information

- 3.1 Confidential Information may only be disclosed as permitted by A.R.S. § 42-2003.
- 3.2 Confidential Information is confidential by statute and, therefore, does not have to be disclosed in response to a public records request. A state agency may deny inspection of public records if the records are confidential by statute. *Berry v. State*, 145 Ariz. 12, 13 699 P.2d 387, 388 (App. 1985).
- 3.3 A taxpayer may designate a person to whom Confidential Information may be disclosed by completing a Department of Revenue Form 285, or such other form that contains the information included in the Form 285. City/Town may contact the Department of Revenue's Disclosure Officer if there are any questions concerning this requirement.

Disposal of Information

- 4.1 All removable media containing Confidential Information must be returned to the Department of Revenue or sanitized before disposal or release from the control of City/Town.
- 4.2 Confidential Information may be destroyed by shredding or burning the materials when no longer needed. Confidential Information may not be disposed of by placing the materials in the garbage or recycle bins. Destruction of Confidential Information may be performed by a third party vendor. City/Town must take appropriate actions to protect the Confidential Information in transit and storage before it is destroyed, such as periodic inspections of the vendor.
- 4.3 Computer system components and devices such as copiers and scanners that have been used to store or process Confidential Information may not be repurposed for non-tax administration uses unless the memory or hard drive of the device is sanitized to ensure under no circumstances Confidential Information can be restored or recovered.

EXHIBIT 1

ENCRYPTION STANDARDS

1.0 Acceptable Encryption Algorithms – The following encryption algorithms are considered acceptable for use in information systems to protect the transmission or storage of Confidential Information and system access.

1.1.1 Acceptable Security Strength – the security strength of an encryption algorithm is a projection of the time frame during which the algorithm and the key length can be expected to provide adequate security. The security strength of encryption algorithms is measured in bits, a measure of the difficulty of discovering the key.

a. The current minimum key strength for Confidential Information is 112 bits.

1.1.2 Symmetric Encryption Algorithms – The following symmetric encryption algorithms are considered acceptable for use.

Algorithm	Reference	Acceptable Key Strengths
Advanced Encryption Standard (AES)	FIPS 197	128, 192 or 256 bits
Triple Data Encryption Algorithm (TDEA) (three key 3DES)	SP 800-67	168 bits

1.1.3 Key Agreement Schemes – The following key agreement schemes are considered acceptable for use

Key Agreement Scheme	Reference	Acceptable Key Strengths	
		Finite Fields	Elliptical Curves
Diffie-Hellman (DH) or MOV	SP 800-56A	P = 2048	N: 224-255 and H=14 N: 256-383 and H=16
	SP 800-135	Q = 224 or 256	N: 384-511 and H=24 N: 512+ and H=32
RSA – based	SP 800-131A	N = 2048	

1.1.4 Hash Functions – The following hash functions are considered acceptable for use

Digital Signature Generation	Digital Signature Verification	Non-digital signature generation applications
SHA-224	SHA-224	SHA-1
SHA-256	SHA-256	SHA-224
SHA-384	SHA-384	SHA-256

SHA-512	SHA-512	SHA-384 SHA-512
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1.1.5 Digital Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

Digital Signature Algorithm	FIPS Publication	Digital Signature Generation Settings	Digital Signature Verification Settings	Relative Strengths
Digital Signature Standard (DSA)	FIPS 186-4	p >= 2048 q = 224	p >= 2048 q = 224	>= 112 bits
RSA Digital Signature	FIPS 186-4	2048	2048	>= 112 bits
ECDSA	FIPS 186-4	224	224	>= 112 bits

1.1.6 Message Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

Hash Algorithms	Hash Generation	Hash Verification
HMAC	>= 112 bits	>= 112 bits
CMAC	AES, 3DES	AES, 3DES
CCM and GCM/GMAC	AES	AES

APPENDIX B

From the effective date of this Agreement until the new functionalities set forth below are implemented, the Department of Revenue will provide the following reports:

City Payment Journal Detail;
City Payment Journal Summary;
New License Report

Within 30 days after the first month's implementation of the JT2, the Department of Revenue will provide a new License Report and License Update Report containing at least the following fields:

NEW LICENSE REPORT AND LICENSE UPDATE REPORT

Fields displayed:

- Region Code
- Run Date
- Report Start Date
- Report End Date
- Update Date
- ID Type
- ID
- Account ID
- Entity Name
- Ownership Type
- License ID
- OTO/Applied For indicator
- Bankruptcy Indicator
- Filing Frequency
- Issue Date
- Account Start Date
- Business Start Date
- Arizona Start Date
- Doc Loc Nbr
- Accounting Method
- Close Date
- Close Code
- Business Description
- NAICS1
- NAICS2
- NAICS3
- NAICS4
- Mailing Street1
- Mailing Street2
- Mailing Street3
- Mailing City

- Mailing State
- Mailing ZIP
- Mailing Country
- Mailing Phone Number
- Mailing Address Add date
- Mailing Address End Date
- Audit Street1
- Audit Street 2
- Audit Street 3
- Audit City
- Audit State
- Audit Zip
- Audit Country
- Audit Phone Number
- Audit Address Add Date
- Audit Address End Date
- Location Code
- Business Codes
- Location Name (DBA)
- Number of Units
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- Location Phone Number
- Location Start Date
- Location End Date
- Primary Location Street 1
- Primary Location Street 2
- Primary Location Street 3
- Primary Location City
- Primary Location State
- Primary Location Zip Code
- Primary Location Country
- Primary Location Phone Number
- Primary Location Start Date
- Primary Location End Date
- Owner Name
- Owner Title
- Owner Name 2
- Owner Title 2
- Owner Name 3
- Owner Title 3

Within 30 days of the implementation of the TPT2, the Department of Revenue will provide the following reports with at least the fields indicated below:

CITY PAYMENT JOURNAL

- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype
- Rev Type

CITY PAYMENT JOURNAL SUMMARY

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Business Code
- Number of Accounts

- Collections

Within 30 days after the first month's implementation of the TPT2, the following reports with at least the fields indicated below:

NO MONEY REPORT

- Region Code
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype

DEDUCTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- License ID
- Entity Name

- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Deduction Code
- Deduction Amount
- Tran Type
- Tran Subtype
- Rev Type

Within 30 days after taxes (subject to fund distributions) are collected, the Department of Revenue will provide the following report with at least the fields indicated below:

FUND DISTRIBUTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment Received Date
- Return Received Date
- Payment Processed Date
- Return Processed Date
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Fund Allocation Code
- Amount Distributed

FUND DISTRIBUTION SUMMARY REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Fund Allocation Code
- Amount Distributed

ARIZONA JOINT TAX APPLICATION (JT-2)



License & Registration
ARIZONA DEPARTMENT OF REVENUE
 PO BOX 29032
 Phoenix, AZ 85038-9032

- IMPORTANT!** Incomplete applications WILL NOT BE PROCESSED.
- Please read form instructions while completing the application. Additional information and forms available at www.azdor.gov
 - Required information is designated with an asterisk (*).
 - Return completed application AND applicable license fee(s) to address shown at left.
 - For licensing questions regarding transaction privilege tax, call Taxpayer Information & Assistance: (602) 542-4576

**You can file and pay for
 this application online
 at www.AZTaxes.gov.**
It is fast and secure.

SECTION A: Business Information

1* Federal Employer Identification No. or Social Security No. <small><i>if sole proprietor without employees</i></small>		2* License Type – <i>Check all that apply:</i> <input type="checkbox"/> Transaction Privilege Tax (TPT) <input type="checkbox"/> Use Tax <input type="checkbox"/> Withholding/Unemployment Tax <small><i>(if hiring employees)</i></small> <input type="checkbox"/> TPT for Cities ONLY																	
3* Type of Organization/Ownership – <i>Tax exempt organizations must attach a copy of the Internal Revenue Service's letter of determination.</i> <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Individual/Sole Proprietorship</td> <td><input type="checkbox"/> Subchapter S Corporation</td> <td><input type="checkbox"/> Government</td> <td><input type="checkbox"/> Joint Venture</td> </tr> <tr> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Association</td> <td><input type="checkbox"/> Estate</td> <td><input type="checkbox"/> Receivership</td> </tr> <tr> <td>State of Inc. _____</td> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> Trust</td> <td></td> </tr> <tr> <td>Date of Inc. <u> M </u>/<u> M </u>/<u> D </u><u> D </u>, <u> Y </u><u> Y </u><u> Y </u><u> Y </u></td> <td><input type="checkbox"/> Limited Liability Company</td> <td><input type="checkbox"/> Limited Liability Partnership</td> <td></td> </tr> </table>				<input type="checkbox"/> Individual/Sole Proprietorship	<input type="checkbox"/> Subchapter S Corporation	<input type="checkbox"/> Government	<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Corporation	<input type="checkbox"/> Association	<input type="checkbox"/> Estate	<input type="checkbox"/> Receivership	State of Inc. _____	<input type="checkbox"/> Partnership	<input type="checkbox"/> Trust		Date of Inc. <u> M </u> / <u> M </u> / <u> D </u> <u> D </u> , <u> Y </u> <u> Y </u> <u> Y </u> <u> Y </u>	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Limited Liability Partnership	
<input type="checkbox"/> Individual/Sole Proprietorship	<input type="checkbox"/> Subchapter S Corporation	<input type="checkbox"/> Government	<input type="checkbox"/> Joint Venture																
<input type="checkbox"/> Corporation	<input type="checkbox"/> Association	<input type="checkbox"/> Estate	<input type="checkbox"/> Receivership																
State of Inc. _____	<input type="checkbox"/> Partnership	<input type="checkbox"/> Trust																	
Date of Inc. <u> M </u> / <u> M </u> / <u> D </u> <u> D </u> , <u> Y </u> <u> Y </u> <u> Y </u> <u> Y </u>	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Limited Liability Partnership																	
4* Legal Business Name																			
5* Mailing Address – number and street County/Region		City Country	State ZIP Code																
6* Business Phone No. <small><i>(with area code)</i></small>	7 Email Address	8 Fax Number <small><i>(with area code)</i></small>																	
9* Description of Business: <i>Describe merchandise sold or taxable activity.</i>																			
10* NAICS Codes: Available at www.azdor.gov																			
11* Did you acquire or change the legal form of an existing business? <input type="checkbox"/> No <input type="checkbox"/> Yes → You must complete Section F.		12* Are you a construction contractor? <input type="checkbox"/> No <input type="checkbox"/> Yes <small><i>(see bonding requirements)</i></small>																	
BONDING REQUIREMENTS: Prior to the issuance of a Transaction Privilege Tax license, new or out-of-state contractors are required to post a Taxpayer Bond for Contractors unless the contractor qualifies for an exemption from the bonding requirement. The primary type of contracting being performed determines the amount of bond to be posted. Bonds may also be required from applicants who are delinquent in paying Arizona taxes or have a history of delinquencies. Refer to the publication, Taxpayer Bonds, available online at www.azdor.gov or in Arizona Department of Revenue offices.																			
WITHHOLDING LICENSE ONLY																			
13* Withholding Physical Location <small>Number and street <i>(Do not use PO Box, PMB or route numbers)</i></small>		City	State ZIP Code																
County/Region		Country																	

