NOTICE OF A REGULAR MEETING OF THE TOWN COUNCIL
OF THE TOWN OF CLARKDALE
TUESDAY, OCTOBER 10, 2023 AT 6:00 PM

In Person: Clark Memorial Clubhouse, 19 N. Ninth St., Clarkdale AZ
OR
Join Zoom Meeting
https://us02web.zoom.us/j/81213484121

Meeting ID: 812 1348 4121

Town of Clarkdale Vision

The Town of Clarkdale connects our unique history, proximity to the Verde River, and small-town charm to a future with a vibrant economy.
We cultivate an environment where residents and businesses can thrive; providing services and jobs for our residents and capitalizing upon tourism.
We sustainably enhance our infrastructure, support the arts and education, and develop recreational opportunities to create a bright future for our entire community.

PURSUANT TO A.R.S. §38-431.02, NOTICE IS HEREBY GIVEN to the members of the Common Council of the Town of Clarkdale and to the general public that the Town of Clarkdale Town Council will hold a Regular Meeting open to the public on Tuesday, October 10, 2023, at 6:00 PM in a hybrid meeting via Zoom Video Conference or in person at 19 N. Ninth Street, Clarkdale, Arizona, Clark Memorial Clubhouse, Men's Lounge. Members of the Clarkdale Common Council will attend either in person or by telephone, video or internet conferencing. Pursuant to A.R.S. §38-431.03, the Council may vote to recess the meeting and move into Executive Session on any item, 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.
Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at www.clarkdale.az.gov and the Town Clerk's Office.

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR DISCUSSION AND POSSIBLE ACTION, UNLESS OTHERWISE NOTED.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PUBLIC COMMENT**
   The Town Council invites the public to provide comments at this time. Members of the Town

Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01, action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date. Persons interested in making comments on a specific agenda item are asked to complete a brief form and submit it to the Clerk or liaison during the meeting. Each speaker is asked to limit their comments to five minutes.

4. REPORTS

A. Current Events – (submitted electronically)

A brief summary of current events. The Council will not propose, discuss, deliberate, or take legal action on any matter in the summary. Reports submitted electronically:

- Mayor’s Report
- Vice-Mayor’s Report
- Councilmembers’ Reports

B. Organizational Reports – (submitted electronically)

Reports regarding regional organizations submitted electronically:

- CAT – Cottonwood Area Transit
- VVTPO – Verde Valley Transportation Planning Organization
- NACOG - Northern Arizona Council of Governments
- NAMWUA - Northern Arizona Municipal Water Users Association
- TPAC – Transportation Policy Advisory Council
- VFLC – Verde Front Leadership Council
- Greater AZ Mayor’s Organizational Report
- Sustaining Flows Committee
- Yavapai Communities for Young Children

5. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the Town Council at a work session or during a New Business discussion. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

A. Approval of Minutes

Consider and act upon the draft minutes from the regular meeting held on Sept. 26, 2023.

6. NEW BUSINESS

A. Letter of Findings - Town Manager Annual Evaluation

Discuss, consider and act upon the Mayor's Letter of Findings from the Town Manager's Annual Performance Evaluation that was conducted on Sept. 26, 2023.

B. Town Manager Employment Agreement

Discuss, consider and act upon the renewal of the employment agreement for the Town Manager.

C. Ordinance #422 - Amending Town Code Chapter 3, Section 2-5 - Town

Attorney

Discuss, consider and act upon Resolution #422, amending Town Code Chapter 3, Section 2-5 - Town Attorney to include the use of AMRRP Attorneys at no charge.

D. Discussion of 2022-2023 Legislative Session as Related to Community Development

Discussion only regarding the 2022-2023 Legislative Session as related to Community Development.

E. Revisions to the Financial Operations Guide

Discuss, consider and act upon revisions to the Financial Operations Guide (FOG).

7. FUTURE AGENDA ITEMS

Town Council may propose items to be placed on a future agenda. This item is for discussion only.

8. ADJOURNMENT

Values

Values are the guiding principles that provide an organization with purpose and direction. The Town of Clarkdale's organizational values are:

COPPER
Customer focused
Open, transparent and equitable
Preserving our history, charm, and environment
Planning for a sustainable future
Economic and social resiliency
Resourceful and innovative

Mission

The Town of Clarkdale serves the community by providing amenities, infrastructure, services, and public safety to enhance quality of life. We are stewards of our history while we sustainably and resiliently plan for the future with an emphasis on community engagement and transparency.

Persons with a disability may request reasonable accommodations by contacting the Town Hall at (928) 639-2400 (TTY: 1-800-367-8939) at least 72 hours in advance of the meeting.

From the office of Mayor Prud'homme-Bauer

September Report

Regularly Held Monthly Meetings

- Regular Weekly one on one meetings with Town Manager on Wednesdays.
- Agenda review meetings on Monday afternoon before a town council meeting.
- Host twice monthly Verde Valley Mayors/Managers zoom meetings.

Other Meetings, Events, Emails and Phone Calls

- Spoke at Cottonwood Rotary Club meeting.
- Attended Big Brothers/Big Sisters event in Prescott.
- Attended the Tourism Working Group meeting.
- Hosted the Verde Front Strategic Planning meeting in Clarkdale.
- Attended the groundbreaking event for Cabarello Park in Patio Park.
- Attended a meeting about water issues.
- Attended the Historic Preservation Commission Meeting.
- Attended the artist reception at Art in the Clark in the library.
- Assisted in ticket selling at both Concerts in the Park.
- Emails and Phone calls from individuals on water issues, Yavapai College, and gazebo.

From the office of Vice Mayor Hunseder

September Report

09/05/23 – CDBA Meeting

09/06/23 – Boards and Commissions interviews

09/07/23 – APS sponsored YBBBS recognition event in Prescott

09/09/23 – Concert in the park

09/11/23 – Boards and Commissions interviews

09/11/23 – One on One Meeting with Town Manager Guthrie

09/12/23 – Town of Clarkdale Council Executive Session and Regular Meeting

09/20-24/23 – Out of state for vacation

09/25/23 – One on One Meeting with Town Manager Guthrie

09/26/23 – Town of Clarkdale Council Executive Session and Regular Meeting

09/26/23 – NACOG Executive Committee Meeting (Zoom)

09/26/23 – Caballero Park Groundbreaking

From the office of Council Member Jones

September 2023
Council Member Report

9/6	Participated in the Boards and Commissions Interview Process
9/9	Volunteered Concert in the Park
9/11	Participated in Boards and Commissions Interview Process
9/11	Met with Susan Guthrie, Town Manager
9/12	Executive Session Town Council Meeting
9/13	Participated in the Sandra Day O'Connor Constitution Day Panel at Mingus Union High School
9/19	Attended Sustaining Flow Council Meeting
9/23	Volunteered Concert in the Park
9/25	Met with Susan Guthrie, Town Manager
9/26	Executive Session Town Council Meeting
9/28	Attended Caballero Park Groundbreaking Ceremony
	Lunch with Town Clerk Brooks to discuss possible Boards and Commission training
9/29 – 9/30	Attended Bridging Divides to Build Community Forum hosted by the Arizona Town Hall. See attached agenda

From the office of Council Member O'Neill

September Report

9-10 Picked up park.

9-12 Meeting with Town Manager Guthrie, Council meeting.

9-13 Wrote a letter of support for the sidewalk/bike lane grant.

9-18 Met with Nathan Porter, Clarkdale Historical Society and Museum Board Member, to discuss the right of first refusal.

9-26 Meeting with Town Manager Guthrie, executive session, Council meeting.

9-28 Happily attended Caballero Park groundbreaking.

From the office of Council Member Babbitt-Pierce

September Report

September 9 -	Concert in the Park
September 11 -	Meeting with Town Manager Guthrie
September 12 -	Executive Session, Town Council Meeting
September 13 -	NACOG Transportation Advisory Council
September 25 -	Meeting with Town Manager Guthrie
September 26 -	Executive Session, Town Council Meeting
September 27 -	Verde Valley Transportation Advisory Council
September 28 -	Caballero Park Ground Breaking

TRANSPORTATION POLICY ADVISORY COMMITTEE (TPAC)

MEETING NOTICE AND AGENDA
Pursuant to A.R.S. 38-431.02

Wednesday, September 13, 2023
1:00 PM – 2:30 PM MST

Videoconference Meeting
Please join my meeting from your computer, tablet or smartphone.

https://global.gotomeeting.com/join/185741365

You can also dial in using your phone.
United States: +1 (571) 317-3112
- One-touch: tel:+15713173112,,185741365#
Access Code: 185-741-365

I. **Call to Order and Introductions**
Chair, Sup. Mary Mallory

II. **Acknowledgement of Title VI Policy**
Chair, Sup. Mary Mallory

III. **Approval of Minutes – August 8, 2023**
Chair, Sup. Mary Mallory

IV. Legislative Update - Federal and State Legislative Reports
Kevin Adam, RTAC

V. Preparations for the 2023 Legislative Session
Rural Transportation Summit – October 18 & 19, 2023, Hilton Garden Inn, Yuma
Jenn O'Connor, Planning Director

VI. Transportation Program Update
Jenn O'Connor, Planning Director

VII. **Adjourn -** Next Meeting: Wednesday, October 11th – 1:00 – 2:30PM

NACOG endeavors to make all public meetings accessible to persons with disabilities. Please call (928) 774-1895 or e-mail planning@nacog.org 72 hours prior to the meeting requesting reasonable accommodations. Limited English Proficiency service can be provided with a minimum of ten (10) day notice.

NACOG'S NONDISCRIMINATION NOTICE TO THE PUBLIC

Pursuant to Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA) and other nondiscrimination laws and authorities, NACOG does not discriminate on the basis of race, color, national origin, sex, age, or disability. Persons that require a reasonable accommodation based on language or disability should contact NACOG at planning@nacog.org/928-433-4633. Requests should be made as early as possible to ensure the NACOG has an opportunity to address the accommodation.

AVISO PÚBLICO DE LA LEY DE NO-DISCRIMINACIÓN DE NACOG

De acuerdo con el Título VI de la Ley de Derechos Civiles de 1964, la Ley de Estadounidenses con Discapacidades (ADA por sus siglas en inglés) y otras normas y leyes antidiscriminatorias, NACOG no discrimina por motivos de raza, color, origen nacional, sexo, edad o discapacidad. Las personas que requieran asistencia (dentro de lo razonable) ya sea por el idioma o discapacidad deben ponerse en contacto con NACOG en planning@nacog.org/928-433-4633. Las solicitudes deben hacerse lo más antes posible para asegurar que NACOG tenga la oportunidad de hacer los arreglos necesarios.

TITLE VI OFFICER
NACOG Executive Director
cfetzer@nacog.org
928-774-1895

TITLE VI COORDINATOR
NACOG Mobility Planner
planning@nacog.org
928-433-4633

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Flagstaff, AZ 86001
928-774-1895
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NACOG
Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

Transportation Policy Advisory Committee

August 9, 2023 ◆Go To Meeting Teleconference

MEMBER NAME	ENTITY	PRESENT	ABSENT	STAFF NAME	
Marney Babbitt-Pierce	Town of Clarkdale	**X**		**Jennifer O'Connor**	
Fern Benally	Navajo County	**X**		**Cindy Binkley**	
Bill Diak	City of Page		**X**		
Michael Lomayaktewa	Hopi Tribe	**X**			
Mary Mallory	Yavapai County	**X**			
Jerry Smith	Town of Pinetop-Lakeside		**X**		
Alton Shepherd	Apache County		**X**	GUEST/ALTERNATE NAME	ENTITY
Jeronimo Vasquez	Coconino County	**X**		**Kevin Adam**	RTAC
				Cynthia Gentle	Yavapai County
				Keith Brekhus	Coconino County
				Lou Andersen	Town of Clarkdale
				Susan Guthrie	Town of Clarkdale

I. Call to Order and Introductions

Chairwoman Mary Mallory called the meeting to order at 1:00 P.M. Self-introductions were made. A quorum was present.

II. Acknowledgment of Title VI Policy

NACOG hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 and other related authorities in all of its programs and activities. NACOG's Title VI and ADA programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity.

More information on Title VI is included in the agenda packet and on NACOG's website.

III. Approval of Minutes – June 14, 2023

Chairwoman Mallory asked for any corrections to the June 14 meeting minutes. Hearing none, she asked for a motion to approve.

Jeronimo Vasquez moved to approve the June 14, 2023 meeting minutes, seconded by Marney Babbit-Pierce. Motion passed unanimously.

IV. Legislative Update

Kevin Adam provided a legislative update.

Federal Update

Lawmakers continue to work toward a budget for the upcoming fiscal year. It is likely that a budget will not be approved by the start of the fiscal year, and that the government will operate under continuing resolutions until a budget is decided.

State Update

The state legislative session has concluded. Proposition 400, the measure to authorize Maricopa County to take a ballot measure before their voters to extend their ½ cent sales tax when it expires, has passed. Had that $15 billion been eliminated, it would have had a direct impact on the entire state. The measure still must pass a vote from the citizens of Maricopa County, but it is polling strongly with voters.

During this session, the legislature approved $50 million in one-time funding for transportation. It remains to be seen what level of funding will be available next year. A decrease in available funding is likely, as revenue growth has slowed down.

V. Regional Priority Projects List

The RTAC will present a list of projects to the legislature for funding again in the coming session.

On August 2, the Technical Subcommittee (TSC) approved the 2023 Regional Priority Projects List (RPPL) for submission to the Regional Council. The 2023 RPPL was based on projects identified through the 2022 RPPL development process, which included an open call for projects to all jurisdictions in the NACOG region and a clear set of criteria for selected in prioritizing projects. Given the short window for developing a new list, and the fact that most of the 2022 RPPL went unfunded by the state legislature, the TSC chose to retain the unfunded 2022 projects for a second year, while updating cost estimates to reflect the latest impacts of inflation on project budgets.

The draft 2023 Regional Priority Projects List is included in today's meeting packet.

NACOG continues to pursue legislative advocacy by convening meetings between state legislators and jurisdictions with projects on the 2023 RPPL. NACOG will continue meeting with state legislators throughout the next year. In each meeting, jurisdiction staff and elected officials are given an opportunity to talk about their priority roadway infrastructure projects and advocate for funding. NACOG provides an overview of the list, explains the importance of the regional process, and seeks input for how to be more successful in obtaining funding for projects next year.

VI. Preparations for the 2023 Legislative Session

The Rural Transportation Summit will be held October 18-19 at the Hilton Garden Inn in Yuma, AZ. Registration includes a Wednesday reception and Thursday program. Early bird registration is $375 and is increased to $450 after August 15.

The Summit provides an opportunity to interact with members of the legislature and engage them on transportation /infrastructure topics.

NACOG will continue its outreach to legislators, including distribution of the 2023 RPPL with updated cost estimates. Jurisdiction staff and elected officials are encouraged to reach out to legislators in advance and advocate for their projects. NACOG is preparing fact sheets and binders for the region's legislators. TPAC members are encouraged to register for the RTS and make travel plans.

VII. Transportation Program Update

The Northern Arizona Regional Transportation Safety Plan addresses safety concerns from a regional perspective to reduce risk of death and serious injury to transportation users. It is data driven and engages stakeholders. The plan will establish a framework identifying objectives, strategies and performance measures for transportation safety. It will create or lead to federal BIL grant eligibility opportunities, for NACOG, CYMPO and MetroPlan and respective member agencies.

The consultants for the study, Greenlight Engineering, recently provided NACOG with a summary of the public input collected between March and April 2023 on transportation safety across the region, which NACOG will review and Greenlight will incorporate into the final plan recommendations. The consultants have also completed the identification of safety emphasis areas and the network screening.

Next steps in the planning process include identification of safety projects and strategies, as well as identification of funding sources for projects. Greenlight Engineering will lead a safety policy discussion at the August RC meeting, focused on educating elected officials about FHWA's Zero Deaths goal and Safe Systems Approach. NACOG will seek support for a proclamation that would commit the region to working toward zero deaths by 2048 (in 25 years).

Verde Valley Transportation Safety Plan. At the May VVTPO meeting, NACOG presented the concept of an extension to the Regional Transportation Safety Plan that enhances the plan to provide recommendations at a higher resolution for the Verde Valley. The concept received overwhelming support, leading the NACOG planning team to apply for SS4A grant on July 8 and AZ SMART grant on 7/13. NACOG staff held a strategic planning session at the 7/26 VVTPO meeting, discussing roles, responsibilities, next steps and local match.

NACOG has updated its TIP document to expand the programming horizon through fiscal year 2029. The FY24-29 TIP has been posted on NACOG's website for public review and comment and will go before the Regional Council for approval on 8/24.

Staff provided an update on the following funding opportunities. Information on each of these programs is included in the meeting packet.

- Transportation Alternatives Program – applications due August 18
- MPDG Program – applications due August 21
- Rural & Tribal Assistance Pilot Program (RTAPP) – applications open August 14
- Reconnecting Communities and Neighborhoods (RCN) – applications due September 28
- PROTECT Program – applications due August 18

VI. Adjourn

Committee members that do not currently receive Kevin's RTAC email updates should contact Cindy Binkley or visit rtac.net/contact to be added to the distribution list.

The next TPAC meeting is scheduled for 1-2:30PM on Wednesday, 9/13.

Staff will send an outlook invitation to determine if there will be a quorum.

Chairwoman Mallory asked for any final questions or comments. Hearing none, she adjourned the meeting.

Chairwoman Mary Mallory adjourned the August 9, 2023 meeting of the NACOG Transportation Policy Advisory Committee at 1:50 P.M.

Northern Arizona Council *of* Governments
119 E. Aspen Avenue
Flagstaff, AZ 86001-5222
(928) 774-1895, FAX: (928) 773-1135

Memorandum:

Date: September 11, 2023

To: NACOG Transportation Policy Advisory Committee

From: Jennifer O'Connor, Planning Director; Mike Huff, Transportation Planner; Tod Morris, Senior Mobility Management Planner

Subject: Transportation Program Update

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TRANSPORTATION INFRASTRUCTURE UPDATES

1) RTAC TRANSPORTATION REVENUE/NEEDS OVERVIEW

Kevin Adam, RTAC Legislative Liaison, has prepared a technical document, called the "Transportation Revenue/Needs Overview", to educate legislators and other elected officials about the problem of long term underfunding of transportation infrastructure at both the federal and state levels and the impacts that has on rural roads in the state. The Transportation Revenue/Needs Overview is included in this TPAC meeting packet and members are encouraged to review it and share it with their peers in order to expand the understanding of transportation funding shortages in Arizona.

2) REGIONAL PRIORITY PROJECTS LIST 2023

On August 24th, the NACOG Regional Council approved the 2023 Regional Priority Projects List (RPPL) for submission to the Rural Transportation Advocacy Council. The 2023 RPPL is based on projects identified through the 2022 RPPL development process, which included an open call for projects to all jurisdictions in the NACOG region and a clear set of criteria for selecting and prioritizing projects. As the other COGs and MPOs from Greater Arizona complete their project lists, RTAC will combine them into a single Priority Project List for consideration in the 2024 Arizona State Legislative session.

The 2023 Regional Priority Projects List is included as an attachment to this packet and can also be found on the NACOG website here: https://nacog.org/regional-priority-projects-list/. The updated fact sheet for each project is also available on the website. Staff is currently developing an interactive mapping website where elected officials and members of the public will be able to view the locations of each project along with the fact sheets. The link will be shared with TPAC members as it becomes available.

NACOG staff is also preparing RPPL binders for each legislative delegation (Districts 1, 6 and 7), which will include an overview of the RPPL, fact sheets for each jurisdiction in their district and other supporting materials such as letters of support. Each jurisdiction has completed a Project Commitment Form, which is signed by their jurisdiction manger or board chair/mayor, to indicate their commitment to follow through on project completion, including the local match, if awarded by the state legislature. We strongly encourage TPAC and Regional Council members to submit letters of support for the projects in their jurisdiction for inclusion in the binder. NACOG staff will also continue to meet with state legislators before and after the Rural Transportation Summit to encourage support for the RPPL Projects.

3) RURAL TRANSPORTATION SUMMIT 2023

The Rural Transportation Summit is a signature event for rural Arizona, in which elected and appointed local government officials, transportation professionals, our legislators, and other dignified guests convene and engage in solutions to improve & enhance transportation in Greater Arizona. The Rural Transportation Summit provides unprecedented opportunities to connect directly with Rural Arizona's transportation decision makers. This is a unique opportunity to network with those working to improve and enhance transportation needs in Arizona.

The 2023 Rural Transportation Summit is being hosted by the Yuma Metropolitan Planning Organization (YMPO) and the Western Arizona Council of Governments (WACOG) at the Hilton Garden Inn Yuma Pivot Point on October 18-19, 2023. Registration is currently open and can be accessed on the official Arizona Rural Transportation Summit webpage.

4) REGIONAL TRANSPORTATION SAFETY PLAN

At the August 24th Regional Council meeting, the Regional Council members demonstrated a high level of interest and engagement in the Regional Transportation Safety Plan (RTSP) through their discussion of the Draft Rural Road Safety Proclamation. The RTSP is a regional planning effort being conducted by NACOG with partners MetroPlan and CYMPO to address safety from a holistic perspective to reduce the risk of death and serious injury to all transportation network users.

The consultants for the study, Greenlight Traffic Engineering, recently provided NACOG with a summary of the public input collected between March and April 2023 on transportation safety across the region, which NACOG will review and Greenlight will incorporate into the final plan recommendations. The consultants have also completed the identification of safety emphases areas, the network screening (which identifies the major dangerous roadway segments and intersections) and a project list for recommended safety improvements.

During the Regional Council meeting, Greenlight Traffic Engineering presented an overview of the RTSP and the crash data, along with the Rural Road Safety Proclamation. Included in this meeting packet, TPAC members will find the slide deck from Greenlight's presentation to Regional Council and the revised proclamation. The committee members asked that "Impaired Driving" be added to the list of 2023 Recommended Emphasis areas, which include: Unrestrained/Not Wearing a Seatbelt, Lane and Road Departures, Speeding/Aggressive Driving, Older Drivers, Wet/Snowy/Icey Roads and Vehicle-Animal Collisions. The proclamation also commits the NACOG region to working toward reaching zero deaths on roadways (by a date 25 to 40 years in the future) and identifies actions that local jurisdictions can take to work toward meeting that goal.

At the next TPAC meeting, staff will provide a list of recommended project locations for safety improvements, which are also being shared with jurisdiction staff for their review and approval. By including these projects in the RTSP, jurisdictions will become eligible to apply for construction, or implementation, funds through the Safe Streets and Roads For All (SS4A) grant in the coming years.

5) VERDE VALLEY TRANSPORTATION SAFETY PLAN – SS4A GRANT APPLICATION

On Friday, August 18th, the State Transportation Board approved Yavapai County's application for an AZ SMART Fund award to cover the $62,500 match requirement for their Safe Streets and Roads 4 All (SS4A) grant. This is an exciting step forward, making Yavapai County, NACOG and the Verde Valley one step closer to pursuing the Verde Valley Transportation Safety Plan (VVTSP). If Yavapai County is awarded an SS4A grant this October, NACOG would assume leadership of the VVTSP, a 12-18-month process to reassess safety conditions throughout the Verde Valley and provide an updated list of prioritized safety improvements for roadway segments, intersections, bridges, and vulnerable roadway users. This new and updated list of safety improvement projects for the Verde Valley region would build on the 2017 Verde Valley Master Transportation Plan with improvements focused on increasing safety benefits rather than incorporating various other factors (e.g., economic impact, mobility, travel time, efficiency). This new planning document will situate Verde Valley public agencies, Yavapai

County, and NACOG to pursue the identified safety projects (both construction and public education/policy change activities) in this period of increased roadway funding from the Bipartisan Infrastructure Law, including SS4A Implementation Grants.

6) BIPARTISAN INFRASTRUCTURE LAW (BIL) UPDATES

NACOG strongly encourages all jurisdictions that are interested in applying for federal funds to use the many resources available on the USDOT's "Rural Opportunities to Use Transportation for Economic Success (ROUTES)" program website. The ROUTES program is designed specifically for rural communities to offer them user-friendly tools and information on federal funding opportunities and to provide technical assistance. The website includes an Application Toolkit, which can be downloaded as a PDF, in addition to toolkit videos and guidance on writing an application.

A) Reconnecting Communities and Neighborhoods (RCN) – Applications Due Sept. 28, 2023

The Office of the Secretary of Transportation (OST) has released a joint Notice of Funding Opportunity (NOFO) for the Reconnecting Communities Pilot (RCP) and Neighborhood Access and Equity (NAE) programs, which will combine two major discretionary grants into one NOFO. Together, this combined program will be known as the Reconnecting Communities and Neighborhoods (RCN) Program. While they remain separate programs for the purposes of award, the programs share many common characteristics, including:

- Prioritizing disadvantaged communities;
- Aiming to improve access to daily needs such as jobs, education, healthcare, food, and recreation;
- Fostering equitable development and restoration;
- Reconnecting communities by removing, retrofitting, or mitigating highways or other transportation facilities that create barriers to community connectivity, including to mobility, access, or economic development.

Three grant types are included in the RCN Program: Capital Construction grants, Community Planning grants, and Regional Partnerships Challenge grants.

Capital Construction grants ($1.15 billion in FY 2024) fund reconnecting-focused projects and smaller projects focused on reducing environmental harm and improving access in disadvantaged communities. Projects may address a dividing facility, mitigating a "burdening" facility (a source of air pollution, noise, stormwater, or other burden), or improving access and building or improving Complete Streets.

Community Planning grants ($185 million in FY 2024) provide funds for planning activities to support future construction projects and allow for innovative community planning to address localized transportation challenges. Projects may address planning to restore community connectivity, community/public engagement, assessing environmental impacts from transportation in underserved communities (i.e., air quality, greenhouse gas emissions, extreme heat hotspots, flood prone transportation infrastructure), or developing local anti-displacement policies and community benefit agreements.

Regional Partnerships Challenges grants ($450 million in FY 2024) incentivize stronger partnerships between local governments, Tribal governments, MPOs/RPOs, State DOTs, and non-profit, private, and community partners to tackle persistent equitable access and mobility challenges, as well as greenhouse gas emissions reductions. Applicants must consist of a partnership between two or more eligible agencies.

View the full RCN program Notice of Funding Opportunity for more information, and please reach out to Mike Huff (mhuff@nacog.org) if you have questions.

B) Strengthening Mobility and Revolutionizing Transportation (SMART) – Due October 10, 2023

The USDOT SMART grant, a separate funding opportunity from the AZ SMART Fund, was established to provide grants to eligible public sector agencies to conduct demonstration projects focused on advanced smart community technologies and systems in order to improve transportation efficiency and safety. The SMART Grants Program funds purpose-driven innovation to build data and technology capacity and expertise for State, local, and Tribal governments. Communities should target their real-world challenges where the use of new technologies and approaches can create benefits.

For more information about the USDOT SMART grant, click here.

C) Thriving Communities Program – Coming Soon

The Fiscal Year (FY) 2023 Thriving Communities Program opportunity for Capacity Builders and communities is expected to open soon (summer/fall 2023). Through the Thriving Communities Program, USDOT selects and funds Capacity Builder teams to provide deep-dive technical assistance, planning, and capacity building support to under-resourced and disadvantaged communities across the U.S. to help ensure these communities have the technical tools and organizational capacity to comprehensively plan for and deliver quality infrastructure projects and community development projects that enable their communities and neighborhoods to thrive. USDOT selects Capacity Builders and communities through separate but coordinated application and review processes.

For more information on the Thriving Communities Program, click here.

7) GENERAL GRANT RESOURCES

Project sponsors with additional questions or interested in receiving additional assistance are invited to visit the Department’s Grants homepage to look for federal funding. Currently, twelve fact sheets are available on the following non-MPDG subjects, including apportionments, the “new” Bridge Formula Program, and all of FHWA’s “legacy” formula programs carried over from the FAST Act on the FHWA website. For a full list of grant opportunities available through the BIL, please reference the Building A Better America Guidebook.