Continued on page 2 →

FOR AGENCY USE ONLY		
<input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Revise <input type="checkbox"/> Reopen	ACCOUNT NUMBER	DLN
	START	TRANSACTION PRIVILEGE TAX
	S/E DATE	WITHHOLDING / SSN / EIN
	COMPLETED DATE	EMPLOYEE'S NAME
	LIABILITY	LIABILITY ESTABLISHED

CASHIER'S STAMP ONLY. DO NOT MARK IN THIS AREA.

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
---------------------------	----------------------------------

SECTION B: Identification of Owners, Partners, Corporate Officers Members/Managing Members or Officials of this Employing Unit

If you need more space, attach Additional Owner, Partner, Corporate Officer(s) form available at www.azdor.gov. If the owner, partners, corporate officers or combination of partners or corporate officers, members and/or managing members own more than 50% of or control another business in Arizona, attach a list of the businesses, percentages owned and unemployment insurance account numbers or provide a Power of Attorney (Form 285) which must be filled out and signed by an authorized corporate officer.

Owner 1	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)		*Country
Owner 2	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)		*Country
Owner 3	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)		*Country

SECTION C: Transaction Privilege Tax (TPT)

1* Date Business Started in Arizona <i>M, M, D, D, Y, Y, Y, Y</i>	2* Date Sales Began <i>M, M, D, D, Y, Y, Y, Y</i>	3 What is your anticipated annual income for your first twelve months of business?	
4 Filing Frequency <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Seasonal <input type="checkbox"/> Annual If seasonal filer, check the months for which you intend to do business: <input type="checkbox"/> JAN <input type="checkbox"/> FEB <input type="checkbox"/> MAR <input type="checkbox"/> APR <input type="checkbox"/> MAY <input type="checkbox"/> JUN <input type="checkbox"/> JUL <input type="checkbox"/> AUG <input type="checkbox"/> SEP <input type="checkbox"/> OCT <input type="checkbox"/> NOV <input type="checkbox"/> DEC			
5 Does your business sell tobacco products? <input type="checkbox"/> Yes → <input type="checkbox"/> Retailer OR <input type="checkbox"/> Distributor		6 TPT Filing Method <input type="checkbox"/> Cash Receipts <input type="checkbox"/> Accrual	
7 Does your business sell new motor vehicle tires or vehicles? <input type="checkbox"/> Yes → You will have to file Motor Vehicle Tire Fee form available at www.azdor.gov			
8* Tax Records Physical Location – number and street <i>(Do not use PO Box, PMB or route numbers)</i>			City State ZIP Code
County			Country
9* Name of Contact		* Phone Number (with area code)	Extension

SECTION D: Transaction Privilege Tax (TPT) Physical Location

1* Business Name, "Doing Business As" or Trade Name at this Physical Location			
2* Physical Location of Business or Commercial/Residential Rental Number and street <i>(Do not use PO Box, PMB or route numbers)</i>		City	State ZIP Code
County/Region		Country	
Residential Rental Only – Number of Units		Reporting City <i>(if different than the physical location city)</i>	
3* Additional County/Region Indian Reservation: County/Region and Indian Reservation Codes available at www.azdor.gov			
County/Region		City	
Business Codes (Include all codes that apply): See instructions. Complete list available at www.azdor.gov			
State/County		City	

If you need more space, attach Additional Business Locations form available at www.azdor.gov

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION E: Withholding & Unemployment Tax Applicants

<p>1* Regarding THIS application, Date Employees First Hired in Arizona M, M D, D Y, Y, Y, Y</p>	<p>2 Are you liable for Federal Unemployment Tax? <input type="checkbox"/> Yes → First year of liability: Y, Y, Y, Y</p>								
<p>3 Are individuals performing services that are excluded from withholding or unemployment tax? <input type="checkbox"/> Yes → Describe services: _____</p>	<p>4 Do you have an IRS ruling that grants an exclusion from Federal Unemployment Tax? <input type="checkbox"/> Yes → Attach a copy of the Ruling Letter.</p>								
<p>5 Do you have, or have you previously had, an Arizona unemployment tax number? <input type="checkbox"/> No <input type="checkbox"/> Yes → Business Name: _____ Unemployment Tax Number: _____</p>									
<p>6 First calendar quarter Arizona employees were/will be hired and paid (indicate quarter as 1, 2, 3, 4):</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:25%;">Hired Year</th> <th style="width:25%;">Hired Quarter</th> <th style="width:25%;">Paid Year</th> <th style="width:25%;">Paid Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Hired Year	Hired Quarter	Paid Year	Paid Quarter	Y, Y, Y, Y	Q	Y, Y, Y, Y	Q
Hired Year	Hired Quarter	Paid Year	Paid Quarter						
Y, Y, Y, Y	Q	Y, Y, Y, Y	Q						
<p>7 When did/will you first pay a total of \$1,500 or more gross wages in a calendar quarter? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: \$20,000 gross cash wages Agricultural: \$1,000 gross cash wages Domestic/Household: not applicable to 501(c)(3) Non-Profit.</small></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Year</th> <th style="width:50%;">Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Year	Quarter	Y, Y, Y, Y	Q				
Year	Quarter								
Y, Y, Y, Y	Q								
<p>8 When did/will you first reach the 20th week of employing 1 or more individuals for some portion of a day in each of 20 different weeks in the same calendar year? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: 10 or more individuals Agricultural; 4 or more individuals 501(c)(3) Non-Profit; not applicable to Domestic/Household.</small></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Year</th> <th style="width:50%;">Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Year	Quarter	Y, Y, Y, Y	Q				
Year	Quarter								
Y, Y, Y, Y	Q								

SECTION F: Acquired Business Information

If you answered "Yes" to Section A, question 11, you must complete Section F.

<p>1* Did you acquire or change all or part of an existing business? <input type="checkbox"/> All <input type="checkbox"/> Part</p>	<p>2* Date of Acquisition M, M D, D Y, Y, Y, Y</p>	<p>3* EIN of Business Under Previous Owner</p>
<p>4* Previous Owner's Telephone Number</p>	<p>5* Name of Business Under Previous Owner</p>	<p>6* Name of Previous Owner</p>
<p>7* Did you change the legal form of all or part of the Arizona operations of your existing business? (e.g., change from sole proprietor to corporation or etc.) <input type="checkbox"/> All <input type="checkbox"/> Part</p>	<p>8* Date of Change M, M D, D Y, Y, Y, Y</p>	<p>9* EIN of Previous Legal Form</p>

SECTION G: AZTaxes.gov Security Administrator (authorized users)

By electing to register for www.AZTaxes.gov, you can have online access to account information, file and pay Arizona transaction privilege, use, and withholding taxes. You may also designate authorized users to access these services. Please provide the name of the authorized user for AZTaxes.gov.

Name of Authorized User
Title
Email Address
Phone Number (with area code)

SECTION H: Required Signatures

This application must be signed by either a sole owner, at least two partners, managing member or corporate officer legally responsible for the business, trustee or receiver or representative of an estate that has been listed in Section B.

Under penalty of perjury I (we), the applicant, declare that the information provided on this application is true and correct. I (we) hereby authorize the security administrator, if one is listed in Section G, to access the AZTaxes.gov site for the business identified in Section A. This authority is to remain in full force and effect until the Arizona Department of Revenue has received written termination notification from an authorized officer.

1 Print or Type Name	2 Print or Type Name
Title	Title
Date	Date
Signature	Signature

This application must be completed, signed, and returned as provided by A.R.S. § 23-722.

Equal Opportunity Employer/Program
This application available in alternative formats at Unemployment Insurance Tax Office.

PLEASE COMPLETE SECTION I: STATE/COUNTY & CITY LICENSE FEE WORKSHEET TO CALCULATE AND REMIT TOTAL AMOUNT DUE WITH THIS APPLICATION.

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION I: State/County & City License Fee Worksheet

ALL FEES ARE SUBJECT TO CHANGE. Check for updates at azdor.gov.

To calculate **CITY FEE**: Multiply **No. of Locations** by the **License Fee** and enter sum in **License Subtotal**.

City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal
Apache Junction	AJ		\$50.00		Goodyear	GY		\$5.00		Sahuarita	SA		\$5.00	
Avondale	AV		\$40.00		Guadalupe	GU		\$2.00		San Luis	SU		\$2.00	
Benson	BS		\$5.00		Hayden	HY		\$5.00		Scottsdale	SC		\$50.00	
Bisbee	BB		\$1.00		Holbrook	HB		\$1.00		Sedona	SE		\$2.00	
Buckeye	BE		\$2.00		Huachuca City	HC		\$2.00		Show Low	SL		\$2.00	
Bullhead City	BH		\$2.00		Jerome	JO		\$2.00		Sierra Vista	SR		\$1.00	
Camp Verde	CE		\$2.00		Kearny	KN		\$2.00		Snowflake	SN		\$2.00	
Carefree	CA		\$10.00		Kingman	KM		\$2.00		Somerton	SO		\$2.00	
Casa Grande	CG		\$2.00		Lake Havasu	LH		\$5.00		South Tucson	ST		\$2.00	
Cave Creek	CK		\$20.00		Litchfield Park	LP		\$2.00		Springerville	SV		\$5.00	
Chandler	CH		\$50.00		Mammoth	MH		\$2.00		St. Johns	SJ		\$2.00	
Chino Valley	CV		\$2.00		Marana	MA		\$5.00		Star Valley	SY		\$2.00	
Clarkdale	CD		\$2.00		Maricopa	MP		\$2.00		Superior	SI		\$2.00	
Clifton	CF		\$2.00		Mesa	ME		\$30.00		Surprise	SP		\$10.00	
Colorado City	CC		\$2.00		Miami	MM		\$2.00		Taylor	TL		\$2.00	
Coolidge	CL		\$2.00		Nogales	NO		\$25.00		Tempe	TE		\$50.00	
Cottonwood	CW		\$2.00		Oro Valley	OR		\$12.00		Thatcher	TC		\$2.00	
Dewey/Humboldt	DH		\$2.00		Page	PG		\$2.00		Tolleson	TN		\$2.00	
Douglas	DL		\$5.00		Paradise Valley	PV		\$2.00		Tombstone	TS		\$1.00	
Duncan	DC		\$2.00		Parker	PK		\$2.00		Tucson	TU		\$45.00	
Eagar	EG		\$10.00		Patagonia	PA		\$25.00		Tusayan	TY		\$2.00	
El Mirage	EM		\$15.00		Payson	PS		\$2.00		Wellton	WT		\$2.00	
Eloy	EL		\$10.00		Peoria	PE		\$50.00		Wickenburg	WB		\$2.00	
Flagstaff	FS		\$46.00		Phoenix	PX		\$50.00		Willcox	WC		\$25.00	
Florence	FL		\$2.00		Pima	PM		\$2.00		Williams	WL		\$2.00	
Fountain Hills	FH		\$2.00		Pinetop/Lakeside	PP		\$2.00		Winkelman	WM		\$2.00	
Fredonia	FD		\$10.00		Prescott	PR		\$25.00		Winslow	WS		\$10.00	
Gila Bend	GI		\$2.00		Prescott Valley	PL		\$2.00		Youngtown	YT		\$10.00	
Gilbert	GB		\$2.00		Quartzsite	QZ		\$2.00		Yuma	YM		\$2.00	
Glendale	GE		50.00		Queen Creek	QC		\$2.00						
Globe	GL		\$2.00		Safford	SF		\$2.00						

Subtotal City License Fees (column 1)	Subtotal City License Fees (column 2)	Subtotal City License Fees (column 3)
---------------------------------------	---------------------------------------	---------------------------------------

AA TOTAL City License Fee(s) (column 1 + 2 + 3)..... \$

	No. of Loc's	Fee per Location	TOTAL
BB TOTAL State License Fee(s): Calculate by multiplying number of business locations by \$12.00		\$12.00	\$
Residential Rental License Fees - Multiply the number of units per locations by \$2.00 (\$50.00 Annual Cap per license).			
	No. of Units	No. of Loc's	City Fee
ONLY CHANDLER, PHOENIX, and SCOTTSDALE need to use this section, and NOT the fee chart above, to calculate license fee(s). The amount for each city CANNOT EXCEED \$50.00	Residential Rental License-Chandler		\$
	Residential Rental License-Phoenix		\$
	Residential Rental License-Scottsdale		\$

CC TOTAL City Residential Rental License Fees (Add Chandler, Phoenix, & Scottsdale)..... \$

DD TOTAL DUE (Add lines AA + BB + CC)..... \$

- Make check payable to Arizona Department of Revenue.
- Include FEIN or SSN on payment.
- Do not send cash.
- License will not be issued without full payment of fee.

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)

LICENSE NUMBER: _____

PAGE 2 OF _____

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
REG. CODE	NAME OF REGION	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A	(F) - (G) = (H) NET TAXABLE	AZ / COUNTY TAX RATE	(H) X (I) = (J) TOTAL TAX	ACCTNG CREDIT RATE	(H) X (K) = (L) ACCOUNTING CREDIT	(J) - (L) = (M) AZ/COUNTY TAX DUE	
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
GG SUBTOTAL												
HH TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S)												
II TOTAL (LINE GG + LINE HH = LINE II)												
JJ EXCESS TAX COLLECTED												
KK EXCESS TAX ACCOUNTING CREDIT: (SEE INSTRUCTIONS)												
LL NET AZ/COUNTY EXCESS TAX COLLECTED (LINE JJ, COLUMN (M) - LINE KK, COLUMN (M))												
MM NET AZ/COUNTY TAX (LINE II, COLUMN (M) + LINE LL, COLUMN (M))												

FINAL

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)

LICENSE NUMBER: _____

PAGE 3 OF _____

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

(A) LOC. CODE	(B) CITY CODE	(C) NAME OF CITY	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) CITY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K)	(L) CITY CREDIT	(M) (J) - (L) = (M) CITY TAX DUE
1												
2												
3												
4												
5												
6												
7												
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9												
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14												
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16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
NN	CITY SUBTOTAL											
OO	CITY SUBTOTALS FROM ADDITIONAL CITY PAGE(S)											
PP	CITY TOTAL (LINE NN + LINE OO = LINE PP)											
QQ	CITY EXCESS TAX COLLECTED											
RR	NET CITY TAX (LINE PP, COLUMN (M) + LINE QQ, COLUMN (M))											

FINAL

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)
ADDITIONAL TRANSACTIONS

LICENSE NUMBER: _____

PAGE 2A OF _____

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
REG. CODE	NAME OF REGION	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A	(F) - (G) = (H) NET TAXABLE	AZ / COUNTY TAX RATE	(H) X (I) = (J) TOTAL TAX	ACCTNG CREDIT RATE	(H) X (K) = (L) ACCOUNTING CREDIT	(J) - (L) = (M) AZ/COUNTY TAX DUE	
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
AZ/COUNTY SUBTOTAL				\$	\$					\$	\$	

ADD SUBTOTALS OF AZ/COUNTY ADDITIONAL TRANSACTIONS TO THE 2ND PAGE OF RETURN

FINAL

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)
ADDITIONAL TRANSACTIONS

LICENSE NUMBER: _____

PAGE 3A OF _____

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

(A) LOC. CODE	(B) CITY CODE	(C) NAME OF CITY	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) CITY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K)	(L) CITY CREDIT	(M) (J) - (L) = (M) CITY TAX DUE
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
CITY SUBTOTAL					\$	\$					\$	\$

ADD SUBTOTALS OF CITY ADDITIONAL TRANSACTIONS TO THE 3RD PAGE OF RETURN

TPT-2 – SCHEDULE A DEDUCTIONS – STATE/COUNTY TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX

LICENSE NUMBER: _____

Page ____ of ____

STATE (AZ) /COUNTY DEDUCTIONS DETAIL

(A)	(B) REGION CODE	(C) BUSINESS CODE	(D) DEDUCTION CODE	(E) DEDUCTION AMOUNT	(F) DESCRIPTION OF DEDUCTION CODE
1				\$	
2				\$	
3				\$	
4				\$	
5				\$	
6				\$	
7				\$	
8				\$	
9				\$	
10				\$	
11				\$	
12				\$	
13				\$	
14				\$	
15				\$	
16				\$	
17				\$	
18				\$	
19				\$	
20				\$	
21				\$	
22				\$	
23				\$	
24				\$	
25				\$	
26				\$	
27				\$	
28				\$	
29				\$	
30				\$	
31				\$	
32				\$	
33				\$	
34				\$	
35				\$	
AA	SUBTOTAL OF DEDUCTIONS.....			\$	
BB	DEDUCTION TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S) ...			\$	
CC	TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC).....			\$	