MOBILITY AND TRANSIT UPDATES

1) VOLPE CENTER: GREATER SEDONA VISTOR MANAGEMENT & TRANSPORTATION ASSESSMENT GROUP

The U.S. Forest Service, City of Sedona, and Arizona Department of Transportation have partnered with the U.S. Department of Transportation Volpe Center to assess visitor management challenges and identify future actions to improve public safety, provide more sustainable access, and improve experiences for visitors and residents.

The Volpe Center's Public Lands Team helps public land management agencies resolve complex transportation challenges at both the program and project levels. Their work draws on expertise in a variety of fields, including policy and program development, multimodal systems planning, alternative fuels and vehicle selection, environmental compliance, and climate change mitigation and resilience.

The U.S Forest Service and the City of Sedona have identified a need for a broad scale assessment of strategies to support safe and efficient visitor management within the greater Sedona/Oak Creek Canyon areas. With an estimated 3.5 million visitors a year, Sedona and the greater Verde Valley are suffering negative impacts of being gateway communities to surrounding federal land. The undesired impacts of recreation and visitation include:

- Traffic congestion
- Pedestrian safety
- Parking outside of designated parking areas and within residential areas
- Resource damage and impairment of ecological function: wildlife habitat, water quality, rare plants, rangeland vegetation, cultural resources
- Trash, graffiti, and other unacceptable human impacts
- Impact to infrastructure and operations: poor road/trail condition, overflowing trash receptacles

Through a partnership with the Volpe Center, this Fall a Transportation Assessment Group (TAG) will be established to engage partners/cooperators and interest groups to surface relevant issues and identify actions to address transportation, visitor safety and visitor management challenges. The TAG report synthesizes recommendations and next steps as they relate to the area's the long-term goals.

Opportunities to improve visitor management may include, but are not limited to:

- Alternative transportation and expansion of the trailhead transit program
- Tools for visitor management (reservation systems, concentrated use areas, new development)
- Understanding how the Forest and the community can balance access/visitation with resource protection, public safety and community concerns

2) REGOINAL VANPOOL PROGRAM: WINSLOW INDIAN HEALHCARE CENTER

NACOG staff have supported the Winslow Indian Healthcare Center (WIHCC) in requesting a Regional Service request to the Mountain Line Board. If approved, this request would allow WIHCC to tap into the FTA 5311 program's $400/month subsidy program. WIHCC will be responsible for the local match, and this program will support vanpool expansion in Navajo County and help recruit and retain staff working in the new Dilkon Medical Facility. NACOG views vanpools as an essential component of the regional Passenger Transportation network. In recent years, NACOG has worked closely with Mountain Line staff to help grow the vanpool program. The Regional Service request from Winslow Indian Healthcare Center is great example of the type of regional collaboration needed to support Northern Arizona.

3) ADOT TRANSIT STAFFING

Longtime ADOT Transit Planner, Sara Allred, will be leaving ADOT on July 27th. This change will primarily impact Northern Arizona 5310 agencies. Please direct correspondence for the 5310 program directly to Brian McCoy who is the 5310 Program Manager at BMcCoy@azdot.gov. Insurance emails go to Mincertificate@azdot.gov and Vehicle Questions go to Edmund Shepard EShepard2@azdot.gov. Other subjects should generally go to Jill Dusenberry, the Transit Group Manager at JDusenberry@azdot.gov.

Rural Transportation Advocacy Council

Linking Arizona to the Global Economy

Central Arizona Governments
Central Yavapai Metro. Planning Org.
Lake Havasu Metro. Planning Org.
MetroPlan Greater Flagstaff
Northern Arizona Council of Gov'ts.
Sierra Vista Metro. Planning Org.
Southeastern AZ Governments Org.
Sun Corridor Metro. Planning Org.
Western Arizona Council of Gov'ts.
Yuma Metropolitan Planning Org.

August 1, 2023

TRANSPORTATION REVENUE/NEEDS OVERVIEW

Despite recent federal and state efforts, the level of under-investment in our Nation's transportation infrastructure continues to expand as funding increases continue to be outpaced by ever-growing costs. The trends are worse in Arizona. This document will explore the transportation revenue to needs gap, its contributing factors, and the impacts of under-investment.

NATIONAL:

The American Society of Civil Engineers periodically releases a report card for America's infrastructure. The most recent graded our Nation's roads a D, our bridges a C, and our transit a D-. As illustrated below, the Report estimates roughly $4.1 trillion would be required to address all of our transportation needs through 2039 while just over $2 trillion will be available, leaving the United States with a $2.1 trillion revenue to needs gap. That translates into less than half of the needs being met.

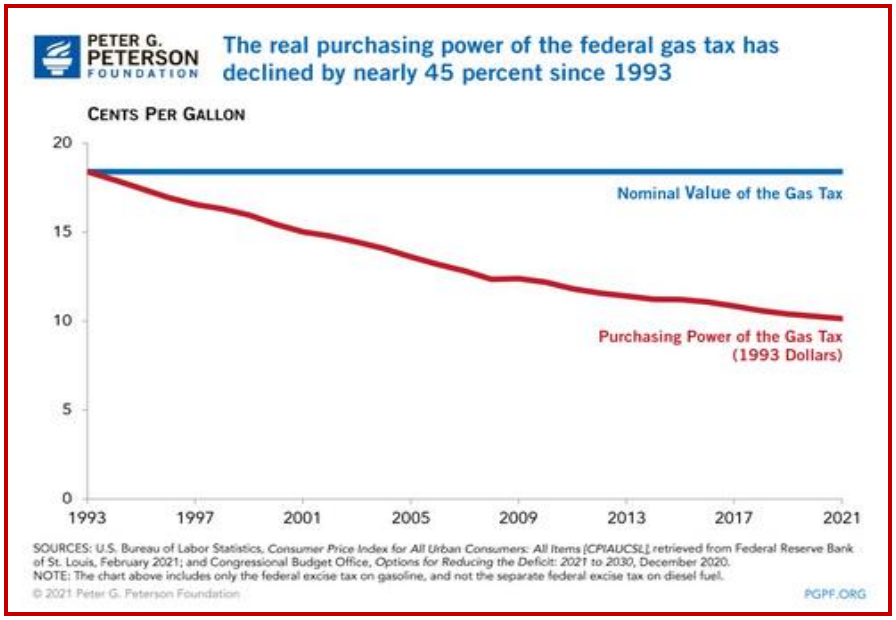
TABLE 3. Projected Surface Transportation Infrastructure Gap, 2020-2039 ($2019 Billions)

Surface Transportation Component	Projected Needs	Projected Investment	Estimated Investment Gap
Highways & Bridges	$3,256	$1,720	$1,536
Transit & Intercity Rail	$842	$308	$535
Totals	$4,098	$2,028	$2,071

Note: Columns and Rows may not add due to rounding.

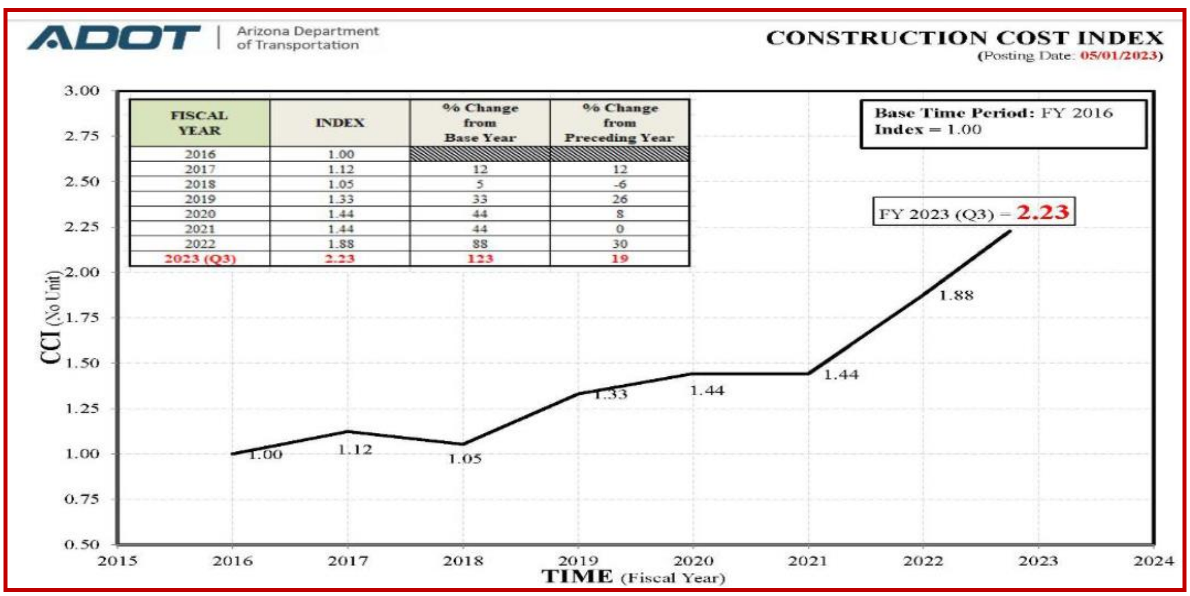
ASCE Failure to Act Report 2021

THE FEDERAL GAS TAX has remained the same since it was last raised to 18.4 cents a gallon in 1993. Over the last 30 years, its purchasing power has been reduced by roughly 45%! Not all that surprising when a fixed per gallon rate remains unchanged for three decades. To put that in perspective, a gallon of gas cost $1.12 in 1993 compared to last year's average of $4.28. Yet the 18.4 cents per gallon federal tax, as well as Arizona's 18 cent rate, remain the same.



Peterson Foundation March, 2021

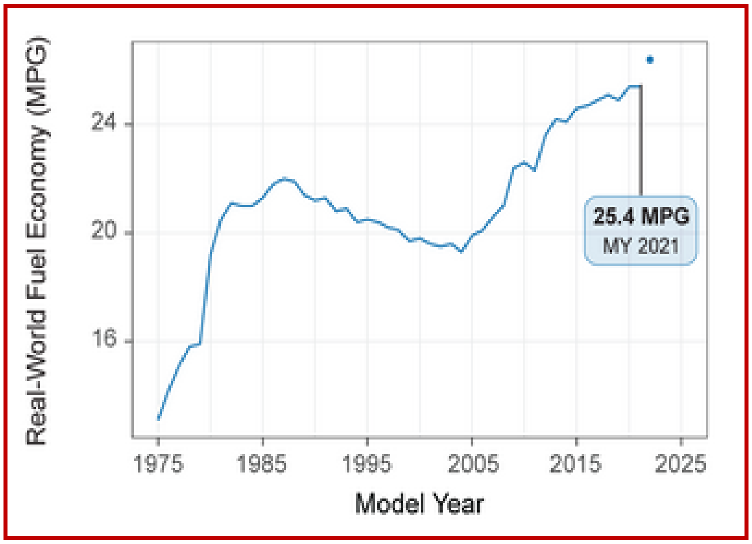
INFLATION: To make matters worse, inflation in the transportation construction industry has risen at a far faster pace than other standard inflationary measurements such as the Consumer Price Index (CPI). The following chart from ADOT illustrates that highway construction costs have more than doubled just since 2016!



FISCAL YEAR	INDEX	% Change from Base Year	% Change from Preceding Year
2016	1.00		
2017	1.12	12	12
2018	1.05	5	-6
2019	1.33	33	26
2020	1.44	44	8
2021	1.44	44	0
2022	1.88	88	30
2023 (Q3)	2.23	123	19

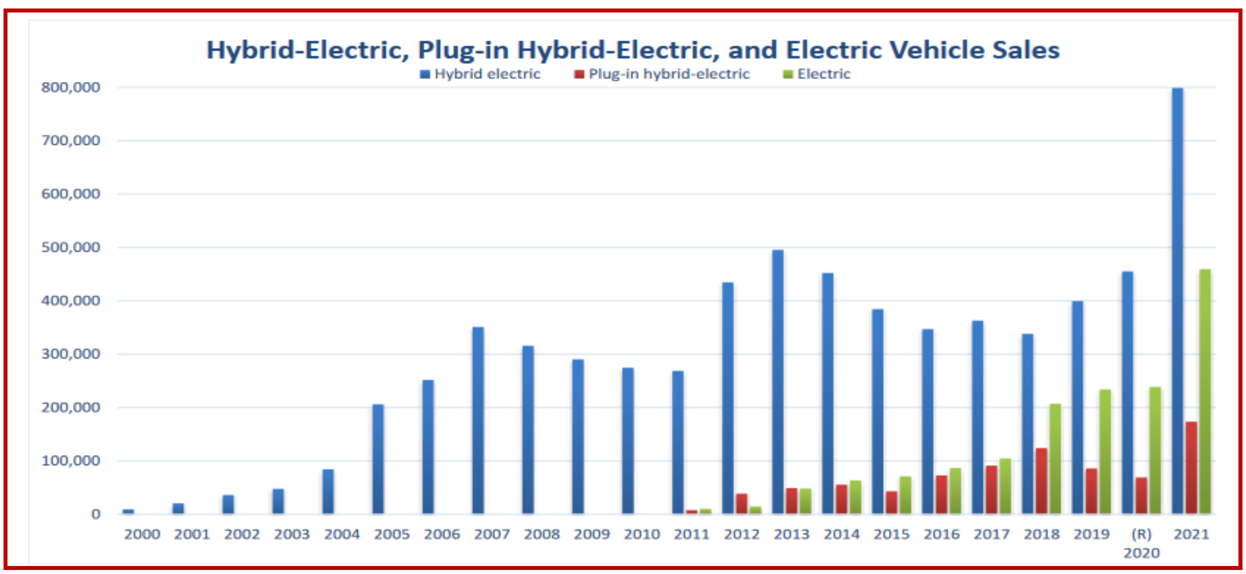
ADOT June 2023

VEHICLE FUEL EFFICIENCY: In addition to inflation, fuel taxes have also been impacted by continually improving vehicle fuel efficiency which causes revenue collections, based on gallons sold, to not increase at the same proportion as vehicle miles travelled or its resulting impacts on the infrastructure.



EPA 2023

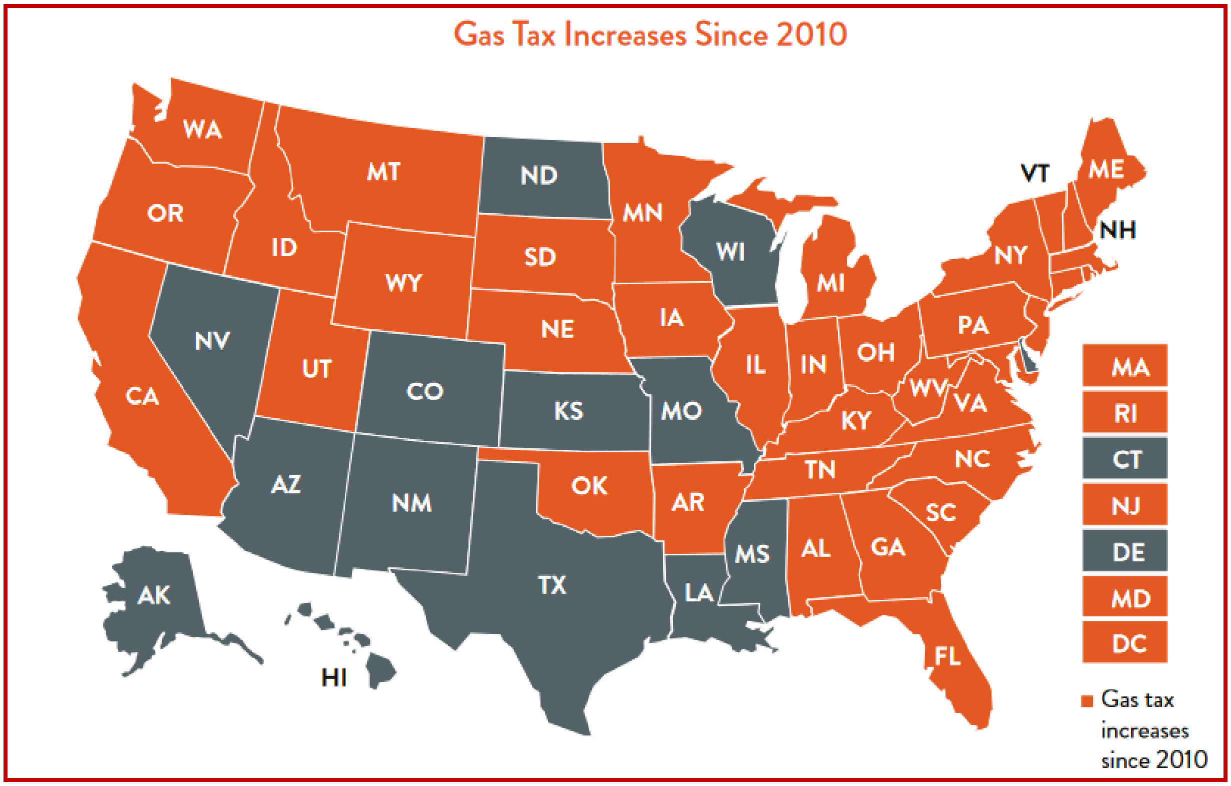
THE GROWTH OF ALTERNATIVE FUEL VEHICLES is another factor that will increasingly diminish the ability of the gas tax to address our infrastructure needs. Electric vehicles currently make up only 1% of the vehicles on U.S. roads but have started to capture a growing percentage of the new car sales market, a trend which is expected to accelerate very rapidly. Electric vehicles are currently not subject to federal fuel taxes nor many state fuel taxes including Arizona. As of January, it is estimated that electric vehicles have already saved 500 million gallons of gas which translates into $90 million in lost federal fuel tax revenue, a relatively tiny number but one that will grow exponentially as electric vehicle use takes off.



Bureau of Transportation Statistics 2023

ARIZONA:

Arizona last adjusted its state fuel tax in 1991 to 18 cents. Since 2010, 37 other states have increased their fuel taxes to varying degrees and many have also implemented variable rates that will automatically adjust for inflation going forward. As we were already near the bottom, we didn't have far to drop to our current ranking of 47th. However, the separation between us and the states that were already ahead has grown considerably. Our 18 cents is considerably less than the 26 cent average for all states. This relative lack of investment is further concerning when considering Arizona's explosive and long sustained population growth and the relatively large geographic size that we need to service.



ASCE Report Card for America's Infrastructure 2021

In Arizona, the population growth continues to drive infrastructure expansion needs while the aging system and decades of under-investment are increasingly taking a toll on bridge and pavement conditions, driving up maintenance costs that can grow exponentially when too much deferred maintenance leads to far more costlier reconstruction.

The following graph, provided from the preliminary findings of ADOT's upcoming long range transportation plan update, depicts pessimistic, optimistic and status quo revenue forecasts for the state's highway construction program through 2050. The revenue forecasts from the three scenarios range from $48.8 billion to $87.5 billion. For that timeframe, ADOT infrastructure needs are estimated at $174 billion. **Best case, the Arizona state highway system has a $86.5 billion revenue to needs gap over the next 25 years!** Worst case, that shortfall grows to $125.2 billion. Under the most optimistic scenario, that's an average underinvestment of $3.46 billion a year every year for the foreseeable future.

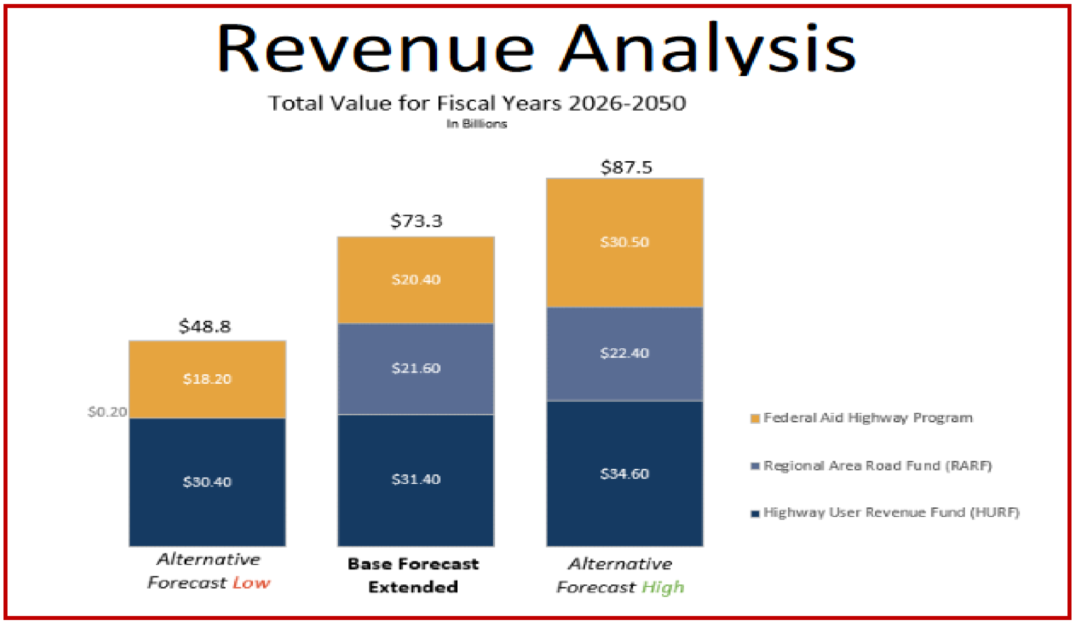
That funding gap doesn't include an additional $57 billion in needs for which ADOT has some level of stewardship responsibility including airports, public transit, and non-highway system bridges.

That gap also doesn't include an unknown but very substantial level of needs on county and municipal road networks. In lieu of their own lack of authority for many transportation-related taxes such as fuel, local governments receive a substantial share of the state-collected Highway User Revenue Fund (HURF) revenues to build and maintain local road networks which collectively comprise a lot more road miles and pavement than the state highway system. Those local road networks are also negatively impacted by the 30-year lack of adjustment to the state fuel tax and other revenue streams that comprise HURF revenues.

In recent years, lawmakers have prioritized transportation with available one-time revenues. They appropriated $650 million this year and roughly $1 billion last year to expansion projects, pavement rehabilitation, and for the SMART Program which provides state funding to support rural communities pursuing federal transportation competitive grants. The funding has provided a tremendous short-term boost but will not be sustained in the long-term. Unfortunately, there has not been the level of political support needed to permanently raise the transportation-dedicated funding sources, such as the state fuel tax, that would provide the needed long-term higher investment levels.

MARICOPA COUNTY REGIONAL TRANSPORTATION SALES TAX: Another major issue illustrated by the following graph involves the very sizable light blue blocks in the middle of the center and right bars which represent Regional Area Road Fund (RARF) revenues. RARF funding is generated by the Maricopa County regional transportation half-cent sales tax which funds a number of infrastructure needs including freeway and highway projects within the County.

That tax will expire at the end of 2025 without a successful public vote to extend. The ability to even have that vote was very much in question until the last day of July, when after a very lengthy and contentious process at the Capitol, the Legislature passed a bill authorizing such a vote by the voters of Maricopa County. While obtaining the authority to place the extension on the ballot was a major hurdle to overcome, it still must pass at the ballot for this revenue to continue. Without the extension, those considerably-sized light blue blocks on the graph go away. While the RARF revenue can only be used in Maricopa County, its loss would put a tremendous strain on the other remaining transportation revenue sources, most of which are shared statewide.



ADOT June, 2023

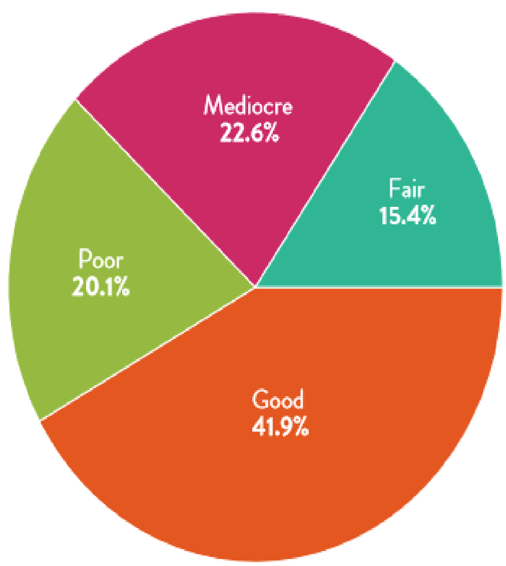
IMPACTS FROM UNDER-INVESTMENT:

AT THE NATIONAL LEVEL:

CONDITION, CAPACITY & PUBLIC SAFETY

There are over 4 million miles of public roadways in the United States carrying people and goods to their destinations every day. However, these roadways are expected to withstand an ever-increasing volume of traffic each year, with vehicle miles traveled reaching more than 3.2 trillion in 2019, an 18% increase from 2000.[1] Unfortunately, the growing wear and tear to our nation's roads has left 43%[2] of our public roadways in poor or mediocre condition, a number that has remained stagnant over the past several years. Of note, the vast majority of roads in poor and mediocre condition tend to be on urban and rural collectors and the non-interstate system, while the interstate system tends to be in good condition. Overall, our deteriorating roads are forcing the nation's motorists to spend nearly $130 billion[3] each year in extra vehicle repairs and operating costs. Even more troubling is that the number of vehicle miles traveled on roads in "poor" condition has risen from 15% to more than 17% over the last decade.[4]

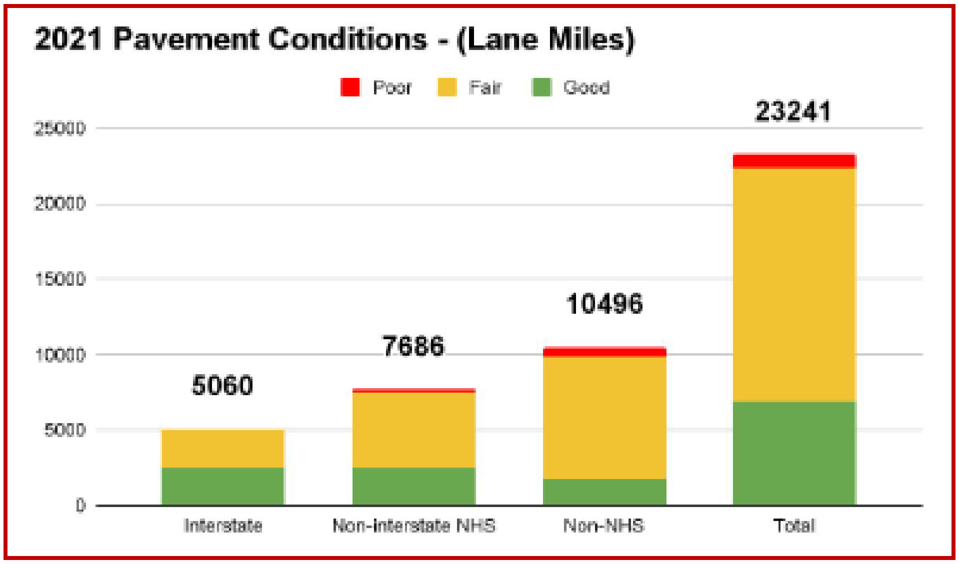
Roadway Condition



Source: Data from TRIP, a National Transportation Research Nonprofit

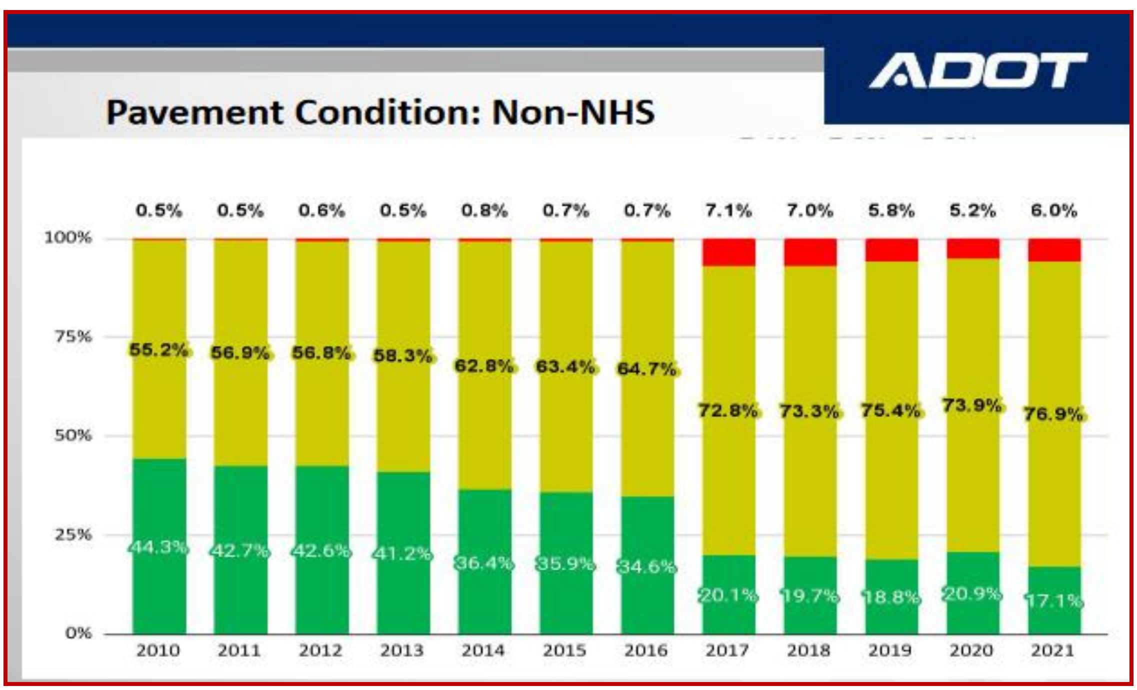
ASCE 2021 Infrastructure Report Card

FOR ARIZONA, pavement conditions are even worse than the national averages depicted by the previous pie chart. This is further disturbing when considering ADOT's investment choices already heavily prioritize maintenance with the funding available to Greater Arizona.