TOTAL MUST EQUAL TOTAL ON PAGE 2, LINE II, COLUMN G

FINAL

**TPT-2 – SCHEDULE A DEDUCTIONS – CITY
TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX**

LICENSE NUMBER: _____

Page ____ of ____

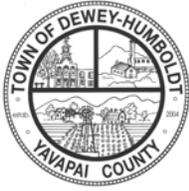
CITY DEDUCTIONS DETAIL

	(A) LOCATION CODE	(B) CITY CODE	(C) BUSINESS CODE	(D) DEDUCTION CODE	(E) DEDUCTION AMOUNT	(F) DESCRIPTION OF DEDUCTION CODE
1					\$	
2					\$	
3					\$	
4					\$	
5					\$	
6					\$	
7					\$	
8					\$	
9					\$	
10					\$	
11					\$	
12					\$	
13					\$	
14					\$	
15					\$	
16					\$	
17					\$	
18					\$	
19					\$	
20					\$	
21					\$	
22					\$	
23					\$	
24					\$	
25					\$	
26					\$	
27					\$	
28					\$	
29					\$	
30					\$	
31					\$	
32					\$	
33					\$	
34					\$	
35					\$	
AA	SUBTOTAL OF DEDUCTIONS.....				\$	
BB	DEDUCTION TOTALS FROM ADDITIONAL CITY PAGE(S).....				\$	
CC	TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC).....				\$	

TOTAL MUST EQUAL TOTAL ON PAGE 3, LINE PP, COLUMN G

FINAL

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TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-7362 ▪ Fax 928-632-7365

TOWN COUNCIL REGULAR MEETING

July 7, 2015 at 6:30 PM Town Council Meeting Chambers

Agenda Item # 10.2. IGA with Yavapai County Flood Control

To: Mayor and Town Council Members

From: Ed Hanks, Public Works Supervisor

Date submitted: July 1, 2015

Recommended action: Accept the Intergovernmental Agreement (IGA) with Yavapai County Flood Control.

Summary:

Attached is the IGA with Yavapai County's Flood Control Office for up to \$65,000 on drainage related projects for the Town of Dewey-Humboldt.

With this IGA, the Town Staff will be utilizing the funds for drainage work and erosion control that is needed in a number of locations throughout Town. The work will be completed by Town Staff or On-call Contractor and reimbursed through the County.

The IGA has been reviewed by the Town Attorney.

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT AND
THE TOWN OF DEWEY-HUMBOLDT
FOR THE FISCAL YEAR 2015/2016 FINANCIAL CONTRIBUTION
FROM THE DISTRICT TO THE TOWN FOR FLOOD CONTROL
IMPROVEMENTS

THIS INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT AND THE TOWN OF DEWEY-HUMBOLDT, FOR THE FISCAL YEAR 2015/2016 FINANCIAL CONTRIBUTION TO THE TOWN FOR FLOOD CONTROL IMPROVEMENTS (the "Agreement") is entered into, effective this ___ day of _____, 2015, between the Yavapai County Flood Control District, a political subdivision of the State of Arizona (the "DISTRICT"), and the Town of Dewey-Humboldt, Arizona, a municipal corporation of the State of Arizona (the "TOWN"). The District and the Town are sometimes collectively referred to as the "Parties" or individually as the "Party."

RECITALS

WHEREAS:

- A. The DISTRICT is a special taxing district legally created in the State of Arizona and organized by Yavapai County to include and govern its jurisdiction.
- B. The DISTRICT administers the Federal Emergency Management Agency ("FEMA") Regulations under the National Flood Insurance Program.
- C. The Yavapai County Board of Supervisors is the Board of Directors of the DISTRICT.
- D. A portion of the TOWN lies within the legal boundaries of the DISTRICT.
- E. The DISTRICT, the TOWN, and the County are separate and distinct political subdivisions, but each can provide for the benefit of the other(s), for the benefit of public health, safety, and welfare, and other public purposes.
- F. The DISTRICT and the TOWN have authority to enter into Intergovernmental Agreements pursuant to Arizona Revised Statutes ("A.R.S.") §§11-952, 48-3603, and 9-240, and TOWN's Code.
- G. Among other things, the DISTRICT receives tax proceeds as general funding for the planning, construction, and maintenance of flood control improvements.

- H. Under the budgeting process for the DISTRICT, a category of “Contributions” (hereinafter “Funds”) has been established, setting aside monies that may be utilized by the various political subdivisions located within the boundaries of Yavapai County.
- I. The DISTRICT has approved and budgeted Funds to provide funding assistance for flood mitigation work and is authorized to expend such Funds for flood control projects (including storm water control) to political subdivisions for projects so long as the projects are flood or drainage related, cost-effective, a benefit to the County, the DISTRICT, and the political subdivision and are in accordance with FEMA regulations.
- J. The TOWN has experienced storm water control and flooding problems for a number of years in various locations and seeks to mitigate such problems to increase safety and protect public and private property and persons within the TOWN.
- K. The TOWN seeks to improve its storm water control, make drainage improvements, and/or mitigate flooding problems by constructing the General Drainage Improvements within the Incorporated limits of the TOWN (hereinafter the “Project”).
- L. The TOWN desires to receive DISTRICT Funds for the 2015/2016 fiscal year to be used for its Project.
- M. The DISTRICT has budgeted Funds to support the Project in an amount not to exceed Sixty-Five Thousand Dollars (\$65,000) for fiscal year 2015/2016 which begins on July 1, 2015.

AGREEMENTS

NOW THEREFORE, for good and valuable consideration, including consideration of the mutual promises, terms, and conditions hereinafter set forth, including the mutual promises and obligations to be performed by the Parties hereto, IT IS AGREED BETWEEN THE TOWN AND THE DISTRICT AS FOLLOWS:

I. PURPOSE

The purpose of this Agreement is to authorize the DISTRICT to pay and contribute to the TOWN Funds in support of the TOWN’s Project. Such funding for fiscal year 2015/2016 shall not exceed Sixty-Five Thousand Dollars (\$65,000).

II. COMMENCEMENT, DURATION, AND TERMINATION

The effective date is as set forth on page one (1) of this Agreement. Performance under this Agreement shall commence following the effective date and shall terminate upon the earliest of:

- A. The completion of the Project as determined by the TOWN;
- B. The exhaustion of the Funds allocated to the TOWN for the Project;
- C. The end of the fiscal year 2015/2016; or
- D. The mutual agreement of the Parties.

III. RESPONSIBILITIES OF PARTIES

A. The TOWN shall:

1. Be solely responsible for the design, engineering, bidding, right-of-way acquisition, supervision, construction, inspection, administration, and project management of the Project and for contracting directly for all Project work.
2. If plans are used to bid, provide the DISTRICT a copy of the final Project plans.
3. Use the Funds for the Project in fiscal year 2015/2016.
4. Use the Funds exclusively for costs associated with the Project described above.
5. When requesting Funds from the DISTRICT, provide detailed invoices with supporting documentation for the request(s).
6. Request Funds from the DISTRICT on or before July 31, 2016 (for work completed in fiscal year 2015/2016).
7. Be responsible for the proper disbursement of the Funds provided by the DISTRICT.
8. Be responsible for maintaining the Project and the resulting improvements.

B. The DISTRICT shall:

1. Make Funds available to the TOWN for the Project as approved by the Board of Directors.
2. Provide funding as available and appropriate upon proper request(s) by the TOWN.
3. Pay properly invoiced requests monthly or on an alternate schedule as agreed to by the TOWN and DISTRICT.
4. Pay properly invoiced requests for work completed by the TOWN in fiscal year 2015/2016 so long as TOWN's requests are received by the DISTRICT on or before July 31, 2016.

C. The DISTRICT and TOWN mutually agree:

1. That they recognize the Funds to be used by Parties pursuant to this Agreement are tax funds. The agreements herein for funding are based upon projected tax funds to be received. In the event the projected income is not received, there is the possibility that some or all of the Funds anticipated by this Agreement and set forth herein will not be available. All monetary obligations under this agreement shall be subject to annual budget approval of the respective governing bodies of the parties. A failure of either party's governing body to approve funding for payment of any obligation hereunder shall constitute grounds for termination of this agreement.
2. The Project is the sole responsibility of the TOWN, and not of the DISTRICT or the County. All real property upon which the Project work will occur is within the TOWN limits and not owned or under the control of the DISTRICT or County.

VII. INDEMNIFICATION

The TOWN agrees to defend, indemnify, and hold harmless the DISTRICT, its Board of Directors,

the County, its Board of Supervisors, officers, employees, agents, or other representatives from any and all claims for damages or otherwise arising under this Agreement and from any negligent acts of the Town, its officers, employees, agents, or other representatives. This Indemnification provision shall survive the termination of this Agreement.

VIII. OTHER PROVISIONS

- A. NOTICE. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by certified mail, return receipt requested, addressed as follows:

TOWN OF DEWEY-HUMBOLDT	DISTRICT
Town Manager	Yavapai County Flood Control District Director
P.O. Box 69	1120 Commerce Drive
Humboldt, AZ 86329	Prescott, AZ 86305

- B. ENTIRE AGREEMENT. This Agreement represents the entire understanding between the parties with respect to the subject matters herein, and may be amended, modified, or waived only by written instrument signed by both Parties.
- C. CONFLICT OF INTEREST. This contract is subject to the cancellation provisions of A.R.S. §38-511.
- D. SEVERABILITY. In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained therein.
- E. NON-DISCRIMINATION. The Parties shall comply with Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
- F. EMPLOYMENT VERIFICATION. The Parties are required to comply with A.R.S. §41-4401, and hereby warrants that they will, at all times during the term of this Agreement, comply with all federal immigration laws applicable to the employment of their respective employees, the requirements of A.R.S. §41-4401, and with the e-verification requirements of A.R.S. §23-214(A) (together the “state and federal immigration laws”). The Parties further agree to ensure that each subcontractor that performs any work under this Agreement likewise complies with the state and federal immigration laws. A breach of a warranty regarding compliance with the state and federal immigration laws shall be deemed a material breach of the Agreement and the party who breaches may

be subject to penalties up to and including termination of the Agreement. The Parties retain the legal right to inspect the papers of any contractor or subcontract employee working under the terms of the Agreement to ensure that the other party is complying with the warranties regarding compliance with the state and federal immigration laws.

G. LAWS. The Parties shall each be fully responsible for compliance with all statutes ordinances, codes, regulations, rules, court decrees, or other laws (hereinafter "Laws") applicable to it as part of fully performing the Project with regards to their respective roles. This Agreement shall not relieve either Party of any obligation or responsibility imposed upon it by Laws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year specified below.

YAVAPAI COUNTY
FLOOD CONTROL DISTRICT

TOWN OF DEWEY-HUMBOLDT

Craig L. Brown, Chairman Date
Board of Directors
Yavapai County Flood Control District

Terry Nolan, Mayor Date
Town of Dewey-Humboldt

ATTEST:

Ana Wayman-Trujillo Date
Clerk of the Board of Directors

Judy Morgan, Town Clerk Date
Town of Dewey-Humboldt

DETERMINATIONS OF COUNSEL
FOR THE
INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT AND
THE TOWN OF DEWEY-HUMBOLDT

FOR THE FISCAL YEAR 2015/2016 FINANCIAL CONTRIBUTION
FROM THE DISTRICT TO THE TOWN FOR FLOOD CONTROL
IMPROVEMENT

Pursuant to A.R.S. §11-952, as amended, the foregoing Agreement has been submitted to the undersigned Attorney Town of Dewey-Humboldt. The undersigned has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona and the Town of Dewey-Humboldt.

Attorney _____ Date _____
Town of Dewey-Humboldt

Pursuant to A.R.S. §11-952, as amended, the foregoing Agreement has been submitted to the undersigned Attorney for the Yavapai County Flood Control District, Prescott, Arizona. The undersigned has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Yavapai County Flood Control District.

Deputy County Attorney _____ Date _____
Flood Control District

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Northern Arizona Council of Governments

119 EAST ASPEN AVENUE • FLAGSTAFF, ARIZONA 86001-5222
(928) 774-1895 • FAX (928) 773-1135 • E-MAIL: nacog@nacog.org

CHRIS FETZER
EXECUTIVE DIRECTOR

June 8, 2015

Mayor Terry Nolan
Town of Humboldt
PO Box 69
Humboldt, AZ 86329

Dear Mayor Nolan:

According to the NACOG By-laws, NACOG member governments are required to annually designate, in writing, their representative to the NACOG Regional Council. The member may also name an alternate who is an elected official to vote in case of absence of the official representative.

Because we are approaching the beginning of a new fiscal year, we would like to take the time to officially update our files. Please send me a letter, at your convenience, indicating the Town's official representative on the NACOG Regional Council. Remember that you may also designate an elected official alternate if you prefer to avoid proxies.

I have enclosed a calendar of this year's meeting dates, so that you will know when making your membership designation of the time commitment involved with Regional Council service.

Please feel free to contact me if you have any questions about NACOG or the Regional Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Fetzer", written over a horizontal line.

Chris Fetzer
Executive Director

Cc: Nancy Wright
Yvonne Kimball



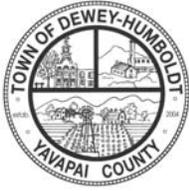
Northern Arizona Council of Governments Regional Council Meetings

<u>Date</u>	<u>Location</u>
February 26, 2015	High Country Conference Center
April 23, 2015	High Country Conference Center
June 25, 2015	Doubletree Hotel – Flagstaff <i>(formerly Radisson Woodlands Hotel)</i>
August 27, 2015	High Country Conference Center
October 22, 2015	High Country Conference Center

Time:	Executive Committee	9:00AM – 10:00AM
	Regular Session	10:00AM – 12:00PM
	Lunch	12:00PM – 1:00PM

High Country Conference Center
201 West Butler Ave.
Flagstaff, Arizona
(928) 523-7778
Fax: (928) 523-7779

Doubletree by Hilton – Flagstaff
1175 W. Route 66
Flagstaff, Arizona
(928) 773-8888
Fax: (928) 773-1827



TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-7362 ▪ Fax 928-632-7365

TOWN COUNCIL REGULAR MEETING

July 7, 2015, 6:30 p.m. Town Council Meeting Chambers

Agenda Item # 10.4. Cable One Cable Television Franchise Agreement Renewal

To: Mayor and Town Council Members

From: Yvonne Kimball, Town Manager

Date submitted: July 1, 2015

Recommendation: Enter into the 2015 franchise agreement with Cable One.

Summary:

The Town entered into a “franchise agreement”/license agreement with Cable One Inc. for cable television service in 2005. Through the Agreement, the Town grants a license to Cable One Inc. to operate and maintain a cable TV service in, over, under, across and along any public street, public way and public place in Dewey-Humboldt. The Town receives a 5% franchise fee, which is passed on to the customers. The Town receives about \$1,000 a month in franchise fees from Cable One Inc. Staff is not aware of any complaints about Cable One’s television service made to the office. Cable One Inc. notifies the town office regularly of any changes to the TV services. I have enclosed the latest update from Cable One, at the company’s request.

The current agreement is due to renew in July 2015. Cable One Inc. has notified the Town of its desire to renew the agreement for an additional 10 years. In February 2014, Council and Staff (including the town attorney) discussed Cable One’s franchise agreement renewal matters. Council directed staff to proceed with renewal matters.

The final agreement for approval resembles the copy presented to you in 2014 with some factual updates, such as the mailing address, the new high speed internet speeds and removal of the references to VCR devices. The new agreement will be effective for 10 years. The Town Attorney has reviewed the updated agreement. Staff recommends Council accept the attached agreement.

Attachments: Cable One License renewal Agreement; recent update correspondence from Cable One

CABLE SYSTEM LICENSE

FOR

TOWN OF DEWEY-HUMBOLDT, ARIZONA

AND

CABLE ONE, INC.

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CABLE SYSTEM LICENSE

THIS CABLE SYSTEM LICENSE (hereinafter the "License") is made and entered into this ___ day of July, 2015, by and between the Town of Dewey-Humboldt, Arizona, a municipal corporation of the State of Arizona (hereinafter the "Licensor" or "Town") and Cable One, Inc. (hereinafter the "Licensee").

PREAMBLE

Pursuant to Arizona Revised Statutes Title 9, Chapter 5 Article 1.1, the Licensor is authorized to grant one (1) or more non-exclusive licenses to operate, construct, maintain, and reconstruct a Cable System within the corporate limits of Licensor.

Licensor approves this License with Licensee to comply with Arizona Revised Statutes Title 9 Chapter 5 Article 1.1 and 47 U.S.C. §§ 521, *et seq.* ("Applicable Law") and based on a request received on or about June 11, 2013, from Licensee for a renewal of its License.

STATEMENT OF INTENT AND PURPOSE

Licensor intends, by the approval of this License, to bring about the further expansion, improvement and upgrade of Licensee's Cable System and the continued operation of it to keep current with the changes in technology, services and delivery in the cable industry. Such development can contribute significantly to the communication needs and desires of the residents and citizens of the Licensor and the public generally. Further, Licensor may achieve better utilization and improvement of public services and enhanced economic development with the continued development and operation of Licensee's Cable System. It is Licensor's intent to regularly work together with Licensee to insure that its services accomplish this purpose.

Approval of this License is, in the judgment of the Licensor, in the best interests of the Town of Dewey-Humboldt and its residents.

FINDINGS

In the review of the request for renewal by Licensee and information gathered by Licensor and negotiations related thereto, the Licensor makes the following findings:

1. Licensee's technical ability, financial condition, and legal qualifications were considered and approved.
2. Licensee's compliance with the material terms, conditions and requirements by Licensee of its current License, Licensee's plans for constructing, upgrading, and continued operating a Cable System throughout the community of Licensor were considered and found adequate and feasible.
3. The License granted to Licensee by approval by Licensor of this License complies with the existing applicable State statutes, federal laws and regulations.

SECTION 2. GRANT OF LICENSE

2.1 This License is executed in accordance with the provisions of 47 U.S.C. §§ 521, *et seq.* and Arizona Revised Statutes Title 9, Chapter 5 and supersedes and extinguishes any other License or other authorization held by Licensee to operate a Cable System or provide Cable Service within the corporate limits of Licensor after the Effective Date. This License provides Licensee with the authority, right, and privilege to construct, reconstruct, operate, and maintain a Cable System within the Streets of Licensor in accordance with the terms and provisions of this License and Applicable Law.

2.2 Licensee acknowledges and accepts the right of the Licensor to issue this renewed License granted pursuant to this License, and Licensee agrees that it shall not now or at any time hereafter challenge any lawful exercise of this right by Licensor in any local, State, or federal court.