ADOT May, 2023

In recent years, the Legislature has directed additional one-time revenues to pavement rehabilitation on rural highways. Unfortunately, despite the prioritization, pavement conditions are continuing to trend in a negative direction as illustrated by the graph below which shows the deteriorating conditions of the non-national highway system, the smaller mostly rural state routes, dating back to 2010. The emergence of poor conditions depicted by the red is particularly disturbing.



ADOT May, 2023

CONCLUSION: Congress passed the Infrastructure Investment and Jobs Act (IIJA) in 2021 which has provided historic increases in transportation funding. Over the last couple of years, Arizona has accumulated historic levels of one-time state revenues and lawmakers have directed substantial portions of it to the transportation infrastructure. Unfortunately, this progress has been greatly offset by inflation and also the diminshing impact of our dedictaed transportation revenue sources which we have failed to modernize and increase to more closely align with ongoing needs. We have now gone decades without making those needed adjustments.

Despite the recent advancements, out transportation infrastructure continues to decline which will have growing consequences on its adequacy and reliability, with far ranging impacts to our safety, the economy, cost of living, the environment, and overall quality of life.

NACOG
Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

Regional Priority Projects List 2023

ID	Sub-Region	Jurisdiction	Project Name	Funding Request	Local Match
1	Navajo	City of Show Low	East Woolford Road Extension	$3,971,875	$6,300,000
2	Coconino	City of Williams	Rodeo and Route 66 Road Pavement Replacement and Trail Connector	$4,535,517	$780,864
3	Apache	Apache County	Rural School Bus Route Enhancement and Soil Stabilization Pilot Project (45 miles, County-wide)	$461,250	$60,000
4	Yavapai	City of Sedona	SR-89a/Forest-Ranger Roundabout (SR-179 & SR-89a Congestion Relief)	$6,426,750	$1,567,500
5	Apache	Apache County	Concho-Snowflake Highway Cold In-place Recycling (CIR) (MP 7.5 - US180A)	$3,562,350	$100,000
6	Navajo	Hopi Tribe	Project HIR 500(1) - Hotevilla-Bacavi Road Reconstruction	$2,329,385	$1,627,429
7	Apache	Town of Eagar	Electric Vehicle Charging Station (US-60 & US-191 Alternative Fuel Vehicle Access)	$420,250	$100,000
8	Apache	Navajo Nation, Cornfields Chapter	Pueblo Colorado Wash Crossing Box Culvert Installation (Safety & Access Improvement)	$1,469,850	$266,000
9	Coconino	Hopi Tribe	Kachina Point Road Reconstruction (HIR 2, Kykotsmovi to Leupp) - Construction Phase 1	$10,084,492	$12,301,717
10	Yavapai	Yavapai County	Old Route 66 Pavement Preservation and Modernization - Ash Fork to Peach Springs (Phase 1)	$5,041,635	$4,379,911
11	Navajo	Towns of Snowflake and Taylor	Centennial Blvd Improvement (SR-77 Alternative & Emergency Access)	$194,750	$28,500
12	Yavapai	City of Cottonwood	Main Street Pavement Preservation & Roundabout	$4,510,000	$9,000,000
13	Apache	Town of Springerville	Tori Circle & Chiricahua Drive School Bus Route Total Reconstruction	$1,044,291	$50,000
14	Navajo	City of Winslow, Navajo County	Lindbergh Parkway SR87 Bypass, I-40 Connection - Phase 1	$13,080,005	$2,251,937
15	Coconino	Town of Tusayan	Highway 64 Restripe (Grand Canyon Natl. Park Congestion Relief)	$307,500	$25,000
16	Apache	ADOT Northeastern District	US-160 Erosion Control, Oxbow (MP 420)	$2,066,724	$0
17	Coconino	City of Williams	Airport Rd. Pavement Replacement & Extension	$10,777,275	$1,855,485
18	Apache	ADOT Northeastern District	US-191 Drainage & Flood Safety Improvement (MP 389.3)	$4,503,212	$0
19	Northern Arizona Council of Governments		Rural School Bus Routes Study	$500,000	$0
			TOTAL	*$75,287,111*	

NACOG Rural Road Safety Proclamation

October 26, 2023

WHEREAS, Northern Arizona Council of Governments (NACOG) is currently conducting a Regional Transportation Safety Plan to identify key roadway safety concerns and prioritize improvements to address those concerns; and,

WHEREAS, according to the Arizona Crash Information System, from 2017-2021, 680 people died in traffic crashes in the region; and,

WHEREAS, the NACOG 2023 Regional Transportation Safety Plan identifies the following Emphasis Areas based on the crash data:

- Not Wearing Seat Belt
- Lane/Road Departure
- Speeding
- Older Drivers
- Wet/Snowy/Icy Roads
- Vehicle-Animal Collisions
- Impaired Drivers

WHEREAS, the Federal Highway Administration (FHWA) encourages local, regional and state agencies to join them in working Toward Zero Deaths.

WHEREAS, to achieve a zero deaths vision, everyone must accept that fatalities and serious injuries are unacceptable and preventable, and that to achieve zero death, jurisdictions should address all aspects of safety through the Safe System Approach.

WHEREAS, the Safe System Approach creates a holistic approach to supporting safety culture that places safety first and foremost in road system investment decisions through the following five layers of protection: safe road users, safe vehicles, safe speeds, safe roads and post-crash care.

WHEREAS, in conclusion, we reiterate that the safety of our citizens is our top priority. By working together and taking a proactive zero deaths approach to roadway safety planning, we can prevent needless fatalities and injuries and create a safer and more secure future for all Americans.

Proclamation Statement

NOW, THEREFORE, be it resolved that the NACOG Regional Council hereby commits to working to reach zero roadway deaths by 2048 by taking the following actions:

- We encourage jurisdictional and local governments to take steps to decrease the dangers of speeding on rural roads. This may include increasing awareness through public service announcements, reducing speeds on high-risk roads, increasing enforcement efforts, and installing warning signs in high-risk areas; and,

- We encourage jurisdictional and local governments to take steps to address older driver safety. This may include improved lighting, larger signs, and improved roadway delineation.
- We encourage jurisdictional and local governments to take steps to address lane and road departure crashes. These may include rumble strips, paved shoulders, and curve warning signs.
- We encourage jurisdictional and local governments to take steps to address animal crashes. These may include improved roadside vegetation control and fencing.
- We also call on all road users to do their part in promoting safe driving habits. This includes being mindful of their own driving speeds (especially during inclement weather), reminding others to avoid speeding, always wearing a seat belt, not driving/walking/biking while impaired, and supporting initiatives aimed at reducing speeding-related crashes; and,
- We recognize the critical role technology can play in reducing speeding-related crashes. We urge jurisdictional and local transportation agencies to explore rural intelligent transportation system tools that address speed, such as speed warning systems; and,
- We encourage NACOG, along with its jurisdictional and local governments, to seek support and funding for educational campaigns, infrastructure improvements and law enforcement efforts to increase seat belt usage, reduce lane departures, reduce speeding, reduce impaired use of the road and other actions to reduce serious injuries and fatalities on our roadways;
- The Regional Council encourages all its member jurisdictions to take advantage of the resources from Northern Arizona Council of Governments, the National Center for Rural Road Safety, the National Highway Traffic Safety Administration and the Governor's Office of Highway Safety to commit to slowing down and practicing safe driving habits.

Official Signature and Seal

IN WITNESS, WHEREOF I hereunto set my hand and cause the Seal of [JURISDICTION] to be herein affixed.

Done at the [LOCATION], this 26th day of October, the year of 2023.

Greenlight
Traffic Engineering

NACOG
Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

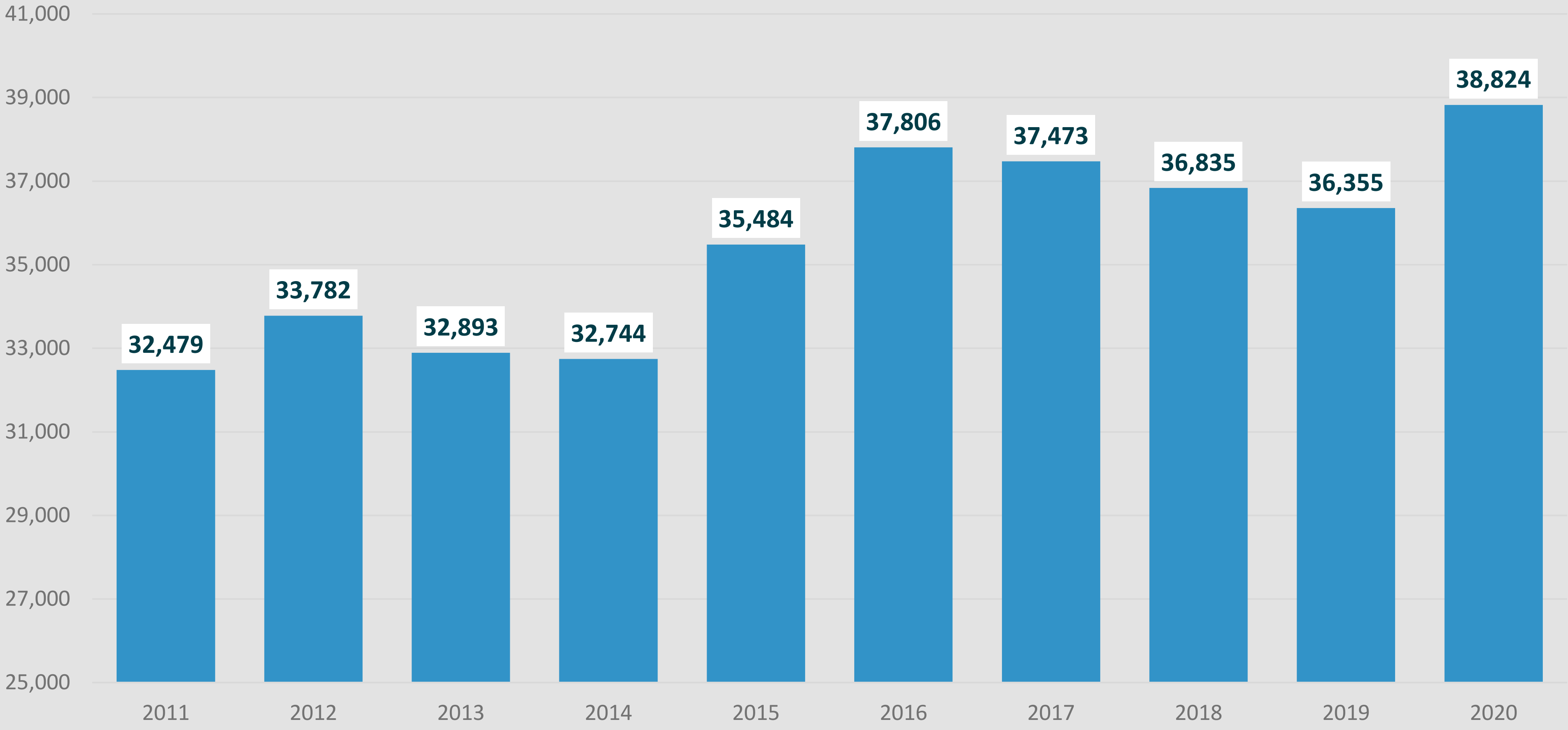
NORTHERN ARIZONA
REGIONAL TRANSPORTATION
SAFETY PLAN
Safe Streets Save Lives

Regional Transportation Safety Plan Update
NACOG Regional Council, August 24, 2023

Presented by: Mike Blankenship

Greenlight
Traffic Engineering

Thousands of Lives are Lost Each Year in U.S.



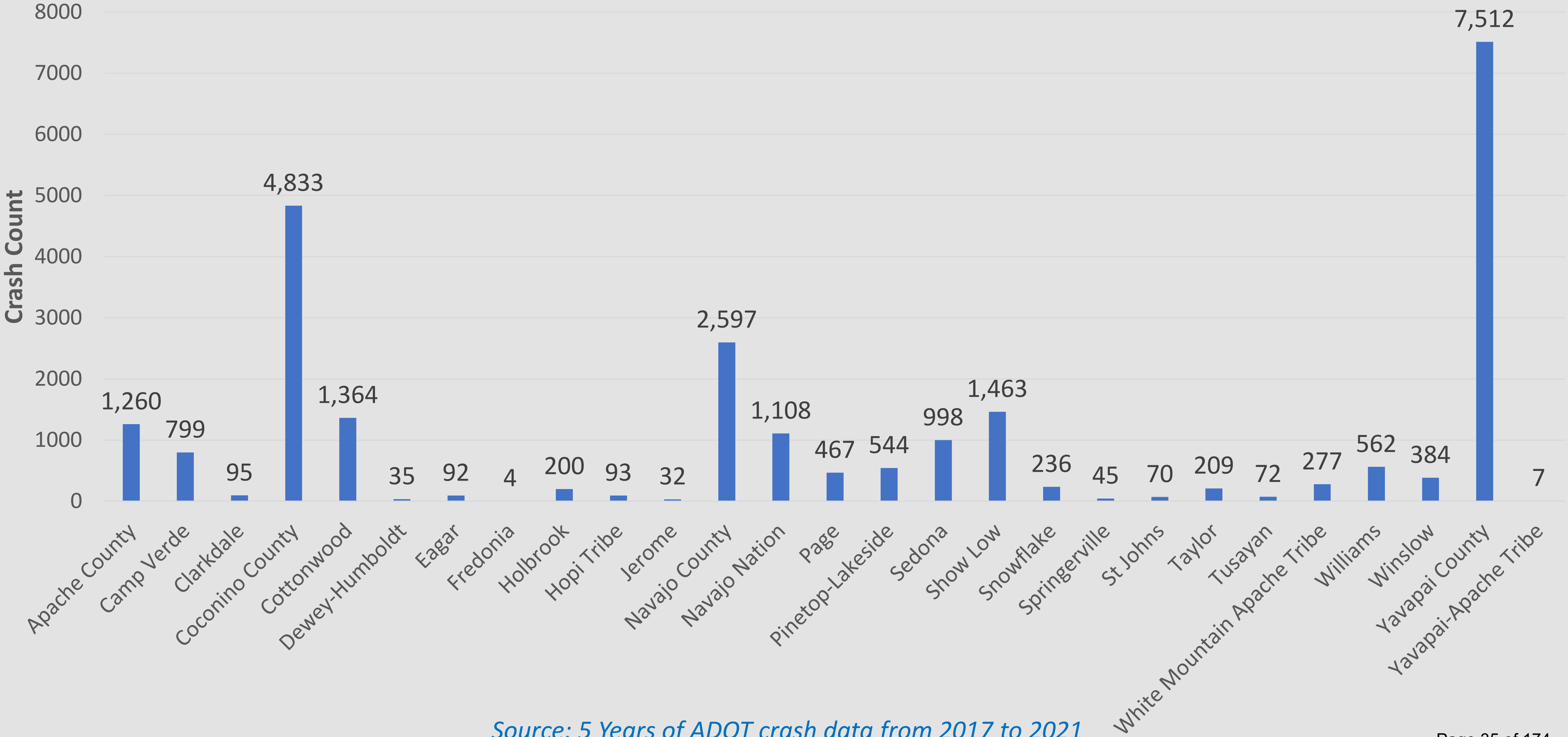
Total US Traffic Fatalities

2011-2020

Source: NHTSA

5-Year Crash Totals

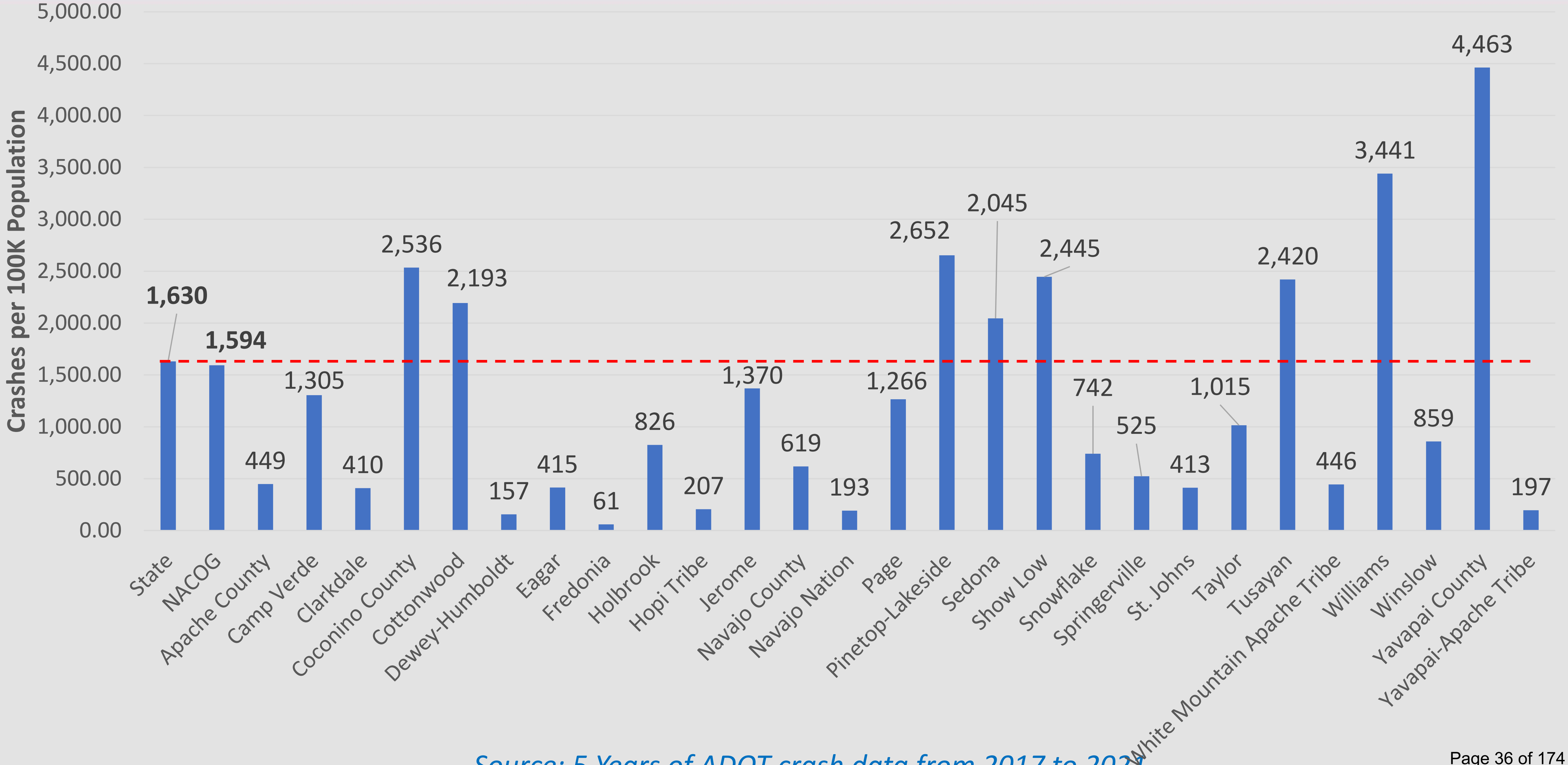
Greenlight Traffic Engineering



Source: 5 Years of ADOT crash data from 2017 to 2021

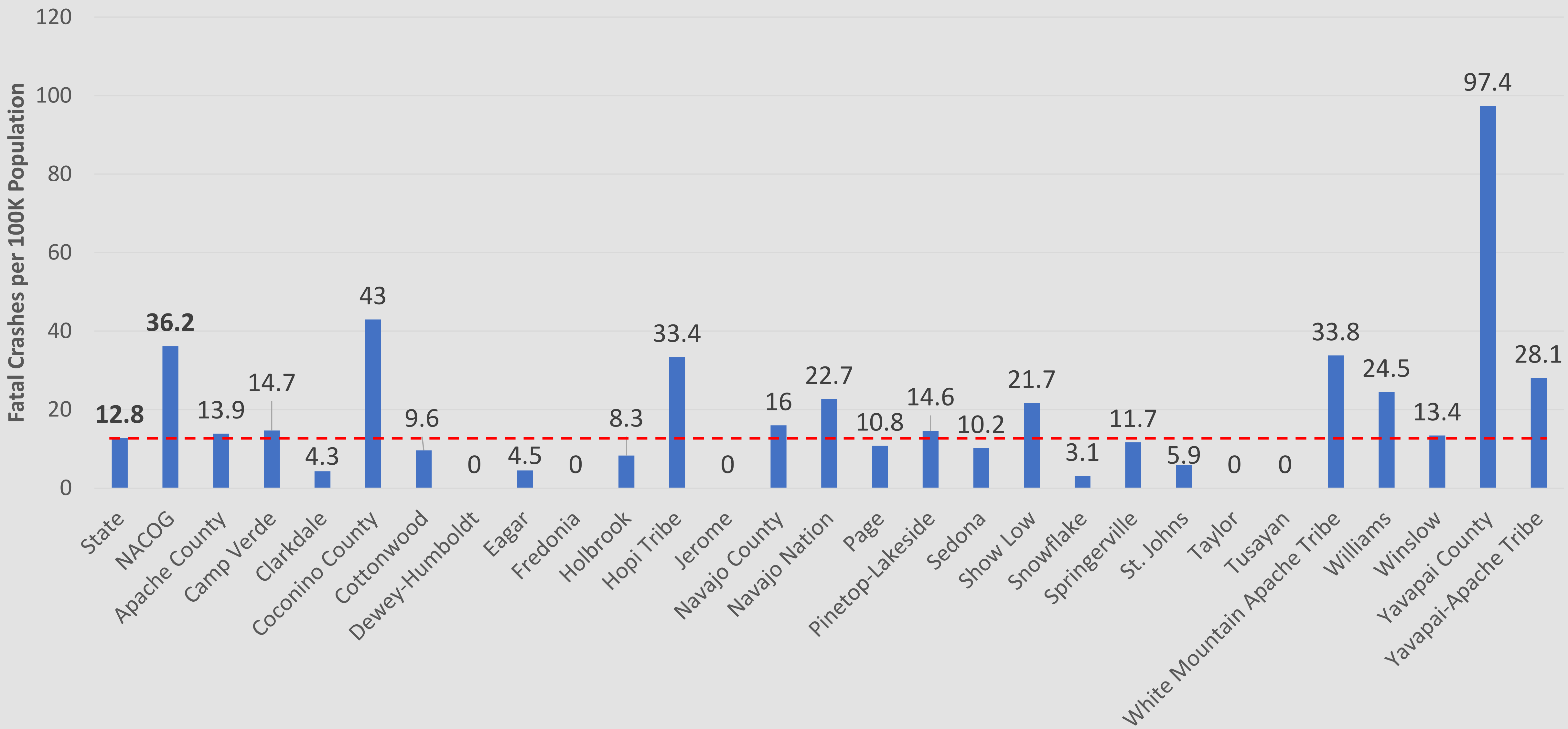
Average Annual Crash Rate per 100,000 Population

Greenlight Traffic Engineering



Source: 5 Years of ADOT crash data from 2017 to 2021

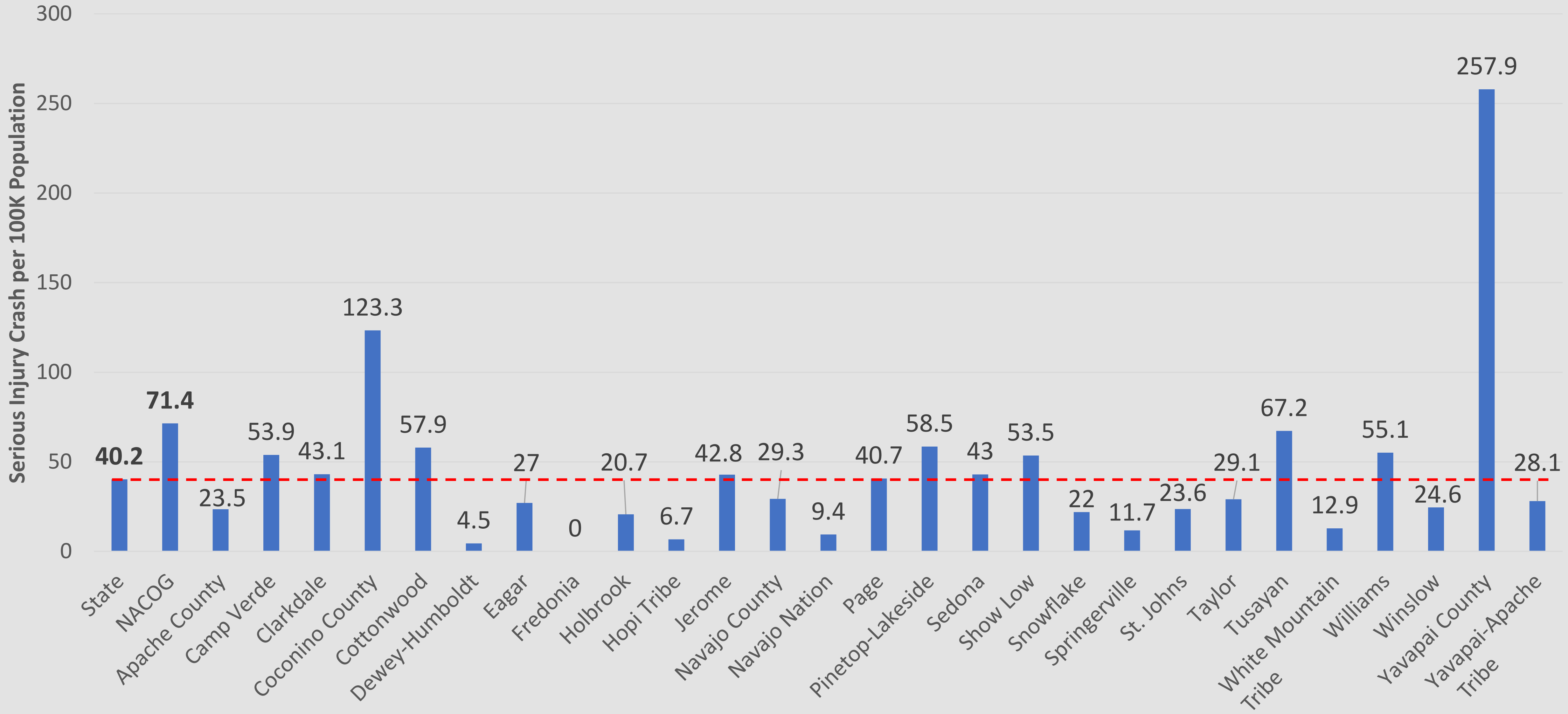
Average Annual Fatal Crash Rate per 100,000 Population



Source: 5 Years of ADOT crash data from 2017 to 2021

Average Annual Serious Injury Crash Rate per 100,000 Population

Greenlight
Traffic Engineering



Source: 5 Years of ADOT crash data from 2017 to 2021

Focus Area Summary

Factor	All Crashes		Serious Injury Crashes		Fatal Crashes	
	% of NACOG Crashes	% of State Crashes	% of NACOG Crashes	% of State Crashes	% of NACOG Crashes	% of State Crashes
Unrestrained	12.3	8.2	29.3	19.9	45.4	35.2
Lane Departure	53.0	32.0	82.5	46.1	78.5	61.7
Speeding	32.6	35.2	46.0	32.1	29.3	30.7
Older Driver	20.6	17.1	17.5	18.5	20.3	19.3
Weather	14.1	5.0	9.3	4.1	7.5	4.0
Animal	15.0	1.7	1.9	0.4	1.2	0.3
Distracted Driving	7.9	8.1	9.1	7.3	3.8	5.0

Source: ADOT crash data from 2017 to 2021

Focus Area Summary

Greenlight Traffic Engineering

Unrestrained/Not Wearing a Seatbelt

- A factor in **12.3%** of all NACOG crashes, compared to **8.2%** of statewide crashes
- A factor in **29.3%** of all NACOG *Serious Injury Crashes*, compared to **19.9%** of statewide Serious Injury Crashes
- A factor in **45.4%** of all NACOG *Fatal Crashes*, compared to **35.2%** of statewide Fatal Crashes

Source: ADOT crash data from 2017 to 2021

NACOG Emphasis Areas

Greenlight Traffic Engineering

Recommended Emphasis Areas

- Not Wearing Seat Belt
- Lane/Road Departure
- Speeding
- Older Drivers
- Wet/Snowy/Ice Roads
- Animal
- Distracted Driving

THE SAFE SYSTEM APPROACH

Zero is our goal. A Safe System is how we get there.

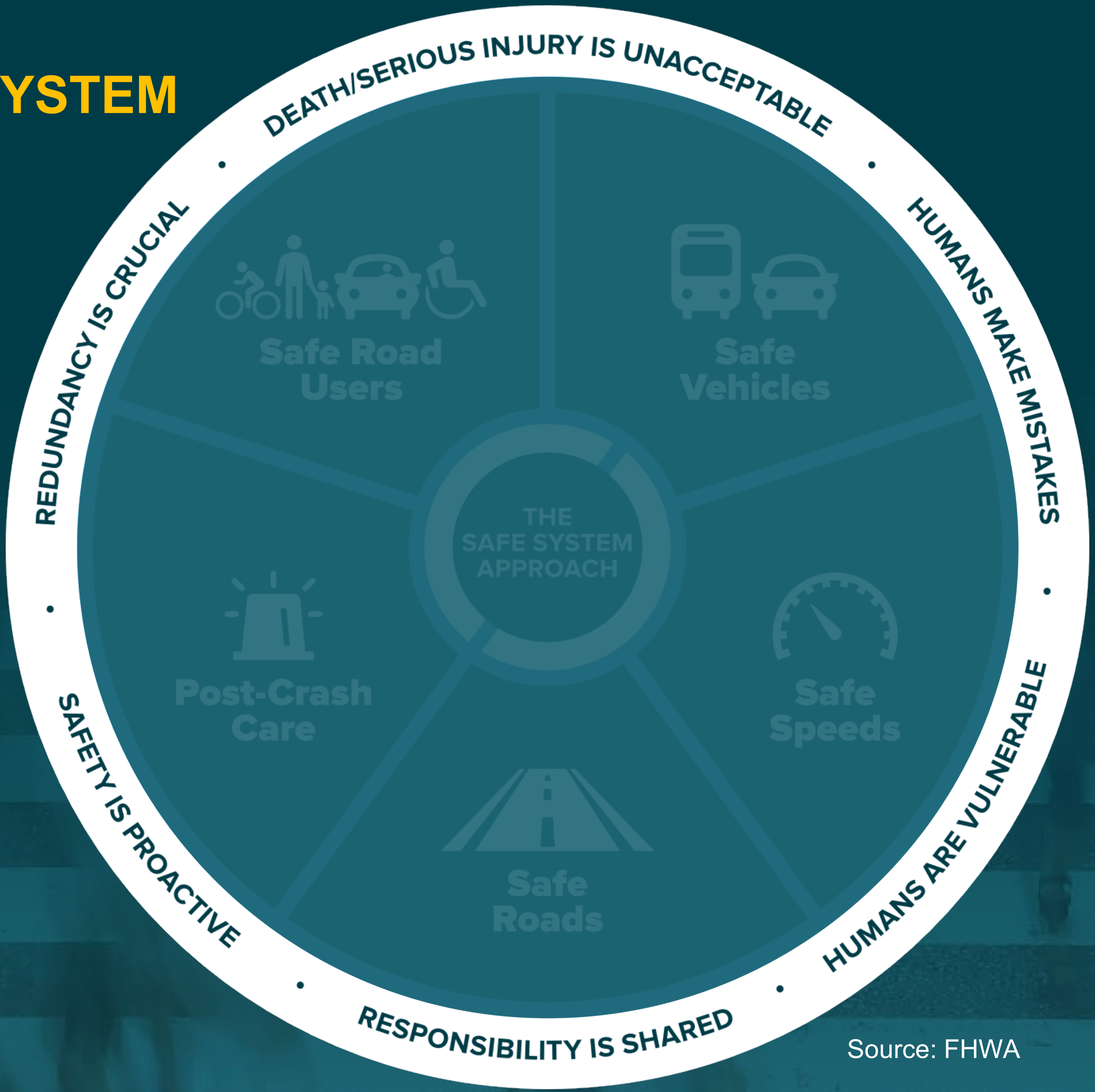
Source: FHWA

THE 6 SAFE SYSTEM PRINCIPLES

Death/Serious Injury is unacceptable

Humans make mistakes

Humans are vulnerable



Responsibility is shared

Safety is proactive

Redundancy is crucial

Source: FHWA

NACOG Intersection Screening

Greenlight Traffic Engineering

Intersection	Crash Severity Score	Jurisdiction
I-17 EXIT 287 NB & SR-260	575.22	Camp Verde
SR-260 & WESTERN DR	405.08	Yavapai Co.
PAGE SPRINGS & SR-89A	384.05	Yavapai Co.
SPRING & SR-69	375.01	Yavapai Co.
COUNTY 3172 & COUNTY 3173	356.38	Apache Co.
US HIGHWAY 89 & US HIGHWAY 89A	356.38	Navajo Nation
WHITE MOUNTAIN RD & WOOLFORD RD	282.41	Show Low
SR-71 & SR-89	226.29	Yavapai Co.
SR-89 & MAIN & SKYLINE	216.24	Cottonwood
SR-89 & WILLARD	215.32	Cottonwood
COUNTY RD 5020 & US-180A	210.58	Apache Co.
OLD CORRAL & SR-260	209.66	Camp Verde
SR-89 & LOY BUTTE	202.80	Yavapai Co.
S LAKE POWELL BLVD & US HIGHWAY 89	201.62	Page
N LAKE POWELL & US HIGHWAY 89	201.15	Page
OLD RIM RD & STATE ROUTE 260	192.49	Coconino Co.
STATE ROUTE 260 & YOUNG	192.29	Coconino Co.
SR-89 & RED ROCK LOOP	192.09	Yavapai Co.
BOURDON RANCH & ROUNDUP	191.29	Navajo Co.
BLOODY BASIN & TONELEA	190.83	Yavapai Co.

Safety Projects Funding Opportunities

Greenlight Traffic Engineering

- Safe Streets and Roads for All (SS4A): $1B/yr
- Highway Safety Improvement Program (HSIP) $65M/yr
- PROTECT Resiliency: $280M/yr

Elected official support is key to:

- Obtaining funding for safety projects
- Implementing safety projects

SS4A Implementation Grants: Require governing body to commit to "Zero Deaths"

Discussion

1. Are you hearing about safety concerns in your community and if so, what are they?

2. What would you like to take back from this meeting to your Public Works department, manager and Councils/Boards?

3. What amazing safety projects/programs does your community have?

Staff Report

Item Number: 5.A.

Agenda Item: **Approval of Minutes**
Consider and act upon the draft minutes from the regular meeting held on Sept. 26, 2023.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: October 10, 2023

Strategic Goal: Not applicable.

Background: Review of the draft minutes from the regular meeting held on Sept. 26, 2023.

Budget Impact: No budget impact.

Recommendation: Staff recommends that Council approve the draft minutes from the regular meeting held on Sept. 26, 2023 and authorize the Mayor or Vice Mayor and Town Clerk to execute all documents.

SUMMARIZED MINUTES OF A REGULAR MEETING OF THE TOWN COUNCIL
OF THE TOWN OF CLARKDALE
TUESDAY, SEPTEMBER 26, 2023, AT 3:00 PM
(To watch the full video of the meeting, please visit www.clarkdale.az.gov – agendas & minutes)

AMENDED
(Items 6G and 6H added)

Members Present: Mayor Prud'homme-Bauer, Vice Mayor Debbie Hunseder, and Council Members, Lisa O'Neill, Marney Babbitt-Pierce, and Laura Jones

Other Municipal Officials Present: Susan Guthrie, Town Manager; Charity Brooks, Town Clerk; Joni Westcott, Parks and Recreation Director; Ruth Mayday, Assistant Town Manager (via Zoom); Julie Goucher, Finance Director; Lou Anderson, Public Works Director; Angela Benavides, Human Resources Director; Virginia Smith, Public Works Administrative Supervisor; Chief Taylor, Police Chief

Zoom: Two individuals present on Zoom.

Audience: Approximately nine members of the public were present.

1. **CALL TO ORDER -** *Mayor Prud'homme-Bauer called the meeting to order at 6 p.m.*

2. **ROLL CALL -** *All members present.*

3. **PUBLIC COMMENT**
   Rebecca Backus – Clarkdale resident and owner of Park Hotel on Main Street. Customers of hotel had their vehicle broke into while parked on street between hotel and Town Park. Ms. Backus is requesting more lighting or cameras on the street between the hotel and Town Park to aid in security.
   Cynthia Malla – Clarkdale resident. Ms. Malla read a pre-typed letter to Council thanking them for their response to the community's concerns regarding the preservation of the bandstand. Ms. Malla also expressed concerns regarding the inclusion of the Historic Preservation Commission at meetings regarding the bandstand and her desire to seek grants for renovating the bandstand.

4. **STAFF INTRODUCTIONS**
   A. Angela Benavides - Human Resources Director
   Mayor Prud'homme-Bauer introduced Human Resources Director, Angela Benavides.

5. REPORTS

Departmental Reports *(submitted with Council packet)* –
Summary of written reports from Town Departments and other agencies:

- Building Permit Report
- Magistrate Court Report
- Water, Wastewater and Cottonwood Area Transit Report
- Police Department Report
- Verde Valley Humane Society

6. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the Town Council at a work session or during a New Business discussion. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

A. Approval of Minutes of the Common Council
Consider and act upon the draft minutes from the regular meeting held on Sept. 12, 2023.

B. Resolution #1699 - Making Appointments to the Design Review Board
Consider and act upon Resolution #1699, making appointments to the Design Review Board and setting terms of office.

C. Resolution #1700 - Making Appointments to the Parks and Recreation Commission
Consider and act upon Resolution #1700, making appointments to the Parks and Recreation Commission and setting terms of office.

D. Resolution #1701 - Making Appointments to the Planning Commission
Consider and act upon Resolution #1701, making appointments to the Planning Commission and setting terms of office.

E. Resolution #1702 - Making Appointments to the Public Safety Personnel Retirement System
Consider and act upon Resolution #1702, making appointments to the Public Safety Personnel Retirement System Local Pension Board and setting terms of office.

F. Resolution #1703 - Making Appointments to the Historic Preservation Commission
Consider and act upon Resolution #1703, making appointments to the Historic Preservation Commission and setting terms of office.

G. Request to Waive Fees for APS Extension for Arsenic Treatment Plant
Consider and act upon a request from APS to waive permit fees for an extension to an electrical distribution facility for the arsenic treatment plant.

H. Release of Deed Restriction for the Clarkdale Memorial Clubhouse
Consider and act upon accepting a Release of Deed Restriction from JP Morgan Chase Bank for the Clarkdale Memorial Clubhouse.

Action: Approve consent agenda items A thru H as written:
Motion: Council Member O'Neill
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

7. NEW BUSINESS

Mayor Prud'homme-Bauer announced that Item D – the Yavapai-Apache Land Exchange would be discussed first.

A. Purchase of New Dump Truck for Public Works Department

Discuss, consider and act upon a quote from Midway Chevrolet for a Chevy 5500, four and a half ton dump truck for the Public Works Department.
Public Works Director Lou Andersen provided Council with the details of the quote for the new dump truck.

Action: Authorize the Town Manager to sign all documents necessary to execute the purchase of a 2023 Chevrolet Dump Truck from Midway Chevrolet for the amount of $87,590.69:
Motion: Council Member Babbitt-Pierce
Second: Council Member Jones
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

B. Re-route of Sewer Main Under Town Park

Discuss, consider and act upon a quote from SJ Anderson Company for the repair of the sewer main located under Town Park.
Public Works Director Lou Andersen provided Council with the details of the sewer

main repair under Town Park.

Action: Approve the SJ Anderson Company proposal in the amount of $123,644.18 and authorize the Town Manager to sign all documents necessary for the installation of an alternative sewer main and manholes and abandonment of the 8" sewer line under Town Park:
Motion: Council Member Babbitt-Pierce
Second: Council Member O'Neill
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

C. Resolution #1704 - Updating the Town Fee Schedule
Discuss, consider and act upon Resolution #1704, amending Resolution #1640 and updating the Town Fee Schedule by setting various fees in the Community Development, Parks and Recreation, Public Works and Police Departments.
Finance Director Julie Goucher led a presentation explaining the process of setting various fees with the Department Directors from Community Development, Parks and Recreation, Public Works and the Police Department each presenting on their respective slides.

Action: Approve Resolution #1704, amending Resolution #1640 and updating all fees that have been presented to include the Parks and Recreation proposed differentiated fees for facility rentals as determined through the DMAIC process and the Police Department amended redaction fee of $46/hr and taking effect in thirty days:
Motion: Mayor Prud'homme-Bauer
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye

Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

D. Yavapai-Apache Nation Land Exchange

Discuss, consider and act upon a request from Prescott National Forest to officially comment on the proposed land exchange involving Federal and non-Federal lands.
Tribal Chairwoman Tonya Lewis gave a heartwarming speech as to why our Council should support the proposed land exchange.

Action: Support drafting a Letter of Support to the Prescott National Forest on the proposed land exchange involving Federal and non-federal lands:
Motion: Council Member Jones
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

E. Intergovernmental Agreement between the Town of Clarkdale and the State of Arizona

Discuss, consider and act upon an Intergovernmental Agreement between the Town of Clarkdale and the State of Arizona for Broadway Overlay Phase 2.
Public Works Director Lou Andersen provided Council with information regarding the Intergovernmental Agreement with the State of Arizona for the Broadway Overlay Phase 2.

Action: Approve the Intergovernmental Agreement for the Broadway Overlay Phase 2 project between the Town of Clarkdale and the State of Arizona:
Motion: Council Member Babbitt-Pierce
Second: Council Member O'Neill
Vote: Approved 5-0

Voting Member	Aye/Nay

Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

F. Intergovernmental Agreement Between the Town of Clarkdale and the Yavapai County Flood Control District

Discuss, consider and act upon an Intergovernmental Agreement between the Town of Clarkdale and the Yavapai County Flood Control District.
Public Works Director Lou Andersen provided Council with information regarding the Intergovernmental Agreement between the Town of Clarkdale and the Yavapai County Flood Control District.

Action: Approve the Intergovernmental Agreement between the Town of Clarkdale and the Yavapai County Flood Control District for FY 23/24 in an amount not to exceed $50,000:
Motion: Vice Mayor Hunseder
Second: Council Member Jones
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

8. FUTURE AGENDA ITEMS

Town Council did not propose items to be placed on a future agenda.

9. ADJOURNMENT

Action: Motion to adjourn meeting:
Motion: Vice Mayor Hunseder
Second: Council Member Jones
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

Mayor Prud'homme-Bauer adjourned the meeting without objection at 4:18 p.m.

APPROVED: ATTESTED/SUBMITTED:

________________________________ ________________________________

Robyn Prud'homme-Bauer, Mayor Charity Brooks, Town Clerk

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Clarkdale, Arizona held on the 26th day of September 2023. I further certify that the meeting was duly called and held and that a quorum was present.

Date approved by Town Council: Oct. 10, 2023

____

Charity Brooks, Town Clerk

Staff Report

Item Number: 6.A.

Agenda Item: **Letter of Findings - Town Manager Annual Evaluation**
Discuss, consider and act upon the Mayor's Letter of Findings from the Town Manager's Annual Performance Evaluation that was conducted on Sept. 26, 2023.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: October 10, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 6 - Strategically invest in organizational development to enhance efficiency and service delivery and to attract and retain an exemplary workforce.

Background: On Sept. 26, 2023, the Town Council for the Town of Clarkdale conducted an annual performance evaluation for Town Manager Susan Guthrie, per the terms in her employment contract. This Letter of Findings is a review and consolidation of all Council Members' evaluations and comments.

Budget Impact: No budget impact.

Recommendation: Staff recommends approval of the Letter of Findings regarding the Town Manager's annual evaluation.

Town of Clarkdale

Post Office Box 308
Clarkdale, AZ 86324
Telephone: (928) 639-2400
Fax: (928) 639-2459

Sept. 27, 2023

Town Manager Annual Evaluation
Sept. 26, 2023

On Sept. 26, 2023, the Clarkdale Town Council met in executive session to discuss and evaluate Town Manager Susan Guthrie's performance for the past year, per Ms. Guthrie's contract terms. Each councilor had completed a standard questionnaire, which included a list of ratings on the Manager's communications skills, management effectiveness, community relations, and other skills and qualities. The ratings asked for an "overall performance rating." These questions ranked each criterion from "1" (Exceeds Expectations), to "5" (Below Expectations). Additionally, the form contained narrative sections relating to more subjective performance metrics, such as "strengths," "suggested improvements," and so forth.

In the first section, the Town Council members ranked Ms. Guthrie's performance "1": Exceeds Expectations," The objective sections were also overwhelmingly positive.

The councilors were unanimous in their approval of Susan's performance. All felt she not only adequately, but exceptionally fulfilled her duties as manager of the town and as a representative of the Town to other jurisdictions, groups and to the Town's citizens. Many individual evaluations mentioned her excellence in becoming part of the community and continuing the Town's long history of being a governmental leader in the Verde Valley. Her communication and management skills were the focus of several evaluations, all stating that Susan is an excellent communicator and has proven her ability to lead her team to success. All Councilors mentioned that Susan has done an outstanding job connecting elements of CIP projects and the Council agenda to the Strategic Goals, while maintaining an open-door policy and exhibiting a contagious spirit of fun.

Susan has led the staff and Town Council through extensive projects while staying aligned with the adopted budget. Susan has also been instrumental in seeking out and obtaining over 12-million dollars in grant opportunities for the Town of Clarkdale.

It is my sincere pleasure to write this evaluation and to state our unambiguous satisfaction with Ms. Guthrie's performance of her duties. Her dedication to the Town, to her staff, and to her job is second to none. The Town of Clarkdale is a better place and has a more efficient and effective government because Susan is our Manager.

Sincerely,

DocuSigned by:
Robyn Prud'homme-Bauer
8929FEE8DC34438...

Robyn Prud'homme-Bauer
Mayor

Staff Report

Item Number: 6.B.

Agenda Item: **Town Manager Employment Agreement**
Discuss, consider and act upon the renewal of the employment agreement for the Town Manager.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: October 10, 2023

Strategic Goal: Not applicable.

Background: Following the Town Council's direction to the Town Attorney, the Town Manager Employment Agreement for Susan Guthrie has been renewed for the next two years.

Budget Impact: No budget impact.

Recommendation: Staff recommends approval of the renewal of the Town Manager Agreement for Susan Guthrie.

Staff Report

Item Number: 6.C.

Agenda Item: **Ordinance #422 - Amending Town Code Chapter 3, Section 2-5 - Town Attorney**

Discuss, consider and act upon Resolution #422, amending Town Code Chapter 3, Section 2-5 - Town Attorney to include the use of AMRRP Attorneys at no charge.

Staff Contact: Susan Guthrie, Town Manager

Meeting Date: October 10, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 6 - Strategically invest in organizational development to enhance efficiency and service delivery and to attract and retain an exemplary workforce.

Background: AMRRP, the risk provider for the Town of Clarkdale, offers multiple levels of free legal representation on subjects such as personnel law, intergovernmental agreements, development agreements, ordinances and resolutions.

Town Code Chapter 3, Section 2-5 stipulates that the Town Attorney shall act as the legal counselor for the Town.

Approval of Ordinance #422 will amend Town Code, Chapter 3 Section 2-5 to stipulate that the Town Attorney and AMRRP Attorneys shall act as the legal counselor and advisor of the Council and other Town officials and, as such, shall give his/her opinion in writing when requested. He/she shall draft all deeds, contracts, conveyances, ordinances, resolutions and other legal instruments when required by the Council.

Budget Impact: Use of the free attorney benefits from AMRRP

Recommendation: Staff recommends approval of Ordinance #422, amending Town Code Chapter 3, Section 2-5 - Town Attorney, to include the use of AMRRP attorneys as legal counselors for the Town.

ORDINANCE #422

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE, YAVAPAI COUNTY, ARIZONA AMENDING CHAPTER 3, SECTION 2-5 TOWN ATTORNEY, CLARKDALE TOWN CODE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF CLARKDALE ARIZONA AS FOLLOWS:

Section 1: That Chapter 3, Section 2-5, Town Attorney is amended as follows:

The Attorney (to include AMRRP Attorneys) shall act as the legal counselor and advisor of the Council and other Town officials and, as such, shall give his/her opinion in writing when requested. He/she shall draft all deeds, contracts, conveyances, ordinances, resolutions and other legal instruments when required by the Council.

He/she shall approve as to form, in writing, all drafts of contracts and all official or other bonds before final approval or acceptance thereof by the Council. He/she shall return all ordinances and resolutions submitted to him/her for consideration by the Council, with his/her approval or disapproval as to form noted thereon, together with his/her reasons, therefore. He/she shall prosecute and defend all suits, actions or causes where the Town is a party and shall report to Council, when required, the condition of any suit or action to which the Town is a party.

Section 2: The recitals above are incorporated as if fully set forth herein.

Section 2: The certain document entitled "Ordinance #422 **AMENDING CHAPTER 3, CLARKDALE TOWN CODE;** dated this date, one paper copy and one electronic copy of which are on file in the office of the Town Clerk, is hereby declared to be a public record and said copies are hereby ordered to remain on file with the Town Clerk.

Section 3: The document is attached and hereby adopted and incorporated into this ordinance by reference as amending the Clarkdale Town Code, Chapter 3, Section 2-5 Town Attorney, and shall be effective from and after Nov. 10, 2023.

Section 4: If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of this document adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Clarkdale, Arizona this 10 day of Oct., 2023.

____
Robyn Prudhomme-Bauer, Mayor

ATTEST: APPROVED AS TO FORM:

_________________________________ _________________________________

Charity Brooks, Town Clerk Stephen Polk, Town Attorney

Vote: Passed: Published: Effective:

Staff Report

Item Number: 6.D.

Agenda Item: **Discussion of 2022-2023 Legislative Session as Related to Community Development**
Discussion only regarding the 2022-2023 Legislative Session as related to Community Development.

Staff Contact: Ruth Mayday, Community Development Director

Meeting Date: October 10, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 2 - Enhance the quality of life for residents, businesses, and visitors to Clarkdale.
- Goal Area 4 - Strengthen and diversify our economy through cultivating a business-friendly climate for business attraction and strategically capitalizing upon tourism.

Background: The 2022/23 Legislative session was largely focused on addressing issues related to housing affordability. Different interest groups approached the topic with differing opinions as to how this issue should be resolved.

House Bill (HB) 2373 authorizes municipalities to use a "qualified online automated permitting platform" to approve solar energy device permits and modifies the requirements for electrical plans submitted with solar devices. As we have implemented an online automated permitting platform in Clarkdale, compliance with this will be relatively simple.

Many of the new laws centered around housing and construction related regulations. Senate Bill (SB) 1117 was the most far-reaching proposal; it essentially usurped local control with respect to zoning and regulating the location of multifamily housing. While it died before reaching the floor, those involved in negotiations fully expect similar legislation to be proposed in the upcoming legislative session.

Concurrent with SB 1117, SB 1103 was passed and signed into law. Rather than disrupt local control, this bill allows jurisdictions to "authorize administrative personnel to review and approve site plans, development plans, land divisions, lot line adjustments, lot ties (lot combinations), preliminary and final plats, and plat amendments without a Public Hearing." It also allows for self-certification of registered architects and engineers, at-risk grading and drainage work, expedited permit review, and implementation of objective standards as a basis for administrative approval.

Equally important is HB 2019, which specifies that a municipality that requires a license or permit for an activity that would change "the use, appearance, or density of a structure or land," the municipality is required to specify the criteria for granting the license or permit, and sets a 60-day timeline for approval/denial of permit after they are deemed administratively complete unless another timeframe is specified in code. We have a process set forth in code but not a timeframe; this will need to be addressed.

HB 2547 requires a municipal governing body to consider a housing impact statement prior to adopting any zoning ordinance or amendment, including an estimate of probable impact on the average cost of constructing housing for sale or rent, a detailed explanation of data sources or reference materials upon which the ordinance or amendment is predicated, and an overview of alternatives that are less restrictive or costly.

Ordinances limiting gray water use are now no longer permitted if they are not in compliance with ADEQ reclaimed water reuse. HB2143 will require some research to determine what is dictated by the International Building/Residential codes that the Town has adopted, as well as changes to ADEQ reclaimed water regulations.

Budget Impact: No budget impact.

Recommendation: Discussion only. No recommendation.

House Engrossed

permits; automated permitting platform

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

CHAPTER 33

HOUSE BILL 2373

AN ACT

AMENDING SECTIONS 9-468 AND 11-323, ARIZONA REVISED STATUTES; RELATING TO BUILDING PERMITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 9-468, Arizona Revised Statutes, is amended to read:

9-468. Solar construction permits; standards; definition

A. Municipalities shall adopt the following standards for issuing permits for the use of certain solar energy devices:

1. For construction with solar photovoltaic systems that are intended to connect to a utility system, the following apply:

(a) The location of the photovoltaic system installation shall be indicated on the construction plans, including the roof plan and elevation.

(b) Photovoltaic panel mounting details shall be included in the installation plans.

(c) The electrical diagrams shall include one-line ~~and~~ OR three-line diagrams. A ONE-LINE OR THREE-LINE ELECTRICAL DIAGRAM IS NOT REQUIRED IF A QUALIFIED ONLINE AUTOMATED PERMITTING PLATFORM IS USED TO VERIFY CODE COMPLIANCE.

(d) For direct current to alternating current conversions, the cut sheet and listings for inverters shall be included in the plans.

(e) A municipality shall not require a stamp from a professional engineer for a solar photovoltaic system unless an engineering stamp is deemed necessary. If an engineering stamp is deemed necessary, the municipality shall provide the permittee a written explanation of why the engineering stamp is necessary.

(f) A MUNICIPALITY MAY USE A QUALIFIED ONLINE AUTOMATED PERMITTING PLATFORM TO VERIFY CODE COMPLIANCE IN ORDER TO SATISFY THE REQUIREMENTS OF SUBDIVISIONS (a), (b), AND (c) OF THIS PARAGRAPH.

2. For solar water heating systems, the following apply:

(a) The location of the solar panel system shall be indicated on the construction plans, including the roof plan and elevation, and shall include mounting details for panel installation.

(b) Construction plan notes shall include a requirement that solar water heating equipment be installed in compliance with applicable plumbing codes and as prescribed by a solar rating and certification corporation and any guidelines adopted by this state.