SECTION 3. EFFECTIVE DATE OF RENEWAL

This License shall be effective on _____, 2015 (the "Effective Date"). The grant of this License is further contingent upon the satisfaction of the requirements of this License, including the filing by Licensee with the Town clerk of the written acceptance of the License, and insurance policies required herein, except that if such filing does not occur within twenty (20) days after the Effective Date, the Licensor may, in its sole discretion, declare this License and the License provided for herein to be null and void.

SECTION 4. TERM

The term of this License shall be for an initial period of ten (10) years commencing on the Effective Date, unless renewed or terminated prior to the expiration date in accordance with this License, and applicable State and federal law.

SECTION 5. LICENSE FEES AND PAYMENTS

5.1 Payments to Licensor: The licensee shall pay the Licensor a Licensee Fee in an amount of five percent (5%) of its Gross Revenues (as defined in A.R.S. § 9-505) or such higher rate as allowed by law for the period of its operation under this Agreement. No other taxes, rents, fees or charges shall be imposed except as provided in A.R.S. § 9-506 and in Section 5.2.

5.2 The total of any transaction privilege taxes imposed and the License Fee shall not exceed five percent (5%).

5.3 The Licensee's billing statement must itemize each category of service and equipment provided to the Subscriber and state clearly the charge therefore.

5.4 The Licensee's billing statement must show specific payment due dates. Licensee shall be allowed to charge delinquency fees and collection fees as per Arizona Revised Statutes Section 44-1366.

5.5 The Licensee must notify the Subscriber that he or she may remit payment in person at the Licensee's office in the Prescott area and inform the Subscriber of the address of that office.

5.6 Subscribers shall not be charged a late fee or otherwise penalized for any failure by the Licensee, including failure to timely or correctly bill the Subscriber, or failure to properly credit the Subscriber for a payment timely made.

SECTION 6. CONDITIONS OF STREET OCCUPANCY AND WORK

6.1 All construction, installation or other work performed in or on any Street shall be performed in conformance with applicable provisions of Town of Dewey-Humboldt Code concerning improvements in or upon Town rights-of-way. In the event that Licensee is required by the Town to relocate any of its system located within Town right-of-way due to a realignment or expansion of a Town roadway, the costs of said relocation shall be borne by Licensee.

6.2 Licensee shall notify the public in advance on a regular basis regarding which phase of reconstruction and/or upgrade work on the system is happening, any expected interruption of existing service that may occur and the anticipated time when conversion to the new system services will begin. Licensee shall provide the Town Manager with a plan for notifying the public.

SECTION 7. SYSTEM DESIGN

Licensee shall have completed all necessary steps to construct, upgrade, and thereafter operate and maintain the Cable System, subject to all applicable technical standards of the FCC as published in subpart K of 47 C.F.R. §76. To the extent those standards are altered, modified, or amended during the term of this License, the Licensee shall comply with such altered, modified or amended standards within a reasonable period after such standards become effective. The Licensor shall have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC's rules and the License.

Licensee reserves the right to alter, adjust, modify, rebuild, upgrade, redesign, or otherwise reconfigure the Cable System at any time during the term of the License. Notwithstanding the above, Licensee agrees that no alteration, adjustment, modification, rebuild, upgrade, redesign, or other reconfiguration of the Cable System shall have the effect of reducing the technical capabilities of the Cable System from those that exist on the Effective Date of this License.

SECTION 8. GENERAL OPERATING PROVISIONS

8.1 In order to assist Licensor in its oversight responsibilities and promote the sharing of information between Licensor and Licensee, Licensor or Licensee may schedule periodic meetings every three (3) years or more frequently if requested.

8.2 Licensee shall retain the power to select programming to offer to Subscribers. However, Licensee shall, at a minimum, use good faith efforts to select programming that falls within the following broad categories of programming: educational; news and information; sports; entertainment (including movies); family- or children-oriented; art, culture, and performing arts; science/documentary; weather information; and public affairs.

8.3 Licensee shall comply with the FCC's Emergency Alert System (EAS) rules and regulations, including any state approved plans by the FCC.

8.4 In the performance of this License, Licensee shall not discriminate unfairly against any person on the ground of or because of race, creed, color, national origin or ancestry, gender, religion or political opinion or affiliation, income of residents in any area of the Licensor, or age. Licensee shall comply at all times with all other valid applicable federal, State and local laws, and all federal and State executive and administrative orders relating to non-discrimination.

SECTION 9. ACCESS CHANNELS, ACCESS COSTS, EQUIPMENT AND FACILITIES

9.1 Licensor shall have the full responsibility for the production and development of programming and shall also have the responsibility of purchasing and maintaining equipment and facilities used for the production of programming. However, the Licensee agrees that it shall use its best efforts to provide full cooperation and assistance, training or other such services as may be needed and requested by Licensor. In any event in which Licensee believes that its services are in the form of operating costs, it will inform Licensor of any such costs that may be deducted by it from the license fee or subscriber pass-through fees to be paid to Licensor.

9.2 The Licensee assures Licensor by its agreement that its equipment, facilities and services as well as personnel will accept the programming provided by Licensor for playback on the cable system on the appropriate and designated access channels without degradation and quality. The Licensee also agrees it will work together with Licensor to make available, to the greatest extent possible, relevant information on its programming menus and identification of programming.

9.3 Licensee shall provide channel capacity for a minimum of one government access channel (dedicated for Licensor use). Licensee shall provide the channel capacity for one educational access channels for use by schools in the Town of Dewey-Humboldt.

SECTION 10. SERVICES TO PUBLIC BUILDINGS

Licensee shall provide free cable television connections and cable television service to buildings owned by or leased by the Town, not to exceed five (5) where there is a feeder line within one hundred fifty feet (150') of said building, provided that each such connection shall be limited to one (1) free connection per building upon the request of the Town for use of the Town only, and said free cable television shall only include Expanded Basic Cable service and [RES2 Standard High Speed internet Service](#). [Standard High Speed Internet Service RES2](#) currently has a speed of ~~500003000~~/~~3000300~~ Kbps. Any additional High Speed Internet capacity will include a monthly price point of the difference between services offered in this agreement and the additional services requested by the Town. The Town will be responsible for providing, at their own expense, the interconnection equipment, including any routers, interface units, cabling internal to Town buildings, and any other services, such as domain hosting, required to interconnect with and transmit or receive data communications via the Internet Service provided. The Town will also be responsible for providing, at its own expense, all computers, terminals and other data processing hardware for use with the Internet Service provided.

SECTION 11. RATES AND CHARGES

Licensee shall comply at all times with the provisions of the Cable Act and FCC rules and regulations applicable to rates and charges for any Cable Service and the associated terms and conditions for the provision of any Cable Service.

SECTION 12. CUSTOMER SERVICE AND PRIVACY PROTECTION

12.1 Licensee shall comply with the Subscriber service and privacy protection provisions in 47 C.F.R. § 76.309 of the Federal Communications Commission's Rules and Regulations, as such may be amended from time to time.

12.2 Licensee shall comply at all times with the provisions of the Cable Act and FCC rules and regulations applicable to Subscriber bills.

12.3 Licensee shall comply at all times with the Subscriber privacy provisions of the FCC Rules and Regulations, the Cable Act or other Applicable Law. Licensee shall cooperate with the Licensor so as to ensure the Licensor's ability to enforce the terms and conditions of this provision to the extent consistent with Applicable Law.

12.4 Parental Control Option: The Licensee shall provide parental control devices to all Subscribers who wish to be able to block the video or audio portion of any objectionable channel or channels of programming from the Cable Service entering the Subscriber's home. This control equipment shall be provided at no charge except as federal law otherwise provides.

12.5 Licensee shall designate an employee by name, address and phone/fax number, to respond to complaints from consumers within the Town or from officials of the Town, and shall update that information to the Town as that information may change from time to time.

SECTION 13 SUBSCRIBER'S RIGHT UPON FAILURE OF SERVICE

13.1 Each Subscriber who experiences any total loss of service for a continuous twenty-four hour period shall upon request by the affected Subscriber be provided a prorated refund. Each period of service loss shall commence upon Licensee's oral or written receipt of notice of such loss of service.

13.2 Licensee shall maintain Service Call records on the time of call, nature of Service Call, and any corrective action taken. These Service Call records shall be made available to the Town Manager, or a designee, subject to Subscriber privacy limitations, upon request. A summary of Service Calls shall be prepared by the Licensee and submitted to the Town Manager, or a designee, upon request.

13.3 The Licensee shall notify Subscribers at the time of initial subscription to the Cable System of the procedure for reporting and resolving inquiries.

SECTION 14 SUBSCRIBER SOLICITATION PROCEDURE

14.1 All personnel, agents and representatives of the Licensee including subcontractors, shall wear a cable uniform or clearly display a photo-identification badge when acting on behalf of the Licensee in the Town.

14.2 Licensee shall provide all prospective Subscribers with complete, clear and concise written information, prior to or at the time of installation of Cable Service, concerning all services and rates by Licensee. Such information shall include but not be limited to the following:

(a) All service rates, deposits if applicable, installation costs, additional television set charges, service upgrade or downgrade charges, relocation of cable outlet charges and any other charges for ancillary Cable Service.

(b) Complete information concerning billing and collection procedures, procedures for ordering changes in or termination of services, and all refund policies.

(c) ~~Complete information concerning the utilization of videocassette recorders (hereinafter called "VCR's") with Cable Service(s), if requested.~~

(d) Complete written information concerning Licensee's privacy policies, pursuant to Federal law.

14.3 The Licensee shall, on a regular basis, provide Subscribers of the Cable System with a complete list of service offerings, options, prices and credit policies associated with the System.

SECTION 15 INSURANCE, INDEMNIFICATION AND DEFENSE OF LITIGATION

15.1 The Licensee shall, concurrently with the filing of this license, furnish to the Town and file with the Town Clerk and at all time during existence of this license, maintain in full force and effect, a general comprehensive liability insurance policy, in an amount no less than ONE MILLION DOLLARS (\$1,000,000), in protection of the Town, its officers, boards, commissions, agents and employees, through an insurance company approved by the Town Manager in a form satisfactory to the Town Attorney protecting the Town and all persons against liability for loss or damage from personal injury, death and property damage, occasioned by the negligent operations of the Licensee under this license.

15.2 The policies mentioned in the foregoing paragraph shall name the Town, its officers, boards, commissions, agents and employees, as additional insured and shall contain a provision that a written notice of cancellation or reduction in coverage of said policy shall be delivered to the Town fifteen (15) days in advance of the effective date thereof. If such insurance is provided by a policy which also covers Licensee or any other entity or person other than those above named, then such policy shall contain the standard cross-liability endorsement.

15.3 Licensee shall at the sole risk and expense of Licensee, upon demand of the Town, made by and through the Town Attorney, appear in and defend any and all suits, actions, or other legal proceedings, whether judicial, administrative, legislative, or otherwise, brought or instituted or had by third persons or duly constituted authorities, against or affecting the Town or its officers, boards, commissions, agents or employees, and arising out of or pertaining to the exercise or the enjoyment of such license, or the granting thereof by the Town; provided, however, that nothing herein contained shall be deemed a waiver by Licensee of any rights it may have against Town under its license for indemnification based on the Town being the full or partial cause of any such injury.

15.4 Licensee shall pay and satisfy and shall cause to be paid and satisfied any judgment, decree, order, directive, or demand rendered, make or issued against Licensee, the Town, its officers, boards, commissions, agents or employees in any of these premises; and such indemnity shall exist and continue without reference to or limitation by the amount of any bond, policy of insurance, deposit, undertaking or other assurance required hereunder, or otherwise; provided, however, that such payments or satisfactions shall not be deemed a waiver of any rights of Licensee against Town under its license for indemnification based on the Town being the full or partial cause of any such injury.

SECTION 16 RECORDS AND REPORTS

16.1 The Licensee shall maintain on file with the Town full and complete plans and records showing the exact location of all CATV trunk or main system lines installed or in use in streets or other public places in the Town, and update those plans and records as extensions, additions or modifications are made thereto. Such updates shall be provided within 90 days of the end of the Licensee's fiscal year.

16.2 The Town shall have the right to inspect the Licensee's records showing the gross receipts from which its license payments are computed and the right of audit and recomputation

of any and all amounts paid under this license. No acceptance of any payment shall be construed as a release or as an accord and satisfaction of any claim the Town may have for further or additional sums payable under this license or the performance of any other obligation hereunder for a period of two years.

16.3 The Licensee shall file the following with the Town:

(i) Upon request, all reports required by the FCC, including, but not limited to, any proof of performance tests and results, Equal Employment Opportunity reports, and all petitions, applications, and communications of all types regarding the Cable System, submitted or received by the Licensee, an Affiliate, or any other Person on behalf of the Licensee, to the FCC. Licensee shall also file all materials submitted to the Security and Exchange Commission, or any other federal, state, or local regulatory commission or agency having jurisdiction over any matter affecting operation of the Licensee's System in whole or in part. This material shall be submitted to the Town within five (5) working days from the time it is filed.

(ii) Upon request, Licensee shall provide the Town with material filed with any federal, state, or local regulatory commission, or received from such commission regarding the Cable System.

(iii) Any notice of deficiency, forfeiture, or other document issued by any state or federal agency instituting any investigation or civil or criminal proceeding regarding the Cable System, the Licensee, or any Affiliate of the Licensee, to the extent the same may affect or bear on operations in the Town. This material shall be submitted to the Town within five (5) days from the time it is filed.

16.4 Any request for protection under bankruptcy laws, or any judgment related to a declaration of bankruptcy by the Licensee or by any partnership or corporation that owns or controls the Licensee directly or indirectly. This material shall be submitted to the Town within five (5) days from the time it is filed.

16.5 Upon request, a report in a form acceptable to the Town submitted within thirty (30) days of the end of each calendar quarter showing the number of service calls received by type during the prior quarter, and the percentage of service calls compared to the Subscriber base by type of complaint.

16.6 Upon request, a report in a form acceptable to the Town, submitted within thirty (30) days of the end of each calendar quarter showing the number of outages and service degradations for the prior quarter affecting 5 or more subscribers in the same area, for at least thirty minutes, and identifying separately each planned outage, the time it occurred, its duration, and the estimated area and number of Subscribers affected; and each unplanned outage or service degradation, the time it occurred, its estimated duration and the estimated area and the number of Subscribers affected; and the total hours of outages and service degradations as a percentage of total hours of Cable System operation.

16.7 The following financial reports for the License Area shall be submitted annually to the Town ninety-days (90) after the end of the Licensee's fiscal year:

a. An annual financial report for the License area served from the previous fiscal year, including year-end balance sheet; income statement showing Subscriber revenue from each category of service and every source of non-Subscriber revenue, depreciation expense, interest expense, and taxes paid; statement of sources and applications of funds; and depreciation schedule certified by a senior financial officer of the Licensee or his designee. For each year the Town may require the Licensee to include line item operating expenses in the annual report if such request is made no more than thirty (30) days after the close of the Licensee's fiscal year for which the information is requested.

b. A current annual statement in a form acceptable to the Town of all capital expenditures, including the cost of construction and of equipment. The Town will not unreasonably reject the form of the annual statement.

c. In the first year a list of officers and members of the Board of Directors of the Licensee and in succeeding years if the persons changed and the change was not previously reported to the Town.

d. In the first year an organization chart showing all corporations or partnerships with more than a five percent (5%) interest ownership in the Licensee, and the nature of that ownership interest (limited partner, general partner, preferred shareholder, etc.); and showing the same information for each corporation or partnership that holds such an interest in the corporations or partnerships so identified, and in succeeding years if the ownership changed and the change was not previously reported to the Town.

e. An annual report of each entity identified in Section 16____ which issues an annual report.

16.8 Upon request, the following System and operational reports shall be submitted annually in a form acceptable to the Town:

(a) An annual summary of the previous year's activities including, but not limited to, Subscriber totals for each category of service offered, including number of pay units sold, new services offered, and the amount collected annually from other Users of the System and the character and extent of the service rendered thereto.

(b) An annual summary of complaints received and handled and actions taken.

16.9 The Town may require additional information, records, and documents from time to time in order to monitor compliance with this Agreement. During any review of the Licensee's performance conducted pursuant to the License the Licensee shall fully cooperate with the Town and shall provide such information and documents as the Town may need to reasonably perform its review.

SECTION 17. LICENSE NOT EXCLUSIVE

This License shall not be construed as limiting the right of Licensor, through its proper offices, and in accordance with Applicable Law, to grant other Licenses similar to or containing rights, privileges or authority different from the rights, privileges and authority herein set forth; provided, however, that such additional Licenses shall not be on terms and conditions more favorable or less burdensome to such new operator than those applied to Licensee, nor operate to materially modify, revoke or terminate any rights granted to Licensee herein. Should any change in State or federal law have the lawful effect of materially altering the terms and conditions of this License making it commercially impracticable for Licensee to continue the provision of Cable Services in the Licensor, then the parties shall modify this License to the mutual satisfaction of both parties to ameliorate the negative effects on Licensee of the material alteration. Any modification to this License shall be in writing and signed by both parties. If the parties cannot reach agreement on the above-referenced modification to the License, then Licensee may terminate this License without further obligation to the Licensor or, the parties may agree to submit the matter to binding arbitration or mediation.

SECTION 18. TERMINATION OF LICENSE

The license granted herein may be terminated prior to its date of expiration by the Council in the event that the Council, after full public hearing, shall have found that:

18.1 The Licensee has, after actual notification and the passage of reasonable time necessary to accomplish correction, failed to comply with any material provision of the License or has, by act or omission, violated any material term or condition of this License unless caused by circumstances beyond Licensee's control.

18.2 The Licensee has, after actual notification and the passage of reasonable time necessary to accomplish correction, been found to be in non-compliance with then current Federal Communications Commission (FCC) Rules and Regulations that significantly impacts the Town of Dewey-Humboldt.

SECTION 19. FRANCHISE RENEWAL

Any renewal shall be in accordance with the renewal provisions of Section 626 of the Cable Act. To the extent Section 626 of the Cable Act is no longer applicable to renewals, Licensor and Licensee shall conduct the renewal process pursuant to the terms and provisions of Section 626 of the Cable Act as it existed on the Effective Date of this License.

SECTION 20. GOVERNING LAW

This License shall be deemed to be executed in the State of Arizona, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of Arizona as applicable to contracts entered into and

performed entirely within the State. This License shall also be subject to and complied with the federal Cable Act and rules of the Federal Communications Commission.

SECTION 21. MISCELLANEOUS

12.1 This License is made with the understanding that its provisions are controlled by Applicable Law.

21.2 This License shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted transferees and assigns. All of the provisions of this License apply to Licensee, its successors, and assigns.