(c) A municipality shall not require a stamp from a professional engineer for a ~~single family~~ SINGLE-FAMILY solar water heating system unless an engineering stamp is deemed necessary. If an engineering stamp is deemed necessary, the municipality shall provide the permittee a written explanation of why the engineering stamp is necessary.

B. Any building or permit fee or charge assessed by a city or town for a building permit for solar construction must be attributable to and defray or cover the expense of the service for which the fee or charge is assessed. A fee or charge shall not exceed the actual cost of issuing a permit, and a written, itemized list of the individual costs associated with the permit fee shall be provided at the request of the permittee.

C. Before adoption of a fee for service or an additional or separate charge pursuant to this section, a city or town shall hold a public hearing on the issue with at least fifteen days' published notice.

D. The method by which a city or town arrives at an assessed permit or plan fee must be published and made available to the public.

E. FOR THE PURPOSES OF THIS SECTION, "QUALIFIED ONLINE AUTOMATED PERMITTING PLATFORM" MEANS A WEB-BASED PORTAL THAT AUTOMATES PLAN REVIEW, PRODUCES CODE-COMPLIANT APPROVALS AND ISSUES PERMITS FOR RESIDENTIAL SOLAR ENERGY SYSTEMS AND RESIDENTIAL ENERGY STORAGE SYSTEMS PAIRED WITH RESIDENTIAL SOLAR ENERGY SYSTEMS IN REAL TIME.

Sec. 2. Section 11-323, Arizona Revised Statutes, is amended to read:

11-323. Solar construction permits; standards; definition

A. Counties shall adopt the following standards for issuing permits for the use of certain solar energy devices:

1. For construction with solar photovoltaic systems that are intended to connect to a utility system, the following apply:

(a) The location of the photovoltaic system installation shall be indicated on the construction plans, including the roof plan and elevation.

(b) Photovoltaic panel mounting details shall be included in the installation plans.

(c) The electrical diagrams shall include one-line ~~and~~ OR three-line diagrams. A ONE-LINE OR THREE-LINE ELECTRICAL DIAGRAM IS NOT REQUIRED IF A QUALIFIED ONLINE AUTOMATED PERMITTING PLATFORM IS USED TO VERIFY CODE COMPLIANCE.

(d) For direct current to alternating current conversions, the cut sheet and listings for inverters shall be included in the plans.

(e) A county shall not require a stamp from a professional engineer for a solar photovoltaic system unless an engineering stamp is deemed necessary. If an engineering stamp is deemed necessary, the county shall provide the permittee a written explanation of why the engineering stamp is necessary.

(f) A COUNTY MAY USE A QUALIFIED ONLINE AUTOMATED PERMITTING PLATFORM TO VERIFY CODE COMPLIANCE IN ORDER TO SATISFY THE REQUIREMENTS OF SUBDIVISIONS (a), (b), AND (c) OF THIS PARAGRAPH.

2. For solar water heating systems, the following apply:

(a) The location of the solar panel system shall be indicated on the construction plans, including the roof plan and elevation, and shall include mounting details for panel installation.

(b) Construction plan notes shall include a requirement that solar water heating equipment be installed in compliance with applicable plumbing codes and as prescribed by a solar rating and certification corporation and any guidelines adopted by this state.

(c) A county shall not require a stamp from a professional engineer for a ~~single family~~ SINGLE-FAMILY solar water heating system unless an engineering stamp is deemed necessary. If an engineering stamp is deemed necessary, the county shall provide the permittee a written explanation of why the engineering stamp is necessary.

B. Any building or permit fee or charge assessed by a county for a building permit for solar construction must be attributable to and defray or cover the expense of the service for which the fee or charge is assessed. A fee or charge shall not exceed the actual cost of issuing a permit, and a written, itemized list of the individual costs associated with the permit fee shall be provided at the request of the permittee.

C. Before adoption of a fee for service or an additional or separate charge pursuant to this section, a county shall hold a public hearing on the issue with at least fifteen days' published notice.

D. The method by which a county arrives at an assessed permit or plan fee must be published and made available to the public.

E. FOR THE PURPOSES OF THIS SECTION, "QUALIFIED ONLINE AUTOMATED PERMITTING PLATFORM" MEANS A WEB-BASED PORTAL THAT AUTOMATES PLAN REVIEW, PRODUCES CODE-COMPLIANT APPROVALS AND ISSUES PERMITS FOR RESIDENTIAL SOLAR ENERGY SYSTEMS AND RESIDENTIAL ENERGY STORAGE SYSTEMS PAIRED WITH RESIDENTIAL SOLAR ENERGY SYSTEMS IN REAL TIME.

APPROVED BY THE GOVERNOR APRIL 11, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 2023.

House Engrossed

zoning ordinances; property rights; costs

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

CHAPTER 85

HOUSE BILL 2547

AN ACT

AMENDING SECTION 9-462.01, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL ZONING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 9-462.01, Arizona Revised Statutes, is amended to read:

9-462.01. Zoning regulations; public hearing; definitions

A. Pursuant to this article, the legislative body of any municipality by ordinance, in order to conserve and promote the public health, safety and general welfare, may:

1. Regulate the use of buildings, structures and land as between agriculture, residence, industry, business and other purposes.

2. Regulate signs and billboards.

3. Regulate the location, height, bulk, number of stories and size of buildings and structures, the size and use of lots, yards, courts and other open spaces, the percentage of a lot that may be occupied by a building or structure, access to incident solar energy and the intensity of land use.

4. Establish requirements for off-street parking and loading.

5. Establish and maintain building setback lines.

6. Create civic districts around civic centers, public parks, public buildings or public grounds and establish regulations for the civic districts.

7. Require as a condition of rezoning public dedication of rights-of-way as streets, alleys, public ways, drainage and public utilities as are reasonably required by or related to the effect of the rezoning.

8. Establish floodplain zoning districts and regulations to protect life and property from the hazards of periodic inundation. Regulations may include variable lot sizes, special grading or drainage requirements, or other requirements deemed necessary for the public health, safety or general welfare.

9. Establish special zoning districts or regulations for certain lands characterized by adverse topography, adverse soils, subsidence of the earth, high water table, lack of water or other natural or man-made hazards to life or property. Regulations may include variable lot sizes, special grading or drainage requirements, or other requirements deemed necessary for the public health, safety or general welfare.

10. Establish districts of historical significance provided that:

(a) The ordinances may require that special permission be obtained for any development within the district if the legislative body has adopted a plan for the preservation of districts of historical significance that meets the requirements of subdivision (b) of this paragraph, and the criteria contained in the ordinance are consistent with the objectives set forth in the plan.

(b) A plan for the preservation of districts of historical significance shall identify districts of special historical significance, state the objectives to be sought concerning the development or preservation of sites, area and structures within the district, and formulate a program for public action, including providing public facilities and regulating private development and demolition necessary to realize these objectives.

(c) The ordinance establishing districts of historical significance shall set forth standards necessary to preserve the historical character of the area so designated.

(d) The ordinances may designate or authorize any committee, commission, department or person to designate structures or sites of special historical significance in accordance with criteria contained in the ordinance, and no designation shall be made except after a public hearing on notice of the owners of record of the property designated of special historical significance. The ordinances may require that special permission be obtained for any development respecting the structures or sites.

11. Establish age-specific community zoning districts in which residency is restricted to a head of a household or spouse who must be of a specific age or older and in which minors are prohibited from living in the home. Age-specific community zoning districts shall not be overlaid over property without the permission of all owners of property included as part of the district unless all of the property in the district has been developed, advertised and sold or rented under specific age restrictions. The establishment of age-specific community zoning districts is subject to all of the public notice requirements and other procedures prescribed by this article.

12. Establish procedures, methods and standards for the transfer of development rights within its jurisdiction. Any proposed transfer of development rights from the sending property or to the receiving property shall be subject to the notice and hearing requirements of section 9-462.04 and shall be subject to the approval and consent of the property owners of both the sending and receiving property. Before any transfer of development rights, a municipality shall adopt an ordinance providing for:

(a) The issuance and recordation of the instruments necessary to sever development rights from the sending property and to affix development rights to the receiving property. These instruments shall be executed by the affected property owners and lienholders.

(b) The preservation of the character of the sending property and assurance that the prohibitions against the use and development of the sending property shall bind the landowner and every successor in interest to the landowner.

(c) The severance of transferable development rights from the sending property and the delayed transfer of development rights to a receiving property.

(d) The purchase, sale, exchange or other conveyance of transferable development rights before the rights being affixed to a receiving property.

(e) A system for monitoring the severance, ownership, assignment and transfer of transferable development rights.

(f) The right of a municipality to purchase development rights and to hold them for resale.

(g) The right of a municipality at its discretion to enter into an intergovernmental agreement with another municipality or a county for the transfer of development rights between jurisdictions. The transfer shall comply with this paragraph, except that if the sending property is located in an unincorporated area of a county, the approval of the development rights to be sent to a municipality shall comply with section 11-817.

B. For the purposes of subsection A of this section, the legislative body may divide a municipality, or portion of a municipality, into zones of the number, shape and area it deems best suited to carry out the purpose of this article and articles 6, 6.2 and 6.3 of this chapter.

C. All zoning regulations shall be uniform for each class or kind of building or use of land throughout each zone, but the regulations in one type of zone may differ from those in other types of zones as follows:

1. Within individual zones, there may be uses permitted on a conditional basis under which additional requirements must be met, including requiring site plan review and approval by the planning agency. The conditional uses are generally characterized by any of the following:

(a) Infrequency of use.

(b) High degree of traffic generation.

(c) Requirement of large land area.

2. Within residential zones, the regulations may permit modifications to minimum yard lot area and height requirements.

D. To carry out the purposes of this article and articles 6 and 6.2 of this chapter, the legislative body may adopt overlay zoning districts and regulations applicable to particular buildings, structures and land within individual zones. For the purposes of this subsection, "overlay zoning district" means a special zoning district that includes regulations that modify regulations in another zoning district with which the overlay zoning district is combined. Overlay zoning districts and regulations shall be adopted pursuant to section 9-462.04.

E. The legislative body may approve a change of zone conditioned on a schedule for development of the specific use or uses for which rezoning is requested. If, at the expiration of this period, the property has not been improved for the use for which it was conditionally approved, the legislative body, after notification by certified mail to the owner and applicant who requested the rezoning, shall schedule a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification.

F. All zoning and rezoning ordinances or regulations adopted under this article shall be consistent with and conform to the adopted general plan of the municipality, if any, as adopted under article 6 of this chapter. In the case of uncertainty in construing or applying the conformity of any part of a proposed rezoning ordinance to the adopted general plan of the municipality, the ordinance shall be construed in a manner that will further the implementation of, and not be contrary to, the goals, policies and applicable elements of the general plan. A rezoning ordinance conforms with the land use element of the general plan if it proposes land uses, densities or intensities within the range of identified uses, densities and intensities of the land use element of the general plan.

G. A regulation or ordinance under this section may not prevent or restrict agricultural composting on farmland that is five or more contiguous acres and that meets the requirements of this subsection. An agricultural composting operation shall notify in writing the legislative body of the municipality and the nearest fire department of the location of the composting operation. If the nearest fire department is located in a different municipality from the agricultural composting operation, the agricultural composting operation shall also notify in writing the fire department of the municipality in which the operation is located. Agricultural composting is subject to sections 3-112 and 49-141. Agricultural composting may not be conducted within one thousand three hundred twenty feet of an existing residential use, unless the operations are conducted on farmland or land leased in association with farmland. Any disposal of manure shall comply with section 49-247. For the purposes of this subsection:

1. "Agricultural composting" means the controlled biological decomposition of organic solid waste under in-vessel anaerobic or aerobic conditions where all or part of the materials are generated on the farmland or will be used on the farmland associated with the agricultural composting operation.

2. "Farmland" has the same meaning prescribed in section 3-111 and is subject to regulation under section 49-247.

H. A municipality may not adopt a land use regulation or impose any condition for issuance of a building or use permit or other approval that violates section 9-461.16.

I. In accordance with article II, sections 1 and 2, Constitution of Arizona, the legislative body of a municipality shall consider the individual property rights and personal liberties of the residents of the municipality before adopting any zoning ordinance.

~~J. Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, the legislative body of a municipality~~

~~shall consider the probable impact of the proposed zoning ordinance or text amendment on the cost to construct housing for sale or rent.~~

J. BEFORE ADOPTING ANY ZONING ORDINANCE OR ZONING ORDINANCE TEXT AMENDMENT OF GENERAL APPLICABILITY, THE LEGISLATIVE BODY OF A MUNICIPALITY SHALL CONSIDER A HOUSING IMPACT STATEMENT REGARDING THE IMPACT OF THE ZONING ORDINANCE OR ZONING ORDINANCE TEXT AMENDMENT THAT SHALL INCLUDE:

1. A GENERAL ESTIMATE OF THE PROBABLE IMPACT ON THE AVERAGE COST TO CONSTRUCT HOUSING FOR SALE OR RENT WITHIN THE ZONING DISTRICTS TO WHICH THE ZONING ORDINANCE OR TEXT AMENDMENT APPLIES.

2. A DESCRIPTION OF ANY DATA OR REFERENCE MATERIAL ON WHICH THE PROPOSED ZONING ORDINANCE OR TEXT AMENDMENT IS BASED.

3. A DESCRIPTION OF ANY LESS COSTLY OR LESS RESTRICTIVE ALTERNATIVE METHODS OF ACHIEVING THE PURPOSE OF THE PROPOSED ZONING ORDINANCE OR TEXT AMENDMENT.

~~K.~~ K. A municipality may not adopt or enforce a land use regulation that requires the property on which a nongovernmental primary or secondary school operates to be larger than one acre.

~~L.~~ L. For the purposes of this section:

1. "Development rights" means the maximum development that would be allowed on the sending property under any general or specific plan and local zoning ordinance of a municipality in effect on the date the municipality adopts an ordinance pursuant to subsection A, paragraph 12 of this section respecting the permissible use, area, bulk or height of improvements made to the lot or parcel. Development rights may be calculated and allocated in accordance with factors including dwelling units, area, floor area, floor area ratio, height limitations, traffic generation or any other criteria that will quantify a value for the development rights in a manner that will carry out the objectives of this section.

2. "Receiving property" means a lot or parcel within which development rights are increased pursuant to a transfer of development rights. Receiving property shall be appropriate and suitable for development and shall be sufficient to accommodate the transferable development rights of the sending property without substantial adverse environmental, economic or social impact to the receiving property or to neighboring property.

3. "Sending property" means a lot or parcel with special characteristics, including farmland, woodland, desert land, mountain land, floodplain, natural habitats, recreation or parkland, including golf course area, or land that has unique aesthetic, architectural or historic value that a municipality desires to protect from future development.

4. "Transfer of development rights" means the process by which development rights from a sending property are affixed to one or more receiving properties.

APPROVED BY THE GOVERNOR APRIL 18, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2023.

House Engrossed Senate Bill

administrative review; approvals; developments

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

CHAPTER 1

SENATE BILL 1103

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-500.49; AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-269.27; RELATING TO MUNICIPAL POWERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 9, chapter 4, article 8, Arizona Revised Statutes, is amended by adding section 9-500.49, to read:

9-500.49. Administrative review and approval; self-certification program; expedited approval

A. NOTWITHSTANDING ANY OTHER LAW, THE LEGISLATIVE BODY OF A CITY OR TOWN MAY BY ORDINANCE DO THE FOLLOWING:

1. AUTHORIZE ADMINISTRATIVE PERSONNEL TO REVIEW AND APPROVE SITE PLANS, DEVELOPMENT PLANS, LAND DIVISIONS, LOT LINE ADJUSTMENTS, LOT TIES, PRELIMINARY PLATS, FINAL PLATS AND PLAT AMENDMENTS WITHOUT A PUBLIC HEARING.

2. AUTHORIZE ADMINISTRATIVE PERSONNEL TO REVIEW AND APPROVE DESIGN REVIEW PLANS BASED ON OBJECTIVE STANDARDS WITHOUT A PUBLIC HEARING.

3. ADOPT A SELF-CERTIFICATION PROGRAM ALLOWING REGISTERED ARCHITECTS AND PROFESSIONAL ENGINEERS TO CERTIFY AND BE RESPONSIBLE FOR COMPLIANCE WITH ALL APPLICABLE ORDINANCES AND CONSTRUCTION STANDARDS FOR PROJECTS THAT THE ORDINANCE IDENTIFIES AS BEING QUALIFIED FOR SELF-CERTIFICATION.

4. ALLOW AT-RISK SUBMITTALS FOR CERTAIN ON-SITE PRELIMINARY GRADING AND DRAINAGE WORK OR INFRASTRUCTURE.

5. ALLOW APPLICANTS WITH A HISTORY OF COMPLIANCE WITH BUILDING CODES AND REGULATIONS TO BE ELIGIBLE FOR EXPEDITED PERMIT REVIEW.

B. APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION ARE SUBJECT TO CHAPTER 7, ARTICLE 4 OF THIS TITLE.

C. FOR THE PURPOSES OF THIS SECTION, "OBJECTIVE" MEANS NOT INFLUENCED BY PERSONAL INTERPRETATION, TASTE OR FEELINGS OF A MUNICIPAL EMPLOYEE AND VERIFIABLE BY REFERENCE TO AN ADOPTED BENCHMARK, STANDARD OR CRITERION AVAILABLE AND KNOWABLE BY THE APPLICANT OR PROPONENT.

Sec. 2. Title 11, chapter 2, article 4, Arizona Revised Statutes, is amended by adding section 11-269.27, to read:

11-269.27. Administrative review and approval; self-certification program; expedited approval

A. NOTWITHSTANDING ANY OTHER LAW, THE BOARD OF SUPERVISORS OF A COUNTY MAY BY ORDINANCE DO THE FOLLOWING:

1. AUTHORIZE ADMINISTRATIVE PERSONNEL TO REVIEW AND APPROVE SITE PLANS, DEVELOPMENT PLANS, LAND DIVISIONS, LOT LINE ADJUSTMENTS, LOT TIES, PRELIMINARY PLATS, FINAL PLATS AND PLAT AMENDMENTS WITHOUT A PUBLIC HEARING.

2. AUTHORIZE ADMINISTRATIVE PERSONNEL TO REVIEW AND APPROVE DESIGN PLANS BASED ON OBJECTIVE STANDARDS WITHOUT A PUBLIC HEARING.

3. ADOPT A SELF-CERTIFICATION PROGRAM ALLOWING REGISTERED ARCHITECTS AND PROFESSIONAL ENGINEERS TO CERTIFY AND BE RESPONSIBLE FOR COMPLIANCE WITH ALL APPLICABLE ORDINANCES AND CONSTRUCTION STANDARDS FOR PROJECTS THAT THE ORDINANCE IDENTIFIES AS BEING QUALIFIED FOR SELF-CERTIFICATION.

4. ALLOW AT-RISK SUBMITTALS FOR CERTAIN ON-SITE PRELIMINARY GRADING AND DRAINAGE WORK OR INFRASTRUCTURE.

5. ALLOW APPLICANTS WITH A HISTORY OF COMPLIANCE WITH BUILDING CODES AND REGULATIONS TO BE ELIGIBLE FOR EXPEDITED PERMIT REVIEW.

B. APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION ARE SUBJECT TO CHAPTER 11, ARTICLE 1 OF THIS TITLE.

C. FOR THE PURPOSES OF THIS SECTION, "OBJECTIVE" MEANS NOT INFLUENCED BY PERSONAL INTERPRETATION, TASTE OR FEELINGS OF A COUNTY EMPLOYEE AND VERIFIABLE BY REFERENCE TO AN ADOPTED BENCHMARK, STANDARD OR CRITERION AVAILABLE AND KNOWABLE BY THE APPLICANT OR PROPONENT.

APPROVED BY THE GOVERNOR MARCH 3, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 3, 2023.

Senate Engrossed House Bill

licensing; permitting; criteria; clarity

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

CHAPTER 86

HOUSE BILL 2019

AN ACT

AMENDING TITLE 9, CHAPTER 7, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-843; AMENDING TITLE 11, CHAPTER 11, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-1613; RELATING TO LOCAL GOVERNMENT REGULATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 9, chapter 7, article 4, Arizona Revised Statutes, is amended by adding section 9-843, to read:

9-843. Licensing; permitting; free speech or assembly; land use; density; time frames; criteria; clarity

A. NOTWITHSTANDING ANY OTHER LAW, IF A MUNICIPALITY REQUIRES A LICENSE OR PERMIT FOR ANY FREE SPEECH OR ASSEMBLY ACTIVITY OR ANY ACTIVITY THAT CHANGES THE USE, APPEARANCE OR DENSITY OF A STRUCTURE OR LAND, THE MUNICIPALITY SHALL SPECIFY IN CLEAR AND UNAMBIGUOUS LANGUAGE THE CRITERIA FOR GRANTING THE LICENSE OR PERMIT, UNLESS CRITERIA ARE ESTABLISHED BY EXISTING STATE OR FEDERAL LAW.

B. A MUNICIPALITY SHALL APPROVE OR DENY APPLICATION SUBMITTALS FOR THE ACTIVITIES PRESCRIBED IN SUBSECTION A OF THIS SECTION WITHIN SIXTY DAYS AFTER A SUBMITTAL IS DEEMED ADMINISTRATIVELY COMPLETE PURSUANT TO SECTION 9-835 UNLESS ANOTHER TIME FRAME IS SPECIFIED BY A MUNICIPAL ORDINANCE OR STATE OR FEDERAL LAW. IF THE MUNICIPALITY DOES NOT TAKE ACTION ON A SUBMITTAL WITHIN THE APPLICABLE TIME FRAME, THE SUBMITTAL IS DEEMED APPROVED, UNLESS THE SUBMITTAL IS INCOMPLETE, THE MUNICIPALITY PROVIDES NOTICE PURSUANT TO SECTIONS 9-495 AND 9-835 AND THE APPLICANT FAILS TO COMPLETE THE SUBMITTAL.

C. IN A COURT PROCEEDING INVOLVING A DENIAL OF A LICENSE OR PERMIT FOR ANY OF THE ACTIVITIES PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE COURT, WITHOUT DEFERENCE TO A PREVIOUS DETERMINATION MADE BY THE MUNICIPALITY, SHALL DETERMINE WHETHER THE APPROVAL CRITERIA LANGUAGE IS CLEAR AND UNAMBIGUOUS.

Sec. 2. Title 11, chapter 11, article 1, Arizona Revised Statutes, is amended by adding section 11-1613, to read:

11-1613. Licensing; permitting; free speech or assembly; land use; density; time frames; criteria; clarity

A. NOTWITHSTANDING ANY OTHER LAW, IF A COUNTY REQUIRES A LICENSE OR PERMIT FOR ANY FREE SPEECH OR ASSEMBLY ACTIVITY OR ANY ACTIVITY THAT CHANGES THE USE, APPEARANCE OR DENSITY OF A STRUCTURE OR LAND, THE COUNTY SHALL SPECIFY IN CLEAR AND UNAMBIGUOUS LANGUAGE THE CRITERIA FOR GRANTING THE LICENSE OR PERMIT, UNLESS CRITERIA ARE ESTABLISHED BY EXISTING STATE OR FEDERAL LAW.

B. A COUNTY SHALL APPROVE OR DENY APPLICATION SUBMITTALS FOR THE ACTIVITIES PRESCRIBED IN SUBSECTION A OF THIS SECTION WITHIN SIXTY DAYS AFTER A SUBMITTAL IS DEEMED ADMINISTRATIVELY COMPLETE PURSUANT TO SECTION 11-1605 UNLESS ANOTHER TIME FRAME IS SPECIFIED BY A COUNTY ORDINANCE OR STATE OR FEDERAL LAW. IF THE COUNTY DOES NOT TAKE ACTION ON A SUBMITTAL WITHIN THE APPLICABLE TIME FRAME, THE SUBMITTAL IS DEEMED APPROVED, UNLESS THE SUBMITTAL IS INCOMPLETE, THE COUNTY PROVIDES NOTICE PURSUANT TO SECTION 11-1605 AND THE APPLICANT FAILS TO COMPLETE THE SUBMITTAL.

C. IN A COURT PROCEEDING INVOLVING A DENIAL OF A LICENSE OR PERMIT FOR ANY OF THE ACTIVITIES PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE COURT, WITHOUT DEFERENCE TO A PREVIOUS DETERMINATION MADE BY THE COUNTY, SHALL DETERMINE WHETHER THE APPROVAL CRITERIA LANGUAGE IS CLEAR AND UNAMBIGUOUS.

APPROVED BY THE GOVERNOR APRIL 18, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2023.

Senate Engrossed House Bill

~~rulemaking review; time frame~~
(now: gray water; residential standards; rules)

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

CHAPTER 105

HOUSE BILL 2143

AN ACT

AMENDING SECTION 49-204, ARIZONA REVISED STATUTES; RELATING TO GRAY WATER REUSE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 49-204, Arizona Revised Statutes, is amended to read:

49-204. Gray water reuse; residential standards; rules

A. A city, town or county may not ~~further~~ limit the use of gray water by rule or ordinance ~~if the gray water use is allowed by a permit that is issued by the department for the direct reuse of reclaimed water,~~ unless, in an initial active management area that has a groundwater management goal of safe yield and that does not contain a part of the central Arizona project aqueduct, effluent has been included in an assured water supply determination pursuant to section 45-576 and the use of gray water would reduce the volume of effluent available to satisfy assured water supply requirements applicable to that determination.

B. FOR RESIDENTIAL GRAY WATER TREATMENT SYSTEMS THAT ARE USED INDOORS FOR TOILET FLUSHING, THE DIRECTOR MAY ESTABLISH BY RULE MINIMUM REQUIREMENTS THAT ARE NECESSARY SPECIFICALLY TO ADDRESS PUBLIC HEALTH OR SAFETY CONCERNS.

C. UNTIL RULES ARE ADOPTED PURSUANT TO SUBSECTION B OF THIS SECTION, RESIDENTIAL GRAY WATER MAY BE USED INDOORS FOR TOILET FLUSHING WITH A GRAY WATER TREATMENT SYSTEM THAT COMPLIES WITH ALL OF THE FOLLOWING:

1. USES LESS THAN FOUR HUNDRED GALLONS OF GRAY WATER PER DAY.

2. IS CERTIFIED TO MEET STANDARD 350 FOR RESIDENTIAL GRAY WATER RECYCLING THAT IS ISSUED BY A NATIONAL SANITARY FOUNDATION AND AN AMERICAN NATIONAL STANDARDS INSTITUTE.

3. REASONABLY PRECLUDES HUMAN CONTACT WITH GRAY WATER.

4. PROVIDES A DEDICATED PIPING SYSTEM THAT SUPPLIES ONLY TREATED GRAY WATER TO THE TOILET FLUSHING FACILITIES.

5. PROVIDES GRAY WATER FOR TOILET FLUSHING ONLY IF THE SYSTEM IS PROPERLY FUNCTIONING.

D. ANY RESIDENTIAL GRAY WATER TREATMENT SYSTEM THAT IS INSTALLED AFTER THE EFFECTIVE DATE OF RULES ADOPTED PURSUANT TO SUBSECTION B OF THIS SECTION AND THAT INCLUDES THE USE OF GRAY WATER FOR INDOOR TOILET FLUSHING SHALL MEET THE MINIMUM REQUIREMENTS THAT ARE ESTABLISHED BY THOSE RULES.

APPROVED BY THE GOVERNOR MAY 1, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2023.

Staff Report

Item Number: 6.E.

Agenda Item: **Revisions to the Financial Operations Guide**
Discuss, consider and act upon revisions to the Financial Operations Guide (FOG).

Staff Contact: Julie Goucher, Finance Director

Meeting Date: October 10, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal:

- Goal Area 6 - Strategically invest in organizational development to enhance efficiency and service delivery and to attract and retain an exemplary workforce.

Background: The FOG is reviewed on an annual basis for any updates resulting from changes in processes and procedures. This document guides many of the practices impacting all Departments in Town. Many of the changes presented this year represent a re-organization of information. The most substantial changes are as follows:

- Removal of the Cellular Phone Policy. This is now incorporated into the personnel policy and procedure manual.
- Change from "Council Adopted Financial Policies" including a Budget and Fiscal Policy to separate Budget and Fiscal Policies that serve as guidance documents for two distinct, primary functions of the Finance Department. The Town Council approves all financial policies with the adoption of the Financial Operations Guide.
- Update of Exhibits, eliminating outdated forms.