21.3 No failure on the part of Licensor to exercise, and no delay in exercising, any right or remedy hereunder including, without limitation, the rights and remedies set forth in this License, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other right or remedy, all subject to the conditions and limitations established in this License. The rights and remedies provided herein including, without limitation, the rights and remedies set forth in this License, are cumulative and not exclusive of any remedies provided by law, and nothing contained in this License shall impair any of the rights or remedies of Licensor under Applicable Law, subject in each case to the terms and conditions of this License.

21.4 If any section, subsection, sentence, clause, phrase, or other portion of the this License is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

21.5 This License is made between Licensee and Licensor and is not intended to and does not create any rights or interests for any other party including without limitation any rights as a third party beneficiary of this License.

21.6 This License embodies the entire understanding and agreement of Licensor and Licensee, with respect to the matters covered by this License and supersedes all prior agreements and understandings between Licensor and Licensee, with respect to such matters. It may be amended only by a writing signed by both parties.

21.7 Notwithstanding any other provisions of this License, Licensee shall not be liable for delay in performance of, or failure to perform, in whole or in part, its obligations pursuant to this License due to strike, unavailability of materials, or equipment, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, civil disturbance, sabotage or vandalism, customer tampering or interference, act of public enemy, accident, fire, flood, storm or other events, to the extent that such causes or other events are beyond the control of Licensee.

21.8 The Town agrees to treat as confidential any books or records that constitute proprietary or confidential information under federal or state law, to the extent Licensee makes

the Town aware of such confidentiality. Licensee shall be responsible for clearly and conspicuously stamping the word "Confidential" on each page that contains confidential or proprietary information and shall provide a brief written explanation as to why such information is confidential under federal or State law. If the Town believes it must release any such confidential books and records in the course of enforcing this License, or for any other reason, it shall advise Licensee in advance so that Licensee may take appropriate steps to protect its interests. If the Town receives a demand from any person for disclosure of any information designated by licensee as confidential, the Town shall, so far as consistent with applicable law, advise Licensee and provide Licensee with a copy of any written request by the party demanding access to such information within a reasonable period of time. Until otherwise ordered by a court or agency of competent jurisdiction, the Town agrees that, to the extent permitted by federal and State law, it shall deny access to any of Licensee's books and records marked confidential as set forth above to any person. Licensee shall pay upon demand all attorneys fees, costs and other expenses incurred by Licensor as a result of a request by Licensee that the confidential document not be disclosed.

21.9 This License shall not be sold, assigned or transferred, either in whole or in part, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any person, without prior written consent of the Town, which consent shall not be unreasonably withheld.

21.10 Pursuant to A.R.S. § 38-511, the Town of Dewey-Humboldt may cancel this contract, without penalty or further obligation, if the Town was unaware that any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town of Dewey-Humboldt is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

SECTION 22. MODIFICATION

No provisions of this License shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by Licensor and Licensee, which amendment shall be authorized on behalf of Licensor through the adoption of an appropriate resolution or order by Licensor, as required by law.

SECTION 23. EFFECTIVE DATE

This License shall be effective upon satisfaction of the requirements of and Section 3 of this License and shall supersede any existing License between Licensor and Licensee.

ACCEPTANCE OF LICENSE

Licensee agrees to be bound by and to comply with and to do everything required of the Licensee by the provisions of this License and Applicable Law.

IN WITNESS WHEREOF, the Licensor and Licensee have executed this License on the date and year first below written.

TOWN OF DEWEY-HUMBOLDT, ARIZONA

By: Terry Nolan, Mayor

Date: _____

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me on _____, 20__, by Terry Nolan, the Mayor of Dewey-Humboldt, Arizona on behalf of the Town of Dewey-Humboldt, Arizona.

Notary Public

ATTEST:

Judy Morgan, Town Clerk

APPROVED AS TO FORM:

By: _____
Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorney
By: Susan D. Goodwin

LICENSEE

By: _____
Print: _____
Title: _____
Date: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 20__, by _____, the _____ of _____ on behalf of the Licensee.

Notary Public

June 15, 2015

Yvonne Kimball, Town Manager
Town of Dewey-Humboldt
P.O. Box 69
Humboldt, AZ 86329

Dear Ms. Kimball:

I wanted to take a moment to give you a snapshot of where we are progressing in several areas of our operation.

Over the last 18 months we have invested over 9.6 million dollars toward the effort of upgrading our infrastructure to better accommodate future services and increased demand concerning our High Speed Internet product. This project also gives us greater reliability for all product services we currently offer and is scheduled to be completed by July-August of 2015.

We have completed the switch to All-Digital Technology in our Cottonwood, Clarkdale and surrounding Yavapai County communities and will begin the Quad-City areas in September of 2015.. With the switch from analog to All Digital technology, Cable ONE will be able to add new channels (especially more HD channels), provide even better picture quality, and deliver faster internet speeds.

Specific All Digital benefits include:

- Picture and sound will be digital quality to the converter.
- The ADD-vantage boxes will have a resident guide that is interactive and user friendly.
- Customers will receive 40+ digital music channels with the ADD-vantage box.
- Customers will receive the Faith and Family Channels with the ADD-vantage box.
- Ability to add additional programming services, including increased HD channels.

This portion of the All-Digital project will be complete by December of 2015.

We continue to market and support local business customers in the area with our Video, Phone and High Speed Data services. We are also growing our Fiber Optic Enterprise services to local businesses by providing direct fiber optic connections to businesses that need more managed bandwidth capabilities. Beginning in the 3rd quarter of 2015 our customers on Cable ONE's Premier 60Mbps x 4Mbps plan will be automatically upgraded to 75Mbps download and 5Mbps upload speeds, and customers on the Ultra 70Mbps x 6Mbps plan will be automatically upgraded to 100 Mbps download and 10Mbps upload speeds. Customers have been asking for faster download and upload speeds – and we're delivering!

Cable ONE is committed to providing our customers with the best TV programming at a reasonable price and we make every effort to minimize costs. As you have seen from recent negotiations, we are doing all we can to ensure our customers don't suffer unfair price increases as a result of unreasonable demands from channel programmers. In 2015, more than 120 local TV stations and cable networks will again increase their rates – some by as much as 65%.

We continue to be a strong supporter of local non-profit organizations, Chambers of Commerce and youth programs as we recognize that we have a responsibility to our customers and the communities where we do business. A partial list of some of our recent activity is enclosed with this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D.R. Edwards". The signature is fluid and cursive, with the first name "Dennis" and last name "Edwards" clearly distinguishable.

Dennis R. Edwards
Cable ONE General Manager
928-443-3330

CABLE ONE IN THE COMMUNITY

Here is a sampling of what Cable One has contributed to, participated in system-wide, in the past and continues to support in the future:

- **Sponsor area Little Leagues; club softball team**
- **Sponsor drug and alcohol-free high school graduation night activities**
- **Collected and mailed holiday packages to a Marine regiment stationed in Afghanistan in December 08 and 09**
- **Raise money and participate as a team in the annual American Diabetes Association Walk**
- **Participate with multiple teams and raise thousands for the annual Bowl for Kids Sake and Gala Dinner/Action fundraisers for Big Brothers/Big Sisters**
- **Sponsor Yavapai College Performance Hall events**
- **Support the Yavapai County Fair Assoc.**
- **Sponsor out local 4-H livestock Event and Auction**
- **Members of all area chambers of commerce**
- **Sponsor the annual People Who Care Dinner and Fundraiser**
- **Sponsor the twice-annual mail carrier food drive**
- **Provide free cable service to all area schools**
- **Provide free cable to multiple area non-profits, including AARP Free Tax Services Yavapai Food Bank, Big Brothers/Big Sisters et. al.**
- **Provide free cable services to area public safety and other government agencies**
- **Sponsor the annual Children's Miracle Network Business Show at Costco**
- **Sponsor the annual Destination Imagination competition.**
- **Sponsor the Healing Field in Prescott Valley annually in remembrance of 9/11**

.... The list goes on. Cable One contributes generously to the communities it serves!

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TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-8562 • Fax 928-632-7365

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: July 7, 2015

Date of Request: June 23, 2015

Type of Action: Routine/Consent Regular

Requesting: Action Report Only

Agenda Item Text (a brief description for placement on the agenda; please be exact):
Discussion and possible action on canceling all Town Councils meetings
for the Month of August.

Purpose and Background Information (Detail of requested action). August is a busy
month with the annual conference. Canceling the meetings would allow
flexibility for staff who wished to do so to take vacation and others to
catch up on work.

Staff Recommendation(s): _____

Budgeted Amount: _____

List All Attachments: _____

Type of Presentation: _____

Special Equipment needed: Laptop Remote Microphone
 Overhead Projector Other: _____

Contact Person: CM Wright 

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.

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TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-8562 • Fax 928-632-7365

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: 7/7/15

Date of Request: 6/29/15

Requesting: Action Discussion or Report Only

Type of Action: Routine/Consent Agenda Regular

Agenda Item Text (a brief description for placement on the agenda; please be exact as this will be the wording used for the agenda):

Consideration To Apply for a fire Break
on West side of town

Purpose and Background Information (Detail of requested action).

To create a safety strip between
the town boundaries & Prescott National
Forest

Staff Recommendation(s): _____

Budgeted Amount: _____

List All Attachments: _____

Type of Presentation: _____

Special Equipment needed: Laptop Remote Microphone
 Overhead Projector Other: _____

Contact Person: Mayer, Nolan

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.