Other notable changes include the following:

- Payroll Policy updates to reflect changes to the process resulting from the ADP software conversion.
- Travel Policy updates, primarily for mileage reimbursement rates and local travel.
- Cash Management-Receipts Policy updates to address cash handling at events and to update procedures for Department collections.

- Cash Management-Disbursements Policy updates to require Town Manager approval/signature on invoices more than $10,000 and requiring completion of a procurement form to ensure compliance with purchasing rules and regulations.

Budget Impact: No budget impact.

Recommendation: Staff recommends that Council approve the revisions to the Financial Operations Guide.

TOWN OF CLARKDALE

FINANCIAL OPERATIONS GUIDE

PREPARED BY TOWN STAFF
APPROVED
~~07/10/22~~10/10/2023

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LIST OF EXHIBITS

~~LIST OF EXHIBITS~~

	TOWN OF CLARKDALE **FINANCIAL OPERATIONS GUIDE**	
	SECTION I. INTRODUCTION	
	ORIGINATION DATE: 8/31/2010	**REVISION DATE(S): 6/30/18, 4/5/19, 10/10/23**

~~SECTION ONE INTRODUCTION~~

~~Approved 8/31/2010~~
~~Updated 6/30/2018~~
~~Updated 4/5/19~~

PURPOSE: The purpose of this manual is to provide a working guide for those policies and procedures established to govern and to implement fiscal policy and financial management which sets the standards, structures, and processes that provide the foundation for performing internal control within the Town of Clarkdale.

The Town of Clarkdale specifically prohibits financial transactions based solely on email communication. The Town of Clarkdale will not authorize financial transactions based solely on an email request. Any email that requests a purchase, change in direct deposit account, or make any other financial transaction, should be suspect that the email is fraud. No one in our organization should ask someone to make a transaction over email, and no one should authorize a financial transaction over email.

~~The policies and procedures established apply to all Grants, regardless of the funding entity.~~

I. RESPONSIBILITIES

Clarkdale's Town Code charges the Town Treasurer, on behalf of the Town Clerk and the Town Manager with implementing the financial policies of the Town Council. All matters discussed in this operations guide shall be carried out within applicable laws and regulations, and with generally recognized principles of good financial management and accounting.

Town employees not following the policies and procedures set forth in this manual may be subject to discipline, as outlined in the ~~Employee~~ Personnel Polic~~y~~ies and Procedure Manual.

II. AMENDMENTS

This guide is written in sections, by subject, allowing flexibility for revision. The effective date of the revision/update will be noted at the top of each page.

III. COMMENTS/CLARIFICATION OF POLICY

All comments and requests for clarification of this guide should be addressed to the Finance Department.

IV. OTHER TOWN POLICIES & GUIDANCE DOCUMENTS

Additional information which pertains to policies and procedures established to govern and implement fiscal policy and financial management is also included in the Town's separate policies and guidance documents as follows:

1. Town Code
2. Records Retention Plan
3. Personnel Policy and Procedures
4. Public Service Handbook
5. Arizona State Library, Archives and Public Records General Retention Schedule
6. Arizona Revised Statutes Title 34, Public Buildings and Improvements
7. Arizona Revised Statutes Title 41, State Government-Chapter 23, Arizona Procurement Code
8. Arizona State Procurement Manual
9. Arizona League of Cities and Towns Municipal Budget and Finance Manual
~~5.~~10. Government Finance Officers Association (GFOA) Best Practices, Materials and Publications

~~SECTION TWO~~
~~PAYROLL~~

~~Approved 8/31/2010~~
~~Amended 01/11/2011~~
~~Updated 6/30/2018~~
~~Updated 01/30/2020~~
~~Update 05/10/22~~

PURPOSE~~OLICY~~: To establish standard procedures for the disbursement of funds to employees of the Town of Clarkdale for work performed for the Town, to ensure that all financial accounting practices are authorized and accounted for properly.

PROCEDURES:

I. INITIATION, STATUS CHANGES AND ~~and~~ PAYROLL WITHHOLDINGS

Original authority for placing an employee on the payroll, authority to execute any change of employee status, or authority to remove an employee from the payroll will be recorded on a properly executed "~~"~~Personnel Action ~~Report~~Form" ~~"~~(PAF)~~ (Exhibit A)~~. Authority for initial federal and state income tax withholdings and subsequent changes will be recorded on a properly executed, current IRS "~~"~~Employee Withholding Allowance Certificate W-4"~~"~~ form and current Arizona Department of Revenue "~~"~~Employee's Arizona Withholding Percentage Election A-4" form~~"~~. The original authority for court ordered withholdings shall be by copy of the court order. Human Resources shall enter personnel status and wage change data and Human Resources and/or Finance shall enter~~The Accounting Supervisor shall enter~~ the initial or change in status ~~and the initial or change in~~ withholding information into the computer payroll program. ~~and initial each document entered. The documents shall then be placed in the employee's personnel file.~~

II. RECORDS

A. Employee Personnel File (Human Resources)

The~~The originals of the~~ following forms are kept in the Employee's Personnel File:

Personnel Action Forms

~~Federal Withholding Form (W-4)~~
~~Arizona Withholding Form (A-4)~~
~~Employment Verification Form (I-9)~~

~~The copies of the following forms are kept in the Employee's Personnel File:~~
Arizona Retirement Enrollment Forms
Court Orders
Health Insurance Enrollment
~~Any m~~Miscellaneous ~~authorized deductions or~~other F~~f~~inancial D~~d~~ocuments

Medical records and Employment Verification Form (I-9) shall be kept separate from other personnel files.

B. Employee Payroll File (Finance Department)

The Finance Department maintains a payroll file for each employee kept by fiscal year. The following documents will be in the payroll file:

Federal Withholding Form (W-4)
Arizona Withholding Form (A-4)
Copy of Personnel Action Form (PAF)
Miscellaneous other Financial Documents

~~Employee timesheet~~
~~Copy of paystub or direct deposit stub~~
~~Records of any timesheet or leave adjustment~~

III. PAY PERIODS

All Town of Clarkdale employees have a bi-weekly pay period from 12:01 a.m. Sunday of one week through 12:00 a.m. Saturday of the following week shall be used for all employees.

IV. TIMECARDS~~SHEETS~~

An electronic t~~"T~~imecard~~sheet " form~~ shall be completed and approved~~signed~~ by each hourly employee ~~and submitted to their supervisor~~ for review and approval on a bi-weekly basis ~~by documenting the number of hours worked in the various categories on their "Timesheet" form~~. If a correction needs to be made to the ~~"Timesheet~~timecard~~"~~ after submission ~~form~~, the correction must be done by the Supervisor prior to final approval. ~~incorrect entry shall be lined out and the correction written next to it. All changes shall be initialed by the employee and their supervisor prior to its submission to Finance.~~ All changes made by the ~~Accounting Supervisor~~Finance Manager~~, to comply with current payroll policies,~~ shall be ~~initialed and~~ communicated to the employee's supervisor and the employee. ~~"Timesheet" forms shall not contain white-out.~~

Grant Wages ~~(UGG 200.430(8))~~
Charges to grant awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated as confirmed by the Department

Supervisor.
2. Be incorporated into the official records.
3. Reasonabl~~y~~e reflect the total activity for which the employee is compensated, not exceeding 100% of compensated activities.
4. Encompass both federally ~~assisted~~assisted, and all other activities compensated by the Town on an integrated basis.
5. Comply with the established accounting policies and practices of the Town.

The ~~"Timesheet~~t~~t~~imecard~~" forms~~s shall be reviewed and approved ~~for the pay period shall be collected~~ by the person so designated in each department ~~and turned into the Finance Department~~ by 10~~-~~a.m. on the first Monday after the end of the pay period, unless notified in advance by the Finance Department of a date change.

V. PERSONAL TIME OFF, ILLNESS BANK OR COMP TIME

For policies regarding calculations for Hours of Work, Attendance, Holidays and Supervision, Paid Time Off (PTO), Sick Leave, Illness Bank (IB), Absent Without Leave, Jury Duty, Military Duty and Maternity Leave, and Overtime, refer to the Town of Clarkdale Personnel Policies and Procedure Manual.

Any employee requesting time off shall complete a Time Off Request in the payroll system for approval by ~~fill out a "Request for P.T.O." form (Exhibit B) and have it approved by his or her~~their supervisor. ~~The employee will report the time off on the "Timesheet" form.~~

~~Any approved Paid Time Off (PTO) hours shall be included on the "Timesheet" form on the designated Paid Time Off (PTO) line.~~

~~Any approved Illness Bank (IB) hours shall be included on the "Timesheet" form on the designated Illness Bank (IB) line.~~

If the employee is eligible and needs to use Illness Bank (IB) hours, and is unable to complete a ~~"Timesheet" form~~timecard due to a valid reason, the authorizing supervisor shall fill in the appropriate hours to be paid. ~~Within five days of returning to work, the employee shall go to the Finance Department to sign the "Timesheet" form completed by supervisor.~~

VI. ON CALL PAY

'On Call' pay is a specific class of automatic overtime pay for non-exempt employees (and authorized temporary employees) who may be assigned On Call duty to respond to critical situations that might arise outside of scheduled work hours. This class is intended to address the need to provide 24/7 readiness including emergency response capabilities to the citizens of Clarkdale. On Call assignments will be made at the discretion of the Town Manager, Department ~~Head~~Head, or his/her designee. These provisions and guidelines do not apply to exempt classifications.

On Call hours will be assessed and paid according to the Town of Clarkdale Personnel Policies and Procedure Manual.

On Call pay is a separate compensation class and, as such, is to be designated on a separate line of the employee's timecard ~~sheet~~. On Call time cannot be converted to regular work time or compensatory time. On Call time will be calculated and paid on a separate line of the employee's regular pay stub.

VII. DATA ENTRY AND PAYROLL REGISTER

Upon approval of timecards and time off requests by the designated supervisors, the Finance Manager will review the payroll data for any irregularities and/or obvious errors and will process payroll. ~~Hours worked and the account and project numbers for the work done are entered into the INCODE Payroll module by the Accounting Supervisor or Accounting Technician from the approved "Timesheet" forms. Once all hours, account and project numbers have been entered, the n~~Net payroll and all deductions are~~is~~ calculated, and a Preliminary ~~Calculation Report~~Payroll Register is generated. The register is then checked for accuracy by the ~~Accounting Supervisor~~Finance Manager and provided to the Finance Director for review and approval. ~~or Accounting Clerk. If correct, the Preliminary register is filed, and~~ The payroll is then ~~payroll is~~ approved, processed and posted to the general ledger. ~~If needed, corrections are made to the hours, accounts or project numbers and the procedure is repeated.~~

VIII. ~~CHECK RUN, SIGNING AND~~PAYROLL DISBURSEMENT

All payroll is processed via direct deposit to the employee's designated banking institution. In the event of a change in institution, the first payroll following the change will be pre-noted to verify account authenticity. Once verified, the direct deposit change will take place on the subsequent payroll following the pre-note. Paystubs are located on the electronic payroll system and accessed through the employee's individual account. ~~The Accounting Supervisor or Accounting Technician generates the payroll checks and/or direct deposit stubs, and Final Check Register.~~

~~On the first Thursday after the end of the pay period, the direct deposit stub or original paycheck will be distributed by the Finance Department through interoffice mailbox delivery. If an employee is not expected to report to work within five days, paychecks and stubs will be mailed to address on record, through the U.S. Postal Service. If a person other than the employee is to pick up a payroll check, a written statement must be on file authorizing someone other than the employee to pick up the check, and the person picking up the check shall sign a log acknowledging receipt.~~

~~The "Timesheets" are then attached to the copies of the direct deposit stub or check and filed in the appropriate "Employee Payroll File" located in the Finance Department.~~

IX. FISCAL YEAR END PROCEDURES

When the final fiscal year end payroll crosses both fiscal years, the expenditures are allocated to each fiscal year based on number of days in each period. ~~When processing the final payroll, INCODE allows the option to allocate between each fiscal year. The Accounting Supervisor or Accounting Clerk will input a percentage and change all payroll direct payables to regular payables.~~

X. QUARTERLY REPORTS AND YEAR END W-2 PROCEDURES

Quarterly reports are prepared and processed by the Town's contracted payroll service. ~~by the Accounting Supervisor or Accounting Technician. Once the fourth quarter reports have been prepared and balanced, the Accounting Supervisor reconciles final W-2 amounts to the quarterly reports.~~ The ~~Accounting Supervisor~~Finance Manager reviews and approves ~~the reconciliation and then prints~~ the W-2s prior to ~~for~~ distribution to employees and the IRS.

XI. PAYROLL LIABILITY ACCOUNTS

The ~~Accounting Supervisor~~Finance Manager or ~~Accounting Clerk~~Finance/HR Specialist reconciles the payroll liability accounts and prepares any necessary adjustments at least quarterly. The Finance Director reviews these reconciliations and approves any required adjustments.

	TOWN OF CLARKDALE FINANCIAL OPERATIONS GUIDE	
	SECTION III. TRAVEL & TRAINING	
	ORIGINATION DATE: 9/24/2002	REVISION DATE(S): 6/23/15, 6/30/18, 1/30/20, 5/10/22, 10/10/23

~~SECTION THREE~~

~~TRAVEL & TRAINING~~

~~Approved 9/24/2002~~

~~Amended 6/23/15~~

~~Updated 6/30/2018~~

~~Updated 01/30/2020~~

~~Update 05/10/22~~

PURPOSE: The policy of the Town of Clarkdale is to encourage training opportunities for employees so their services rendered to the Town shall be made more effective, and that employees may become, at the same time, qualified for promotion to higher level positions. The Department Head, consistent with the budget and this policy, shall authorize attendance at conferences, seminars, ~~meetings~~meetings, and conventions that directly benefit the Town of Clarkdale. The Town Manager shall authorize attendance for multi-day conferences, seminars, meetings, and conventions that directly benefit the Town of Clarkdale.

I. ELIGIBLE~~ligible~~ INDIVIDUALS~~ndividuals~~

A. Town employees (classified, part-time classified, and non-classified employees)

B. Others - Members of boards, commissions, authorities, council members and committees who are not employees of the Town, yet serve the Town as members on these boards, commissions, authorities, councils, and committees.

II. GENERAL TRAVEL~~eneral Travel Principles~~ PRINCIPLES

~~II.~~ ~~–~~The Town shall authorize employee travel in accordance with the following principles:

A. All Town travel arrangements should reflect an understanding of the Town of Clarkdale Travel Policy.

B. Travel is usually warranted when personal contact is the most ~~economical~~ beneficial method of conducting official Town business.

C. Employees may attend educational or training seminars if funds for that purpose are available and such training is authorized by applicable Department Head and Town Manager.

D. Employee travel is conducted according to the Town Travel Policy **regardless of funding source** (~~i.e.~~i.e., ~~G~~grant requirements do not supersede the Town requirements).

III. PROCEDURES

The Travel Request Form: -Pre-Authorization and Post-Travel, Exhibit A (S:\Shared(Read-Write)\Travel Request Forms), must be accompanied with documentation of ~~a Travel Compensation / Reimbursement Report depicting~~ all ~~the a~~anticipated expenditures ~~and documentation~~. Quotes for lodging, maps indicating mileage, and registration forms shall be attached to the Travel Request Form. No training outside the local area for which compensation is requested shall be authorized, nor will compensation be made, unless the travel request form has been completed and authorized by the Department Head and Town Manager ~~(or Town Manager is the traveler is a department head)~~ prior to departure as provided herein, except one-day (not overnight) out-of-town travel.

Subsistence expenses, such as lodging for official trips, shall be compensated on the basis of the actual expenses incurred. Meals shall be based on the per-diem schedules ~~listed on page three of this section.~~
outlined herein.

IV. ~~Travel Compensation Guidelines~~TRAVEL COMPENSATION GUIDELINES

A. Tips and other gratuities for all meals are included in the Per Diem.

B. The Town shall compensate expenses only when the expenses are incurred during the performance of official duties of the Town employee and for the Town's benefit.

~~C. Subsistence will not be permitted when the training received is for the direct benefit of the employee and not required by the job.~~

~~D.~~C. Only those costs requested on the travel request form authorized by the Department Head and Town Manager will be approved for compensation.

~~E. Employees having questions concerning subsistence and travel allowance should obtain a determination from the Department Head when completing the Travel Request Form.~~

~~F.~~D. An employee on Town travel status who extends the travel for his own convenience or enjoyment when such is not required by the Town, will not be entitled to the allowance for that meal or if applicable, lodging, or compensation.

~~G.~~E. The Department Head and ~~(or~~ Town Manager~~)~~ shall approve or deny~~isapprove~~ the travel expense request ~~(Exhibit C)~~.

~~H.~~F. ~~If~~ Upon approval~~ed~~, the employee requesting travel funds shall submit the “Travel Request Form” to the Finance Department for reimbursement.

V. ~~Lodging and Meal Per-Diem~~LODGING & MEAL PER-DIEM
~~V.~~

A. Lodging - the following policy is to be utilized by eligible individuals who are contemplating traveling for Town business or training related purposes.
~~A.~~

1. Eligibility
   a. Employee must be on authorized travel status.

b. Travel must be outside the Verde Valley and a multi-day event.
c. Single-day training events may warrant a pre-training overnight lodging stay if travel and training will exceed a 10-hour workday.
d. Lodging must be at a commercial establishment.
e. Employee is required to request the lowest available rate, traditionally being governmental, except for block rates at a conference hotel with consideration to the most reasonable and economical lodging and travel needs.

1. Grant funded lodging and subsistence shall not exceed charges normally allowed by the Town.

2. If charged directly to the grant, documentation must justify that the participation of the individual is necessary to the grant award and the costs are reasonable and consistent with the Town's established travel policy. ~~(UGG200.474(b))~~

2. Documentation

a. The commercial establishment's itemized receipt is required.

B. Meals ~~-s -~~ Per Diem (In and Out of State)

~~B. **Revised 7/1/15**~~

1. Eligibility
   a. Employee must be on authorized travel status.
   b. Travel must be outside the corporate Town limits.
2. Documentation - Compensation is based on the schedule listed and no receipts are required.
3. Meal allowances
   a. Breakfast - R~~Is r~~eimbursable when travel commences on or before 6~~:00~~ a.m.
   b. Lunch - R~~Is r~~eimbursable if travel commences on or before 11~~:00~~ a.m. and ends at or after 2~~:00~~ p.m.
   c. Dinner - R~~Is r~~eimbursable when travel extends to 7~~:00~~ p.m. or beyond ~~,~~ or when the traveler leaves for overnight travel on or before 6~~:00~~ p.m.
4. Meals Provided
   a. The traveler is not entitled to a meal allowance for meals provided at the conference or seminar.
5. Meal Per Diem Rates (based upon annual GSA rates)

Breakfast	$13.00
Lunch	$15.00
Dinner	$26.00
Incidentals	$5.00

~~a.~~

~~C. Meal Per Diems (based upon annual GSA rates)~~

~~Breakfast~~	~~$13.00~~
~~Lunch~~	~~$15.00~~
~~Dinner~~	~~$26.00~~
~~Incidentals~~	~~$5.00~~
~~Daily~~	~~$59.00~~

VI. TRANSPORTATION

~~VI. ransportation -~~ When more than one employee uses the same motor vehicle, only one claim for mileage compensation will be allowed. Receipts are required for reimbursement for all necessary local transportation, ~~tolls~~tolls, and parking.

A. Requirement for using Town owned vehicle:

~~A.~~

1 Driver's license - a valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit on Town business.

2 Vehicle reservation - reserve a pool vehicle using Microsoft Outlook Calendar.

~~3 Reporting - pool vehicles require that all pertinent information be provided in the vehicle log, including name of user, beginning and ending mileage, total miles traveled, and fuel level.~~

~~4~~3 Returning of pool vehicle - fuel level must be full upon return from an out-of-town trip and any problems or incidents with the vehicle must be reported to the

Public Works. The vehicle shall be returned in a clean state (all soda cans, paper & trash shall be removed).

~~5~~4 NO SMOKING in Town vehicles.

~~6~~5 ~~Only Town Staff, Council, Board & Commission members or another municipalities' staff may ride in a Town Vehicle.~~ All occupants must wear a seatbelt.

B. Requirement for using rental vehicle:

~~B.~~

1 Authorization - by the Department Head prior to use of rental vehicle.

2 Driver's license - a valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.

3 Vehicle reservation - reservations must be placed with a vehicle rental establishment, according to their reservation requirements.

a. Vehicle to be used for Town travel must be a compact vehicle (or of equal cost or reimbursed).

b. Reservation of any other rental vehicle must be pre-approved by the

~~b.~~ Department Head prior to the reservation of the vehicle.

4 Reporting

a. The commercial establishment's itemized receipt is required.

C. Requirement for using personal vehicle:

~~C.~~

1 Driver's license - a valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.

2 Current Vehicle Insurance - liability insurance coverage with a minimum coverage of $15,000 per person and $30,000 per accident.

a. If a traveler using a privately owned vehicle is involved in an accident and found to be at fault, his/her liability insurance carrier is responsible to the limits of the policy. If the amount exceeds that coverage, the Town's insurance will, at the time, cover the amount over the policy limits if the traveler was acting within the course and scope of their employment.

b. If a traveler driving a privately owned vehicle on Town business is involved in an accident, regardless of fault, the Town will not reimburse for any physical damage to the motor vehicle.

~~4.~~3 Compensation Basis

a. Compensation is based on mileage maps. ~~"Map Mileage" using official state highway maps or mapping programs.~~

~~a~~

b. Beginning address and ending location address must be shown on map~~ubmitted~~ for compensation eligibility.

~~b~~

c. Compensation will be calculated based on the shortest distance from either the location of departure to the location of the meeting, or the location where the employee regularly reports for duty to the location of the meeting. The same methodology applies to the return trip~~be using the most direct route~~.

~~c~~
d. Mileage compensation ~~when Town car is not available,~~ shall be at the Federal rate per map mile. ~~In the event that the Town vehicle was available for use, but employee chose to use a personal vehicle the mileage compensation rate is ½ of the federal rate per mile.~~ These rates include all travel and maintenance expenses of the vehicle. Employees are encouraged to utilize the Town vehicle whenever possible.
~~d~~e. Mileage reimbursement is not available for local travel, including travel to Sedona, Camp Verde, Cottonwood and Jerome, unless the pool vehicle is not available.
~~e~~f. If employee has a vehicle allowance, no mileage reimbursement shall be paid for travel less than 50 miles from~~of the~~ Town facilities.

~~VII. Miscellaneous Travel Issues~~

~~A. Communication Expense~~

~~1. Business communication charges, including faxes and copies, are reimbursable if documented by receipts.~~
~~2. Business calls are reimbursable and should be noted as such on the hotel receipt. The number called should be visible.~~
~~3. No personal calls will be reimbursed.~~

~~SECTION FOUR~~
~~CASH MANAGEMENT – RECEIPTS~~

~~Approved 8/31/2010~~
~~Updated 6/30/2018~~
~~Updated 1/30/2020~~
~~Update 5/10/22~~

PURPOSE: To describe the procedure for obtaining and receipting all revenues received by the Town of Clarkdale.

I. PROCEDURE

A. The Finance Department will disperse all revenue received by mail either in-person, or into Department mail-boxes located in Administration Building.

B. Cash payments accepted at events shall be received in the presence of two Town employees and/or official Town volunteers. At the end of the event cash shall be placed in tamper-proof, sealed envelope or locked cash box, and the amount shall be verified and signed/witnessed by two parties. Cash shall be stored overnight in a Town building, and secured in a locked area (i.e., safe, drawer, or cabinet). Cash will then be re-counted by a Town official and deposited as directed below.

~~A.~~C. Cash payments accepted at river access points are collected by Verde River Ambassadors and delivered to the Police Department. The collections are kept in a secure, locked location until counted and processed as indicated below.

~~B.~~D. All Town revenues will be receipted through the department responsible for collecting the various payments. All receipts should be recorded through the INCODE software system.

~~1. Cemetery payments will be recorded in the Cemetery and Cash Collection module using the INCODE software system. The reports will be balanced at the end of each week. The revenue and all reporting documents will be sent to the Finance Department by 1:30 p.m. of the next business day.~~

~~2.~~1. Water, Trash, Cemetery and Sewer payments will be recorded in the Utility Billing, Cemetery and Cash Collection module of the INCODE software system and balanced at 12:30 p.m. and at the end of each business day. The revenue and all reporting documents will be sent to the Finance Department by 1:30 p.m~~. the next business day.~~. The ~~Utility~~ Public Works Department cash drawers will open daily with a $150.00 change fund.

~~3.~~2. Community Development related revenue will be recorded in the Business License, Building Project and Cash Collection module using the INCODE software system. The reports will be balanced ~~at the end of each week. The~~daily; -revenue and all reporting documents will be sent to the Finance Department by ~~10:00 a.~~1:30 p.m. ~~of the next business day.~~ The Community Development cash drawer will open weekly with a $100.00 change fund. INCODE credit card receipts will be provided to Public Works immediately.

~~4.~~3. Police Department related revenue will be recorded in the Cash Collection module using the INCODE software system.~~using approved spreadsheet. The reports will be b~~ The reports will be balanced ~~at~~ daily whenever possible, and weekly at a minimum; ~~the end of each week. The~~ revenue and all reporting documents will be sent to the Finance Department by 1:30 p.m~~at least once per week~~. INCODE credit card receipts will be provided to Public Works. The Police Department cash drawer will open weekly with a $~~-~~50.00 change fund.

~~5.~~4. Parks and Recreation Department related revenue will be recorded in the Cash Collection module using the INCODE software system. The reports will be balanced daily by~~at~~ 12:30 p.m. whenever possible, and weekly at a minimum;~~the end of each week. The~~ revenue and all reporting documents will be sent to the Finance Department by 1:30 p.m~~. of the next business day~~. INCODE credit card receipts will be provided to Public Works immediately.

~~INCODE receipts will be provided to Public Works immediately.~~

5. Payments received by third party applications in any Department shall be imported into INCODE or recorded in INCODE cash collections as separate batches from the cash drawer batches each morning. The revenue and all reporting documents will be sent to the Finance Department by 1:30 p.m.

6. Court related revenue will be recorded in the Arizona Judicial Automated Case System (AJACS) program provided by the Arizona State Court System. All revenue will be balanced as needed depending on the volume and deposited in the Court designated checking by Court Administration. At the end of every month the Court will prepare monthly reconciliation statements, including bank statements, per current IGA. ~~The~~the Summary Allocation by Agency Report (SABA) will be provided and the Court will remit all fees required to all agencies as allocated by the SABA. The Finance Department will post monthly journal entries to adjust the cash balances as reflected in the bank reconciliations received.

~~6.~~7. Funds deposited directly to Town bank accounts will be recorded into the Cash

Collections module of the INCODE software system when the confirming deposit facsimile arrives, or as shown in the daily receipts in the online banking system. These will be ~~and~~ balanced at least weekly by the Finance Department.

~~7.~~8. Grants/Loans – When payments are received from the United States Treasury or the pass-through entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means, the Finance Department will notify the recipient department to insure minimizing the time elapsing between the transfer and the disbursement of those funds by the Town ~~(UGG200.305(b))~~.

9. All other payments received will be receipted through the Finance Department. All general receipts will be entered using the Cash Collection module of the INCODE software system. Receipts that do not have an ~~not~~ assigned ~~an~~ account will be entered in the “Miscellaneous Reve~~n~~”ue" account. The general receipts will be balanced at least ~~on a~~ weekly. ~~basis and a~~All supporting documents will be stored in a secure, locked~~placed in the locked cabinet~~ location in the Finance Department ~~and balanced out weekly by the Finance Departmen~~.

~~8.~~10. A deposit slip will be completed by the ~~Accounting Technician~~Finance/HR Specialist. Checks will be deposited utilizing the remote check reader. ~~and the~~ R~~r~~eceipts will be deposited into the T~~o~~’wn's bank account at least ~~a minimum of twice~~ once per week~~ly~~. Deposits will be taken to the bank on the last day of each month. The deposit receipt will be attached to the INCODE report and verified by the ~~Accounting Supervisor~~Finance Manager/~~Finance Manager~~.

~~C.~~E. All bank accounts will be reconciled monthly by the ~~Accounting Supervisor~~Finance Manager, ~~verified~~ approved by the Finance ~~Director, and~~Director and filed in a permanent file.

~~SECTION FIVE~~
~~CASH MANAGEMENT - DISBURSEMENTS~~

~~Approved 08/31/2009~~
~~Updated 6/30/2018~~
~~Updated 1/30/2020~~
~~Updated 5/2/2022~~

PURPOSE: To establish standard procedures for the disbursement of funds to vendors for items or services purchased by the Town of Clarkdale in accordance with the approved fiscal year budget, to ensure that all services and items delivered were authorized and accounted for properly, and to maintain accurate vendor files.

I. PROCEDURES

A. All invoices shall be reviewed by the Department Head to ensure compliance with the approved department budget. Invoices shall be signed by the Department Head and coded based upon the account numbers in the respective budget.

B. All invoices more than $10,000 should be authorized and signed by the Town Manager.

~~A.~~C. Procurement forms are required for all purchases more than $10,000 (Exhibit B, S:\Shared(Read-Write)\Procurement).

D. Prior to expending funds for special projects or grant projects, the Department Head shall meet with the Finance Department to arrange for project accounting and issuance of account numbers for coding invoices.

~~B. s.~~

E. All approved and coded invoices shall be forwarded to the ~~Accounting Technician~~Finance/HR Specialist in a timely fashion along with applicable receiving documents and purchase orders. The ~~Accounting Technician~~Finance/HR Specialist batches invoices for payment based on due date and date of invoice receipt. Invoices received at the Finance Department by Tuesday at~~Friday at~~ 12 p.m. will be included in the weekly batch run on Wednesday for distribution on Thursday~~Tuesday~~. If an emergency check is required, the Finance Director may approve processing ~~of~~ a check outside the normal batch timelines.

~~C. s.~~

~~D.~~F. All vendors must have a "Request for Taxpayer Identification Number and

Certification" Form -W-9 ~~(Exhibit F)~~ on file with the Finance Department prior to payment of an invoice. If there is no W-9 form on file, a request along with a copy of the W-9 form is sent to the vendor for completion. Upon receipt of the completed W-9 form, the vendor is added to the vendor files and the payment process for the invoice is completed.

G. The ~~Accounting Technician~~Finance/HR Specialist shall enter all invoice information into the Accounts Payable module of the INCODE software system as invoices come in. On ~~Tuesday~~ Wednesday morning the open items register shall be closed and sent to the payment processing packet. Invoices to be paid will be selected based on the due date.

H. The Finance/HR Specialist shall then run a "Preliminary Check Register" and review for accuracy. If a correction is necessary, the Finance/HR Specialist shall reenter the corrected data and rerun the "Preliminary Check Register". Upon completing an acceptable "Preliminary Check Register" the Finance/HR Specialist shall print the checks and run a "Check Register". Check registers are approved by Finance Director.

~~E.~~

~~F. The Accounting Technician shall then run a "Preliminary Check Register" and review for accuracy. If a correction is necessary, the Accounting Technical shall reenter the corrected data and rerun the "Preliminary Check Register"~~

~~G. Upon completing an acceptable "Preliminary Check Register" the Accounting Technician shall print the checks and run a "Check Register".~~

I. The ~~Accounting Technician~~Finance/HR Specialist shall forward the approved checks, with the check register, to the Town Manager.

~~H.~~

J. The Town Manager shall review the checks and check register, note any exceptions, and ~~sign~~ approve the checks for distribution.~~. The checks shall then be forwarded to the Town Clerk (or in the Clerk's absence, the Mayor or Vice Mayor) for the second signature~~

~~I. .~~

~~J. A monthly register of all checks is provided to the entire Council as a report on a monthly agenda.~~

~~K. The Accounting Supervisor or Finance Director shall review the checks and check register, note any exceptions, and sign/initial the checks. The checks shall then be forwarded to the Accounting Technician.~~

K. The ~~Accounting Technician~~Finance/HR Specialist shall separate the signed checks and mail the original to the payee. The ~~Accounting Technician~~Finance/HR Specialist shall attach the invoices and any supporting documentation to the check stub.

~~L.~~

~~M.~~L. The ~~Accounting Technician~~Finance/HR Specialist shall file the documents in a vendor file and any voided checks in a reconciliation file.

~~O.~~ M. Any checks that need to be voided shall be entered into the INCODE system using the "Check Un-post Process". The Audit report will be attached to the check ~~which was been~~ and stamped "VOID". This documentation will be placed in the VOID file.

N. Grants/Loans

~~P.~~

1. No expenditures should be made for any grant until the Finance Department has a Notice of Award letter on file. All grant documents shall be stored on the Town Shared Read-Write Drive, S:\Shared(Read-Write)\Grants.

2. When a grant or reimbursement loan is authorized by the Council, the recipient department shall meet with the Finance Department to set up the "Project" to ensure the specific grant requirements are met as follows:

~~1.~~

~~2. When a Grant or reimbursement loan is authorized by Council the recipient department shall meet with the Finance Department to set up the "Project" to ensure the specific grant requirements are met as follows:~~

Grant name, contract number, Council approval date, grant source, award date, expiration date, grant amount, allowable expenses, matching funds requirement, in-kind requirement, set up of wages if covered, implementation department, project coordinator, administrative coordinator, reporting requirements, person that will be completing reports, if grant requires copies of invoices or checks for reporting requirements, and if it is a pass-through grant. ~~(UGG 200.302(b)(7).~~

3. When payments are received from the United States Treasury or the pass-through entity ~~3.~~ whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means, the Finance Department will notify the recipient department to insure minimizing the time elapsing between the transfer and the disbursement of those funds by the Town. ~~(UGG200.305(b)).~~

~~SECTION SIX~~
~~PROCUREMENT~~

~~Approved 10/27/2009~~
~~Updated 6/17/2020~~
~~Updated 05/2/2022~~

PURPOSE~~OLICY~~: To establish standard procedures for the procurement of supplies, materials, ~~equipment~~equipment, and services and to ensure that all expenditures, no matter the revenue source relating thereto, which are authorized in the Town's budget, are properly encumbered and accounted for, and that a complete history of each expenditure transaction is established. The Town Manager, or his/her designee shall be the Purchasing Agent for the Town. No purchase or contract for services of any kind or description, payment for which is to be made from funds of the Town, including grant funded expenditures shall be made by the Purchasing Agent, ~~employee~~employee, or agent of the Town, except in the manner set forth in this section, and unless said purchase is in accordance with the adopted Town budget. The Town Code supersedes if there is conflicting information.

I. DEFINITIONS

A. Bid or Proposal Documents - The documents, including their attachments and addenda, which set forth instructions to bidders or proponents, and are disseminated for the purpose of soliciting bids or proposals.

B. Town Employee - An individual who performs services for the Town in the capacity of an elected or appointed official, or as a compensated employee of the Town or of a temporary services agency retained by the Town.

C. Town Manager - The person appointed by the Town Council to be the chief administrative officer for the Town, or his/her designee.

D. Contracts and Agreements - ~~, regardless of what they may be labeled,~~Legally binding document between the Town and one or more other parties for the procurement or disposition of goods.

E. Contractor - The person who has entered into an agreement with the Town to provide services.

F. Financial Interest - Includes any of the following:

~~A.~~

1. Ownership of any interest or involvement in any relationship from which, or as a result of which, a person has received compensation within the past year, or is

entitled to, or is currently receiving compensation;

2. Ownership, whether wholly or in part, of any property or business; or

3. Status as an officer, director, trustee, partner, employee, or manager of a business.

G. Goods - Articles moveable at the time of sale, including but not limited to equipment, supplies, and materials.

H. Gratuity - A gift, payment, loan, advance, deposit of money, or service, presented or promised in return for or in anticipation of favorable consideration in the procurement process. "Gratuity" does not include the compensation paid by or due from the Town or from a temporary service agency under contract with the Town to an employee in connection with the employee's services for the Town.

I. Person - Any individual, partnership, limited partnership, association, corporation, labor union, committee, club, or governmental entity.

J. Procurement - The acquisition of supplies, goods, and services by the Town, including but not limited to purchasing or leasing, and all functions and procedures pertaining to such acquisitions, no matter the revenue source.

K. Professional or Specialized Services - Services which involve the exercise of professional discretion and independent judgment based on an advanced or specialized knowledge, expertise or training gained by formal studies or experience. Such services include but are not limited to, engineers, architects, geologists, hydrologists, land surveyors, landscape architects and assayers, real estate, computer, accounting, personnel and insurance consultants, psychologists, medical doctors and attorneys-at-law, regardless of ~~no matter~~ the revenue source.

L. Responsible Bidder - A bidder as determined by the Department Head, Purchasing Agent, Town Manager, Council, or professional services:

1. To have the ability, capacity, experience, and skill to provide the goods and/or services in accordance with bid specifications.

2. To have the ability to provide the goods and/or services promptly, or within the time specified, without delay.

3. To have equipment, facilities and resources of such capacity and location to enable the bidder to provide the goods and/or services.

4. To be able to provide future maintenance, repair, parts, and service for the use of the goods purchased, when applicable.

5. To have a record of satisfactory or better performance under prior contracts with the city or other purchasers where such bidder has previously been awarded such contracts.

6. To have complied with laws, regulations, guidelines, and orders governing prior or existing contracts performed by the bidder.

M. Responsive Bidder - A bidder determined by the Department Head, Purchasing Agent, Town Manager, Council, or professional services to have submitted a bid or proposal that conforms in all material respects to the requirements of the bid or proposal documents.

N. Services - Work performed or labor, time and effort expended by an independent contractor.

O. Sole Source - Contracts for which the Department Head, Purchasing Agent, Town Manager, Council, or professional services as determined, after conducting a good faith review of available products and sources, that the Town's requirements can be met solely by a single patented, copyrighted or proprietary article or process available from a single source. Examples of acceptable sole source purchases are equipment for which there is no comparable competitive product, a component or replacement part for which there is no commercially available substitute, and which can be obtained only from the manufacturer or an item where compatibility with items in use by the Town is the overriding consideration.

P. Specifications - A description of the physical or functional characteristics of the supplies or goods, or of the nature of the services.

Q. Transaction - The process of ordering goods or services through traditional purchasing methods, e.g., issuance of a purchase order.

R. Vendor - A supplier of goods or services.

II. PROCEDURE

A. Purchasing - The Town of Clarkdale shall procure all supplies, materials, equipment, and services deemed necessary for the delivery of quality services to its citizens, using competitive bids, vendor quotations or direct purchase. Every effort will be made to obtain all supplies, materials, equipment, and services at the most economical prices available, utilizing local vendors whenever possible.

B. Purchasing Standards - All Town employees authorized to incur a debt for the Town of Clarkdale through the purchase of goods, such as supplies, materials, equipment, or services, shall comply with the following purchasing standards:

1. The authority to incur a debt on behalf of the Town of Clarkdale is a public trust and each purchase shall be treated in a manner that will not in any way be adverse to the interest of the Town.

2. Each purchase shall be made impartially, fairly and without benefit, hint of benefit, or financial interest to the Town representative who is making the purchase.

3. No employee of the Town shall demand or accept a gratuity of any kind in return for making a purchase for the Town.

4. All vendors shall be dealt with in a fair, courteous and honest manner.

5. Under no circumstance will the acquisition of supplies, materials, equipment, or services be knowingly divided to circumvent the purchasing procedures.

C. Purchasing Procedure (dollar amounts include all applicable taxes) -

1. Purchases of less than $100 may be made with petty cash upon approval from the Purchasing Agent or a Department Head.

2. Purchases of less than $10,000 may be made from vendors upon approval from the Purchasing Agent or a Department Head. To the extent practicable, purchases within this dollar range shall be distributed equitably among equally suitable suppliers.

3. Purchases or contracts for services $10,000 to $74,999 shall require solicitation of three written quotes or bids, unless procurement is otherwise allowed by state law as described in A.R.S. §34 and §41, Chapter 23, in addition to all regulations require by state law. The Department Head may award the purchase or contract for service to the lowest responsible quote or bidder. Procurement form completion is required (Exhibit B, S:\Shared(Read-Write)\Procurement).

4. Purchases or contracts for services contemplated to be $75,000 or more shall be awarded by Council. Procurement form completion is required (Exhibit B, S:\Shared(Read-Write)\Procurement). These purchases and/or contracts shall follow the formal bid procedure below, unless procurement is otherwise allowed by state law for as described in A.R.S. §34 and §41, Chapter 23, in addition to all regulations required by state law:

~~1.~~

~~2. Purchases or contracts for services $10,000 to $74,999 shall require the solicitation of three written quotes or bids. The Department Head may award the purchase or contract for service to the lowest responsible quote or bidder.~~

~~3. Purchases or contracts for services contemplated to be $75,000 or more shall be awarded by Council and shall follow the formal bid procedure below, unless otherwise allowed by state law for certain professional services as described in A.R.S. §34, in addition to all regulations required by State Law:~~

Formal Bid Process:

a. The Department Head or their~~his~~ representative shall ~~cause to be published~~advertise in at least two consecutive publications if it is a weekly newspaper or for two publications that are at least six but not more than ten days apart if it is a daily newspaper (of ~~one issue of a newspaper with~~ general circulation in the Town), a notice inviting bids for the purchase or contract at least 10 days prior to the date set for the receipt of the bids.

b. The Department Head or their~~his~~ representative shall make the notice inviting bids for the purchase or contract available for inspection at Town Hall and on the Town website if possible.

c. Both of the above notices shall include a general description of the item or services to be performed and the time and place for opening bids which:

1. Incorporates a clear and accurate description of the technical requirements for the material, project, or service to be procured.

2. Descriptions must not, in competitive procurements, contain features that unduly restrict competition.

3. The description may include a statement of the qualitative nature of the material, product, or service to be procured, and when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use.

d. ~~Detailed product specifications should be avoided when at all possible.~~

e. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used to define the performance or other salient requirements of the procurement.

f. The specific features of the named brand which must be met by offers must be clearly stated and identify all requirements that the offerors must fulfill and all other factors to be used in evaluating bids or proposals. A notice inviting bids may also be provided to all perspective suppliers that have requested such notice.

g. All notices and solicitations for bids shall state the time and place for opening the bids.

h. Bids shall be submitted in a sealed envelope and identified as bids on the envelope. All bids shall be opened in public at the time and place stated in the public notice.

i. The Department Head or representative shall present the bids/proposals to the Council for approval and advise the Council of the advantages or disadvantages of the purchase or contract bids.

j. A tabulation of all bids received shall be retained on file for public inspection during regular business hours following the bid opening.

k. Contracts shall be awarded by the Town Council to the lowest responsible and responsive bidder in the best interest of the Town, except as otherwise provided herein, and allowed by state law (A.R.S. §34).

l. If two or more bids received are for the same total amount or unit price, quality and service being equal and if the public interest will not permit the delay of re-advertising for bids, the Council shall determine the successful bidder by lot.

m. The Department Head, Purchasing Agent, or Town Manager shall have the authority to reject all bids or part of bids and re-solicit bids for purchases or contracts of under $75,000. The Council, for purchases or contracts for services of $75,000 or more, shall have the authority to reject any and all bids or parts of bids and re-solicit bids.

D. Exceptions

1. State Contract - The Town is a member of the State's purchasing system. When purchases are made from State Contract, include the contract number on the purchase order or staff report. Purchases, which exceed $74,999, must have Council approval.

2. Cooperative Purchasing Agreements - the Town may:

a. Enter into cooperative purchasing agreements with any public procurement unit or units as outlined under A.R.S. §41-2632, for the procurement of any materials, services, or construction as may be deemed advantageous to the Town by the Council.

b. Accept a bid for materials, or services let by another public entity provided the public entity procured the equipment, materials, or services in substantially the same
~~in substantially the same~~ manner as outlined above and under the following conditions:

1. The procedures outlined above are followed.
~~1.~~ 2.

The Town shall obtain written permission from the public ~~e~~entity ~~letting the bid~~authorizing the Town to use such bid.
~~2.~~ 3.

The Town shall obtain a copy of the bid documentation from which the procurement is being based.

3. Non-Professional Services - For the purchase or procurement of non-professional services, upon concurrence of the Town Manager, when it is clearly to the advantage of the Town to negotiate on a sole-source basis with a specific person or firm. Circumstances which would support such negotiations include, but are not limited to:

a. A proposed contract for additional work on the same project or relating professionally to work completed by the person or firm under another contract.

b. Other special unique qualifications of the person or firm.

c. Contract costs to be shared with another agency that had pre-selected the person or firm under their procedures.

d. When rapid response is required due to circumstances beyond the control of the Town.

e. Familiarity with Town operations which results in lower cost. The purchasing office shall keep a record of such supporting circumstances. All sole-source contracts for non-professional services of estimated value over $74,999 shall be submitted to the Council for review prior to final award and the supporting circumstances made part of the public record; and they shall be awarded by the Council and executed by the Town Manager.

4. Normal purchasing procedures will be dispensed only upon the declaration of an emergency by the Mayor or, in his/her absence, the Vice-Mayor, or in a quorum of the Council in regular or special session. In some extreme cases affecting the life or property within the community or a segment of the community, the Town Manager may authorize dispensing with normal purchasing procedures. All such actions including documentation to the effect that the expenditures and emergency procedures were justified to save life or property will be reported to the Council and made a matter of public record at the next public council meeting unless otherwise exempted from public disclosure by state statute. Such exempted

actions will be brought instead to the Council in executive session prior to the next public council meeting.

5. Unless required by the Council, the above procedures shall not apply to professional services rendered on an open account on an as needed basis includes but not limited to the following: physicians, attorneys, architects, engineers, and similar professions. Questions whether a service is a professional service shall be referred to the purchasing officer and be in compliance with state law where applicable.

6. Used equipment. The Council may elect to waive the bid procedures with respect to the purchase of used equipment.

7. Public Works. All Public works contracts shall be bid in accordance with those Arizona statutory provisions currently codified in A.R.S. §34 et seq. as may be amended from time to time.

8. Lease Purchase Agreements. This article shall not apply to acquisitions made through lease purchase agreements that have been approved by the Council.

E. Change Orders

1. This policy is applicable to contracts requiring Council approval (over $75,000).

a. Change orders to the original contract cumulative totaling up to 10% of the original price and not to exceed $ $82,500 may be approved by the Town Manager.

b. Additional authority may be granted by the Council as they feel warranted depending on the project.

F. Conflict of Interest~~PURCHASE ORDERS~~ ~~**– Deleted April 2, 2019**~~

The conflict-of-interest provisions of State law, as per A.R.S. § 38-501, and Federal law, as per 2 CFR § 200.318 and as applicable, shall be adhered to in all instances.

1. All officers, employees, agents, contractors, and other representatives of the Town shall make every effort to assure the public that measures are in place to identify and prevent conflicts of interest in the implementation, acquisition, and award of contracts or in the sale or purchase of property or services to, or for, the Town.

2. All officers, employees, agents, contractors, and other representatives of the Town shall avoid the appearance of impropriety in any transaction regarding the Town, including the awarding of contracts or the purchase or sale of any real or personal property or services.

3. The Administration Department shall be responsible for ensuring that the

applicable provisions of the conflicts of interest laws are made known to all officers, employees, agents, contractors, representatives, and all persons or companies who may have an interest or submit a proposal or bid on any contract, sale, purchase, or service with the Town of Clarkdale.

4. No officer, employee, agent, contractor, or other representative of the Town shall solicit or accept gratuities, favors, benefits, offer of employment, or anything of monetary value from contractors, potential contractors, or any individual or entity with a financial interest or tangible personal benefit with any decision, approval, disapproval, recommendation, or preparation pertaining to any program requirement or a contract or subcontract, or to any solicitation, bid, or proposal by way of the following:

   a. A program requirement or a purchase request.

   b. Influencing the content of specifications or procurement standards.

   c. Advice, investigation, auditing, or any other advisory communication or service.

   d. Any proceeding or application.

   e. Request for ruling, determination, claim or controversy, or other particular matter.

5. Any payment, gratuity, favor, benefit, offer of employment, or anything of monetary value made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order is in violation of conflict-of-interest policy.

   a. Violation of this policy shall constitute grounds for termination of a contract with the Town and debarment of the vendor from doing any further business with the Town.

6. Any officer, employee, agent, contractor, or other representative of the Town may violate this policy by intentionally or knowingly engaging in a conflict-of-interest violation or by recklessly or negligently engaging in a conflict-of-interest violation.

Violation of this policy shall constitute grounds for reprimand or termination of employment or contractual agreement with the Town.

	TOWN OF CLARKDALE **FINANCIAL OPERATIONS GUIDE**	
	SECTION VII. RECEIVING	
	ORIGINATION DATE: 9/24/02	**REVISION DATE(S): 2/1/11, 5/2/22, 10/10/23**

~~SECTION SEVEN~~
~~RECEIVING~~

~~Approved 9/24/2002~~
~~Updated 2/1/2011~~
~~Updated 5/2/2022~~

PURPOSE: To establish standard procedures for the accurate receipting of all purchases or services received by the Town of Clarkdale.
~~Town policies and procedures for procuring lower dollar value goods and services using a credit card. The credit card is designed to streamline the purchasing and accounts payable process by reducing the time and paperwork generated by small dollar, high volume transactions, eliminating the need for purchase orders and facilitation quick payment to suppliers.~~

~~POLICY: Employees who use the credit card to perform official Town business will use the card in accordance with the procedures outlined in this document. All credit cards shall be governed by this policy and used in a manner that complies with State Law and Town procurement code regulating the procurement of goods and services.~~

I. PROCEDURES

A. All items purchased by the Town shall require a written receipt of the items at the time of delivery.

B. A title or deed shall act as the receiving document for the purchase of vehicles, ~~land~~land, or buildings. The sales contract shall act as the invoice.

C. Items purchased with petty cash shall be documented by the purchaser as being received by the purchaser's signature and by describing the items purchased, on the cash register tape or written receipt. It shall then be placed in the petty cash drawer as proof of the use of funds.

D. Items purchased and paid for at the time of receipt with a Town check or a Town credit card shall include an itemized receipt that shall be signed by the purchaser and forwarded to the ~~Accounting Supervisor~~Finance/HR Specialist or Finance Manager ~~or Manager~~.

E. All other items received shall be documented on a packing slip, bill of lading or a vendor invoice.

1. Items received will be signed for and dated by the Department Head or their

designee upon inspection by that person that all items on the receiving document are indeed delivered to the Town in good condition.

2. Receiving documents for items purchased with a "Purchase Order" shall include the "Purchase Order" number.

3. Items received via a parcel shipping company shall be signed for at the time of receipt from the delivery company as receipt of a number of boxes or envelopes. Upon delivery of the parcel(s) to the appropriate department, the Department Head or his/her designate shall inspect the contents of the delivery, sign, and date the accompanying packing slip or invoice and note the amount and the condition (if necessary) of the items received.

~~3.~~

4. All receiving documents shall be forwarded to the ~~Accounting Supervisor~~Finance/HR Specialist or Finance Manager after completing the above procedure(s).

	TOWN OF CLARKDALE **FINANCIAL OPERATIONS GUIDE**	
	SECTION VIII. CREDIT CARD POLICY	
	ORIGINATION DATE: 9/24/02	**REVISION DATE(S): 2/1/11, 5/2/22, 10/10/23**

~~SECTION EIGHT~~
~~CREDIT CARD POLICY~~

~~Approved 9/24/2002~~
~~Updated 2/1/2011~~
~~Updated 05/2/2022~~

PURPOSE: To establish Town policies and procedures for procuring lower dollar value goods and services using a credit card. The credit card is designed to streamline the purchasing and accounts payable process by reducing the time and paperwork generated by small dollar, high volume transactions, eliminating the need for purchase orders and facilitation quick payment to suppliers.

~~POLICY:~~ Employees who use the credit card to perform official Town business will use the card in accordance with the procedures outlined in this document. All credit cards shall be governed by this policy and used in a manner that complies with State Law and Town procurement code regulating the procurement of goods and services.
POLICY~~: The purpose of the credit card is principally for use in the purchase of gasoline for Town vehicles or other purchases where the vendor requires such use.~~ Credit card purchases are intended to be small in scope and of a 'non-capital' nature. All purchasing of budgeted capital items must have the proper approval of the Town Manager.

I. CARDHOLDER LIMITS~~ardholder Limits~~

~~I.~~

A. Town employees and officials may be Cardholders in accordance with this policy. If an individual needs a credit card or credit account, a "Request for Credit Card/Credit Account" (E~~e~~xhibit ~~Q~~C) shall be completed~~needs to be filled out~~ by the D~~d~~epartment H~~h~~ead and~~,~~ submitted~~turned int~~ to the Town Manager for signature and forwarded to the Finance Department for processing.

B. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle has been provided to each cardholder. The Town's standard limits are as follows:
1. Single Purchase Limit - Not to exceed ~~$2,000~~$5,000 for Directors and $3,000 for all other cardholders.
2. Billing Cycle Limit - Not to exceed ~~$5,000~~$5,000.

C. If the situation arises that a purchase is required over the cardholder's established limit, the cardholder must request approval by the Town Manager for a temporary release on the limit.

~~C. a Credit Card Maintenance (exhibit R) form must be completed and signed by the Department Head requesting the change and forwarded to the Town Manager. At the Town Manager's discretion, approval may be granted or denied. If approved, the limitation change will be a temporary one-time approval.~~

II. USE OF CREDIT CARD~~se of Credit Card~~

~~II.~~

A. The Credit Card is to be used for Town purchases only.

B. No person other than the Cardholder is authorized to use the card unless prior authorization is obtained from the Cardholder.

C. Questions regarding Credit Card accounts and procedures should be directed to the Finance Manager and/or Finance Director~~Director~~.

D. The Credit Card may be used at any business establishment~~,~~ which accepts credit cards for payment.

E. The Cardholder must be able to justify that the use of the credit card was necessary and official Town business purpose.

F. The Cardholder shall take all necessary precautions to keep the card and card -number in secure location.

G. Cardholder's department is responsible for all charges incurred on the Credit Card including any annual service fees and finance charges.

~~III. Telephone, Web, and Facsimile Orders~~

~~A. When placing a telephone, web, or facsimile order, confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.~~

~~B. All telephone/facsimile orders must be recorded on the "Record of credit Card Use" (exhibit S) form when the transaction occurs.~~

~~C. Print or request that the Vendor send, via facsimile, a copy of the invoice. The original invoice is still necessary by the Finance Department for reconciliation purposes.~~

~~D. If no receipt is available for the telephone, web, or facsimile order, complete the Telephone, Web, and Facsimile Order form (exhibit T) in full. This form will be used as the documentation when reconciling the Monthly Statement of Account.~~

~~E. NO backorders are allowed.~~

I~~V~~II. DOCUMENTATION~~ocumentation~~

A. Documentation must be retained as a proof of purchase any time a purchase is made using the card. These documents are to be used to verify the purchases on the Monthly Statement of Account.

B. If, for any reason, the Cardholder does not have documentation for a transaction, the Cardholder must attach a Statement of Missing Documentation form (E~~e~~xhibit E~~U~~), which provides: a description of the item, Vendor's name, reason for missing documentation, and the action that will be taken to insure proper documentation in the future. In addition, the Cardholder and the Town Manager's signature are required on the form.

C. If receipts are related to travel, it is the Cardholder's responsibility to photocopy the receipts to attach to their Travel Request~~isition~~ form (~~e~~Exhibit ~~V~~A). The original must be forwarded to the Finance Department for reconciliation with Monthly Statement.

~~D. Copies of all necessary forms are enclosed within this section of the Financial Operations Guide.~~

D. An original invoice/sales order must accompany the credit card receipt. It should be in detail, to allow clear understanding of the purchased items or service. If the purchaser is unable to provide such documentation, the charges will be the responsibility of the purchaser.

~~E.~~

E. A detailed statement of the business purpose of the purchase must accompany the receipt.~~.~~

IV. CARD RESTRICTIONS

~~V. Card Restrictions~~

A. The following uses of a Credit Card are **prohibited:**

~~A.~~

1. Cash Advances.
2. Personal purchases. A Cardholder may not charge any personal items on the Town Credit Card.
3. Vehicle repairs unless outside the service area and/or in an emergency. Documentation describing the situation and type of emergency will be required. When feasible, prior supervisory ~~verbal a~~approval should be obtained.
4. Alcoholic Beverage purchases.

B. Per Diem. Per Diem requests shall be processed through Accounts Payable prior to travel. Refer to Town of Clarkdale - Financial Operations Guide - Travel and Training Policy.

C. Cardholders shall also comply with any applicable departmental restrictions on usage.

D. A Cardholder may not violate any procurement requirements~~, where it pertains to obtaining quotes,~~ when using the Town Credit Card.

V. RECONCILIATION AND PAYMENT

~~VI. Reconciliation and Payment~~

A. Departments shall provide receipts and documentation to Finance on a weekly basis and prior to the close of each billing cycle. If any receipts are missing, the Finance Department will request a copy of any missing credit card receipts.

B. Any department not responding promptly to the request for information from the Finance Department or in any way delaying the timely monthly payment of the Credit Card may be subject to disciplinary action or loss of credit card privileges.

VI. DISPUTES

~~VII. Disputes~~

A disputed item could result from numerous circumstances including defective purchases and unauthorized use. The proceeding steps should be taken when an item is being disputed:

A. Whenever possible, return item(s) to Vendor for replacement or credit.

~~A.~~

~~B. If Vendor refuses to replace the item(s) or credit the account, the Statement of Disputed Item form (exhibit X), will need to be completed.~~

~~C.~~B. If unauthorized charges occur, notify the Card Issuer immediately~~complete the Statement of Disputed Items form~~.

~~D. Fax completed Statement of Disputed Items form to the Card Issuer at 1-800-346-5538.~~

~~E. Forward a copy of the Statement of Disputed Items form to the Finance Department.~~

~~F.~~C. If, after notifying the Card Issuer, the Cardholder is not satisfied with the outcome, the Cardholder may contact the Finance Director for assistance. At this time the Cardholder will need to inform the Finance Director of any prior action taken to resolve this dispute.

VII. ~~Lost or Stolen Cards~~LOST OR STOLEN CARDS

~~VIII.~~

Should any Cardholder lose, suspect of having lost or have their Credit Card stolen, it is their responsibility to immediately notify the Card Issuer and the Finance Department of the loss. ~~The following steps must be taken to report the loss: Report the loss immediately to the Credit Card Issuer at 1-800-346-5538.~~ Card issuers can ~~They can~~ be reached 24 hours a day, seven day a week. Notify the Finance Department immediately upon discovering that the card is missing.

VIII. TERMINATION/RESIGNING EMPLOYEES~~ermination / Resigning Employees~~

Credit Cards and Credit Accounts shall be cancelled upon termination of employee. All efforts will be made by the Finance Department to obtain the Credit Card, any receipts, records of credit card use, and any other related forms when a Cardholder employee is terminated or resigns, or when a Cardholder official leaves office.

~~IX.~~

~~A. All efforts will be made by the Finance Department to obtain the Credit Card, any receipts, "Record of Credit Card Use" forms and other related forms when a Cardholder employee is terminated or resigns, or when a Cardholder official leaves office.~~

IX. POLICY VIOLATIONS~~olicy Violations~~

~~X.~~

Failure to follow this policy may result in loss of Cardholder privileges and, for employees, may result in disciplinary action, including termination of employment.

~~SECTION NINE~~
~~CELLULAR TELEPHONE~~

~~Approved 9/24/2002~~
~~Updated 2/1/2011~~
~~Update 05/2/2022~~

~~PURPOSE: The purpose of this policy is to document Town employee's responsibilities for the proper, secure, and lawful use of Town issued cell phone, smart phone or other wireless device. The policy is intended to provide guidance and procedures governing the use of Town owned electronic mobile devices.~~

~~VI.~~ ~~Policies~~

A. ~~The Town of Clarkdale issues mobile devices to officials and employees who work in areas or on assignments where standard telephones or other forms of electronic communications equipment are not readily available and where such use will benefit the Town and its citizens (exhibit AA).~~

B. ~~Mobile devices are intended for special applications such as safety purposes or to assist in the completion of an assigned task or official responsibility. They are not intended for personal convenience.~~

~~VII.~~ ~~Unauthorized Uses of a Town Mobile Device~~

A. ~~Any call made in relation to an official's or employee's personal business enterprise.~~

B. ~~Any call for the purpose of entertainment, such as 900 numbers, movie links, etc.~~

~~VIII.~~ ~~Procedures~~

A. ~~All requests for mobile device will require completion of Request for Cellular Telephone form (exhibit Z), approved in advance by the Department Head and the Town Manager, then forwarded to the Finance Department.~~

B. ~~All purchases of mobile devices will be through the State of Arizona contract, unless a more advantageous contract is negotiated through an outside provider.~~

C. ~~All mobile device bills will be sent to the Finance Department and not to a home or business address.~~

D. ~~The person responsible for the mobile device will note any personal calls and reimburse the Town for the actual cost of the call within 30 days of the closing statement in which the call was recorded.~~

E. ~~The Finance Department will credit all reimbursements for personal calls in the appropriate account.~~

~~IX. Policy Violations~~

~~A. Failure to follow this policy may result in loss of mobile device privileges and, for employees may result in disciplinary action, including termination of employment.~~

~~Excessive non-work usage of a Town's owned mobile device shall be reviewed by the employee's supervisor to determine whether continued access to a mobile device is in the Town's interest.~~

	TOWN OF CLARKDALE **FINANCIAL OPERATIONS GUIDE**	
	SECTION IX. INVESTMENT POLICY	
	ORIGINATION DATE: 6/8/21	**REVISION DATE(S): 10/10/23**

PURPOSE: The purpose of the Investment Policy (Policy) is to establish and document the Town of Clarkdale's (Town) policies and practices in the investment of Town funds. The Policy is a set of parameters to provide prudent and efficient investment of the Town's idle funds while maintaining the safety of principal, liquidity of funds, and safely generating investment returns.

The Policy replaces all previous policies pertaining to cash management of Clarkdale's investment funds.

Appendix A - Glossary of Terms, contains definitions of terms or phrases used in this Policy.

I. LEGAL AUTHORITY

Arizona Revised Statute (ARS) Title 35, Chapter 2 outlines eligible investments and requirements for the general treasury of the state and its political subdivisions. This Policy shall adhere to all Federal, State, Clarkdale Town Code (CTC), regulatory and contractual requirements. The Policy is subordinate to any federal, state, or local law.

II. SCOPE

The Policy applies to the investment activities of all cash resources of the Town's pooled treasury funds. It is the intent of the Town to combine all funds' cash resources into one pool to increase liquidity, ensure diversification, maximize investment earnings and to increase efficiencies with the investment of funds. Accounting of all investment earnings will be appropriately distributed based upon generally acceptable accounting principles and are subject to review and opinion of the Town's independent auditor.

The Town may be subject to additional legal, regulatory and/or contractual constraints regarding a portion of its cash holdings. Where the Policy and any underlying legal, regulatory and/or contractual requirement(s) conflict, the investment provisions related to the latter shall apply. Examples of potential conflicts include, but are not limited to, the following: Water Infrastructure Finance Authority (WIFA) Debt Reserves; Cemetery Maintenance and Perpetual Care Funds; Racketeer Influenced and Corrupt Organizations (RICO) Act Funds; Bond Proceeds (when applicable).

III. INVESTMENT OBJECTIVES

The Town's investment objectives are, in order of priority:

- Safety – Investments shall be made with the primary goal of preserving principal and avoiding capital losses. This objective can be met by choosing lower risk investment options and diversifying investment holdings among a variety of investment types, issuers, maturity dates and collateralization.
- Liquidity – The investment portfolio shall be sufficiently liquid to enable the Town to meet its anticipated cash flow requirements. This objective can be met by choosing investment options with staggered maturity dates. Return on Investments – The investment portfolio shall be designed with the objective of attaining a benchmark rate of return given the constraints of the first two, primary objectives.

IV. DELEGATION OF AUTHORITY

CTC §3-2-7 defines the roles and responsibilities of the Town Treasurer, a Town Officer delegated by the Town Manager. Among other duties, the Treasurer is to, '… receive and safely keep all monies that shall come to the Town and pay out the same when authorized…".

This Policy shall delegate to the Town Treasurer (i.e., Finance Director) the responsibility to manage the investment portfolio per the Council-approved Policy. The Town Treasurer may delegate transactional responsibilities (e.g., daily banking, acceptance of investment returns, etc.) to additional staff when reasonable to do so. The Town Treasurer shall be responsible for establishing written procedures for the operation of the Policy.

The Town Manager may recommend for Town Council's consideration the hiring of an external investment manager/investment firm to handle the investments of the Town. Should the Town engage an external entity to manage its investments, the Town Treasurer shall be responsible for:

- Periodic investment portfolio reporting.
- Evaluating the performance of the externally managed portfolio and manager.
- Confirming the investment manager's compliance with the Policy.

V. PRUDENCE

Town personnel shall act as trustees of public funds and shall adhere to the 'prudent person' and/or 'prudent investor' standard in the context of managing the Town's investment portfolio. Investment officials acting in accordance with procedures consistent with this Policy and exercising due diligence, shall not be held personally liable for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

VI. ETHICS AND CONFLICTS OF INTEREST

This section of the Policy is in addition to existing or amended Town ethics and/or conflicts of interest policies. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Town Manager, within thirty (30) days, any material financial interests in and/or personal relationships with financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual or firm with which business is conducted on behalf of the Town.

VII. INTERNAL CONTROLS

The Town's Finance Department shall establish internal controls that are designed to prevent losses due to fraud, negligence, third-party misrepresentation and other foreseeable circumstances that may arise out of managing the Town's investments. Such controls include written procedures, separation of duties and monitoring of the investment portfolio. The Town's internal controls and adherence to same shall be annually reviewed by the Town's independent external auditor. The auditor's opinion shall be shared with the Town Council through a direct communication and/or via the Independent Auditors' Report as a part of the Annual Financial Statements.

VIII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Town may only use financial dealers and institutions who meet the following:

- Primary or regional dealers who qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform capital rule).
- Licensed to do business in the State of Arizona and as such are subject to the provisions of the Arizona Revised Statutes.
- Registration/Certification with federal government authorized investment agencies (e.g., Financial Industry Regulatory Authority (FINRA)).
- At least five (5) years of acceptable audited financial statements.
- Acceptance and adherence to the Town's Investment Policy.

IX. COLLATERALIZATION

The Town will require, where necessary by State and/or Federal law, the minimum factor for collateralization of all deposits and investments. ARS §35-323 currently requires collateral of 102% of a deposit in excess of any federally insured amount. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. The custodian shall provide the Town with a safekeeping receipt which the Town will retain.

X. SAFEKEEPING AND CUSTODY

All security transactions entered into by the Town shall be conducted on a delivery-versus-payment (DVP) basis to mitigate risk in the settlement of the transactions. Securities will be held by a third-party custodian designated by the Town and evidenced by safekeeping receipts in the Town's name.

XI. INVESTMENT PARAMETERS

The Town shall adhere to the following investment parameters to support the overall objectives of the Policy:

- Diversification – The Town will diversify its investments by security type, institution/issuer, and maturity so as to protect the Town's funds from material losses due to overconcentration of assets in any one allowable investment. Specific limits regarding diversification by security type and/or institution/issuer are further described in Section XII and *Appendix B*. If a limit is not defined in either Section XII or *Appendix B* for an authorized investment identified in Section XII, no more than five percent (5%) of the Town's total investment portfolio will be invested in that specific security. This limitation does not apply to securities issued by the federal government or its agencies (e.g., U.S. Treasury) nor does it apply to funds in authorized local government investment pools (LGIP) managed by the Arizona State Treasurer.
- Maximum Maturities – To the extent possible, the Town will match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Town will not directly invest in securities maturing more than five (5) years from the date of purchase, in accordance with ARS §35-323. It is the Town's intent, at time of purchase, to hold all investments until maturity to ensure the return of all invested principal.

XII. AUTHORIZED AND SUITABLE INVESTMENTS

ARS §35-323(A) defines the acceptable securities and deposits available for political subdivisions of the State. Authorized investments are identified as follows:

a. Certificates of deposit in eligible depositories, in accordance with provisions of ARS §35-323(B) through (G).

b. Deposits in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in ARS §35-323.01.

c. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under ARS §35-323.

d. Repurchase agreements with a maximum maturity of one hundred eighty (180) days.

e. The pooled investment funds established by the Arizona State Treasurer pursuant to ARS §35-326.

f. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

g. Bonds, notes, or other evidence of indebtedness of this state or any of its counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants, substitute checks, and electronic funds transfer vouchers that bear interest pursuant to section ARS §11-635.

h. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district of any state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five (5) years of the date of investment, or, if such obligations were issued less than five (5) years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five (5) years of the investment.

i. Bonds, notes, or evidence of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:

1. The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent (50%) of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

2. A default in payment of principal or interest on the obligations to be purchased has occurred within five (5) years of the date of investment, or, if the obligations were issued less than five (5) years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five (5) years of the investment.

j. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.

k. Bonds, debentures, notes, or other evidence of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.

l. Negotiable or brokered certificates of deposit issued by a nationally or state-chartered bank or savings and loan association.

m. Securities of or any other interests in any open-end or closed-end management type investment company or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by state law, registered under the investment company act of 1940 (54 Stat. 789; 15 United States Code sections 80a-1 through 80a-64), as amended.

Appendix B – Summary of Allowable Investments, consolidates most available investment options, maturities, concentrations (diversification) as allowed under the Policy. The Town may desire to be more conservative in its investment portfolio and restrict or prohibit certain allowable investments. Any investment security not listed under this Section is prohibited from consideration for investment unless subsequently allowed for and codified in State Statute.

XIII. PERFORMANCE STANDARDS

While preservation of capital is the highest priority objective, the Town's investment portfolio should be generating an appropriate rate of return compared to similarly situated investment portfolios. The Treasurer shall periodically establish a comparative benchmark(s) to evaluate the investment portfolio's performance. At a minimum, the Town will compare its investment portfolio to the yield of the Arizona State Treasurer Local Government Investment Pool 5.

XIV. REPORTING

The Town Treasurer shall provide the Town Manager and Town Council quarterly investment reports which provide a clear picture of the status of the current investment portfolio. The management report shall include:

- Comments regarding fixed income markets and economic conditions
- Discussions regarding current allocation of the portfolio by investment category
- Current yield of the portfolio and its comparison to applicable benchmarks
- Other information necessary to ensure transparency and compliance to legal or regulatory requirements.

XV. POLICY ADOPTION AND REVISION

The Town of Clarkdale's Investment Policy shall be adopted by the Town Council, with the adopted date affixed to the Policy. The Town Manager and Town Treasurer shall periodically review the Policy and recommend material changes of Policy to the Town Council for their consideration and adoption.

Exemption: Any investment currently held at the time the Policy is adopted which does not conform with the Policy is exempted from the Policy. At maturity or liquidation, such funds shall be reinvested in accordance with the Policy.

XVI. APPENDICES

APPENDIX A – GLOSSARY OF TERMS

Certificate of Deposit (CD) – A time deposit with specific maturity evidenced by a certificate.
Collateral – Securities, evidence of deposit or other property which is pledged to secure deposits of public funds.
Commercial Paper – An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.
Delivery Versus Payment – A type of securities transaction in which the purchaser pays for securities when they are delivered either to the purchaser or an authorized custodian.
Diversification – A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security.
Government Securities – An obligation of the US government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the US securities market. (See, 'Treasury Bills, Treasury Bonds, Treasury Notes' for further detail)
Internal Controls – A control structure designed to ensure that the assets of an entity are protected from loss, theft, or misuse.
Liquidity – The efficiency or ease with which an asset or security can be rapidly converted into cash without affecting its market price.
Local Government Investment Pool (LGIP) – An investment of local governments' funds whereby the funds are pooled together and placed with a custodian for investment and reinvestment.
Maturity – The date upon which the principal or stated value of the investment becomes due and payable.
Mortgage-Backed Securities – An investment that is made up of a bundle of home loans bought from mortgage brokers, banks, savings and loan associations and other institutions that issued them.
Portfolio – Collection of securities held by an investor.
Principal – The face value of a debt instrument. Term may also refer to the amount of capital invested in a given security.
Prudent Person – An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.
Rate of Return – The yield obtainable on a security based on its purchase price or its current market price. Term may also refer to the net gain or loss of an investment over a specified time period, expressed as a percentage of the investment's initial cost.
Repurchase Agreement – An agreement where the holder of securities sells the securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
Safekeeping – A service to customers by secure custodians (e.g., bank) whereby securities and valuables of all types and descriptions are held in a safe location (e.g., vault) for protection.

Security(ies) – Refers to a fungible, negotiable financial instrument that holds some type of monetary value. Also, refers to the representation of ownership position.
Treasury Bills – Short-term US government non-interest-bearing debt securities issued at a discount of redemption value, with maturities of no longer than one (1) year.
Treasury Bonds – Long-term US government interest bearing debt securities with maturities of ten (10) years or longer.
Treasury Notes – Intermediate US government interest bearing debt securities with maturities between two (2) and ten (10) years.
Yield – The current rate of return on an investment security generally expressed as a percentage of the security's current price.

APPENDIX B – SUMMARY OF ALLOWABLE INVESTMENTS*

Allowable Security	Maximum Maturity	Minimum Quality	Maximum Holdings (Portfolio)	Further Limitations
Certificates of Deposit	1 Year	Town-approved depository	25%	Per Institution: 10% of the Town's combined portfolio In accordance with ARS §35-323 (e.g., selection and collateralization)
Interest Bearing Savings Accounts	N/A	Town-approved depository	25%	Per Institution: 10% of the Town's combined portfolio In accordance with ARS §35-323 (e.g., selection and collateralization)
Repurchase Agreements	180 Days	Nationally recognized rating of counterparty short term rating of A-1 and long-term debt rating of A or equivalent	50%	Per Counterparty: 10% of the Town's combined portfolio Subject to 102% collateralization
Arizona State Treasurer Local Government Investment Pools (LGIP)	N/A	N/A	100%	None – may be in one, many or all LGIPs In accordance with ARS §35-326
US Treasury Obligations	5 Years	N/A	100%	N/A
Securities Guaranteed, Insured, or Backed by the Full Faith and Credit of the US Government	5 Years	N/A	100%	Per Issuer: 25% of the Town's combined portfolio
US Government Agency Issued Mortgage Securities	5 Years	N/A	25%	Per Issuer: 10% of the Town's combined portfolio
Non-US Government Securities – Any State, County, Municipality, etc.	5 Years	A1, A+ or equivalent	20%	Per Issuer: 5% of the Town's combined portfolio
Prime Commercial Paper	270 Days	A1, P1 or equivalent	20%	Per Issuer: 5% of the Town's combined portfolio; the roll up concentration by Issuer

				is 10% when including corporate bonds
Corporate Bonds	5 Years	AA, Aa2 or equivalent	20%	Per Issuer: 5% of the Town's combined portfolio; the roll up concentration by Issuer is 10% when including commercial paper

*****Other options may exist under Section XII

PURPOSE: To establish policies and procedures to maintain an ethical environment as a top priority for the Town of Clarkdale (Town). The Town's Fraud Policy formalizes the expectations of personal honesty and integrity required of Town officials and employees. The Town of Clarkdale is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries, or its own employees, to gain by deceit, financial or other benefits. This policy prohibits fraud or misuse of the Town of Clarkdale's assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

The Town of Clarkdale specifically prohibits financial transactions based solely on email communication. The Town of Clarkdale will not authorize financial transactions based solely on an email request. Any email that requests a purchase, change in direct deposit account, or make any other financial transaction, should be suspect that the email is fraud. No one in our organization should ask someone to make a transaction over email, and no one should authorize a financial transaction over email.

I. POLICIES/PROCEDURES

A. The Town of Clarkdale recognizes the importance of protecting the organization, its taxpayers, its employees, and its assets against financial risks, operational breaches, and unethical activities. Therefore, the management must clearly communicate the fraud prevention policy to both internal and external customers, vendors, and employees.

B. The impact of misconduct and dishonesty may include:

1. The actual financial loss incurred.
2. Damage to the reputation of the Town and our employees.
3. Negative publicity.
4. The cost of investigation.
5. Loss of employees.
6. Loss of public confidence.
7. Damaged relationships with our contractors and suppliers.
8. Litigation.
9. Damaged employee morale.

C. The Town's goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

D. The Town is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

E. DEFINITIONS

As used in this policy, the terms listed below shall have the following definitions:

1. Assets – the entire property of the Town of Clarkdale. Assets include, but are not limited to, all Town vehicles, building properties, office equipment, software, cash receivables, wages and benefits, equipment, and tools.

2. Corruption – the offering, giving, soliciting, or accepting of an inducement or reward that may improperly influence the action of a person or entity.

3. Embezzlement – any loss resulting from the misappropriation of the Town's assets.

4. Employee(s) – all Town employees, independent contractors, consultants, temporary workers, and volunteers.

5. Fraud – the intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity.

6. Loss – the Town losing possession or control of any type of asset through fraudulent activities.

7. Misappropriate – to take or make use of any item without authority or right.

8. Misapplication – illegal or improper use of lawfully held funds or property.

F. ZERO TOLERANCE POLICY

1. The Town of Clarkdale has adopted a zero-tolerance policy regarding fraud. No employee of the Town shall remove any Town asset from the property, misuse any Town asset for one's personal gain, or willfully misappropriate any Town asset. Any evidence supporting fraud, theft, or embezzlement of Town assets and equipment may be subject to the following actions including, but not limited to suspension, termination, restitution, and criminal charges. Any Town employee who is aware of fraud being committed against the Town by anyone shall report such activity to the Town Manager or Human Resource Director.

G. PROHIBITED ACTS

1. Fraud is defined as an intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include:

   a. Falsification of expenses and invoices.
   b. Authorizing or receiving compensation for goods not received or services not performed.
   c. Theft of cash or any assets.
   d. Forgery, unauthorized alteration, or falsification of records.
   e. Improprieties in the handling or reporting of money transactions.
   f. Knowingly providing false information on job applications.
   g. Authorizing or receiving compensation for hours not worked.
   h. Embezzlement, bribery, or conspiracy.
   i. Misappropriation, misapplication, destruction, removal, or concealment of Town property.
   j. Misrepresentation of fact.
   k. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Town-owned software.
   l. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

H. DETERRING FRAUD AND CORRUPTION

1. The Town has established internal controls and policies and procedures in an effort to deter, prevent, and detect fraud and corruption. All new full-time employees are subject to background investigations including a criminal background check(s). All temporary, part-time, and seasonal employees may be subject to a criminal background check based on position and possible duration or employment. The Town may also verify all applicants' employment history, education, and personal references prior to making an offer of employment.

2. All vendors, contractors, and suppliers must be in good standing and be authorized to transact business in the Town. Vendors, contractors, and suppliers may be subject to screening, including verification of the individual or company's status as a debarred party.

3. When necessary, contractual agreements with the Town may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.

4. Town employees will receive annual fraud and corruption awareness training (ethics training). New employees will receive this policy as part of their training at orientation. Employees will be required to sign an acknowledgement verifying that they received a copy of the fraud policy and attended the awareness training.

5. Each department is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

I. REPORTING OF FRAUD OR CORRUPTION

1. Allegations and concerns about fraudulent or corrupt activity may come from various sources including employees, vendors, members of the public, results of internal and external audit reviews, or from any other interested parties.

2. All employees and officers have a duty to report concerns they have, or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor, or any other party with any association with the Town. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.

3. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Town nor any person acting on behalf of the Town shall:

   a. Dismiss or threaten to dismiss the employee,
   b. Discipline, suspend, or threaten to discipline or suspend the employee,
   c. Impose any penalty upon the employee, or
   d. Intimidate or coerce the employee.
   Violations of the whistle-blower protection will result in discipline up to and including termination.

4. Concerns should be reported to any of the following:

   a. The employee's immediate supervisor
   b. Human Resources Director
   c. Town Manager
   ~~d. Anonymous Ethics Hotline (aka Whistle-Blower Hotline)~~

5. Reporting Procedures

   a. Mayor and Town Council Responsibilities

      1. If the Mayor or a Town Councilmember has reason to suspect that a fraud has occurred, he or she shall immediately contact the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
      2. The Mayor or Town Councilmember shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the Town Manager (Town Attorney or Human Resources Director if the Town Manager is involved).

3.The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the Town Manager in consultation with the Town Attorney and the Human Resources Director.

b. Management Responsibilities

1. Management is responsible for being alert to and reporting fraudulent or related dishonest activities in their areas of responsibility.
2. Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is, or was, in existence.
3. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
4. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor (or contact the Town Manager or Human Resources Director if the supervisor is involved).
5. Department Heads should inform the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
6. Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
7. Management should support the Town's responsibilities and cooperate fully with the Human Resources Department, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
8. Management must give full and unrestricted access to all necessary records and personnel. All Town furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
9. In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:

   a. Incorrect accusations.
   b. Alerting suspected individuals that an investigation is underway.
   c. Treating employees unfairly.
   d. Making statements that could lead to claims of false accusations or other offenses.

10. In handling dishonest or fraudulent activities, management has the responsibility to:

   a. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc.
   b. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Town, unless specifically directed to do so by the Town Attorney.
   c. Avoid discussing the case with anyone inside the Town other than employees who have a need to know such as the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.

d. Direct all inquiries from the suspected individual, or his or her representative, to the Town Manager or Town Attorney. All inquiries by an attorney of the suspected individual should be directed to the Town Attorney. All inquiries from the media should be directed to the Town Manager.
e. Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Human Resources Director, in conformance with the Town's Personnel Policies and Procedures or the appropriate bargaining document.

c. Employee Responsibilities

1. A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
2. When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or the Town Manager (or contact the Town Attorney or Human Resources Director if the next higher level of management and/or the Town Manager is involved).
3~~. If the employee is uncomfortable reporting the information directly to management, the employee may make an anonymous report through the Ethics Hotline (aka Whistle-Blower Hotline).~~
~~4~~3. The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.

d. Human Resources Department Responsibilities

1. Upon assignment by the Town Manager, the Human Resources Director will promptly investigate the fraud.
2. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Human Resources Director, in consultation with the Town Attorney, will contact the Police Department.
3. The Human Resources Director shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
4. If evidence is uncovered showing possible dishonest or fraudulent activities, the Human Resources Director will proceed as follows:

a. Discuss the findings with the appropriate management/supervisor and the department director.
b. Advise management, if the case involves staff members, to meet with the Human Resources Director (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the Town Personnel Rules and any applicable Memorandums of Understanding.
c. Report to the External Auditor such activities in order to assess the effect of the illegal activity on the Town's financial statements.

d. Coordinate with the Town's Risk Management insurer regarding notifications to insurers and filing of insurance claims.

e. Take immediate action, in consultation with the Town Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:

i. Removing the records and placing them in a secure location or limiting access to the location where the records currently exist.

ii. Preventing the individual suspected of committing the fraud from having access to the records.

5. In consultation with the Town Attorney and the Police Department, the Human Resources Department may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.

6. If the Human Resources Department is contacted by the media regarding an alleged fraud or audit investigation, the Human Resources Department will consult with the Town Manager and the Town Attorney, as appropriate, before responding to a media request for information or interview.

7. At the conclusion of the investigation, the Human Resources Department will document the results in a confidential memorandum report to the Town Manager and the Town Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the Police Department for subsequent transfer to the County Attorney for disposition.

8. Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Human Resources Department no later than seven calendar days after notice is received.

9. The Human Resources Department will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.

10. Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Human Resources Department to that department.

J. <u>FALSE ALLEGATIONS</u>

1. False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

K. <u>CORRECTIVE ACTION AND DISCIPLINE</u>

1. Final determination regarding action against an employee, vendor, recipient, or other person found to have committed fraud or corruption will be made by the Town Manager (or Town Council if the Town Manager is involved).

2. Offenders at all levels of the Town will be treated equally regardless of their position or years of service with the Town. Determinations will be made based on a finding of facts in

each case, actual or potential damage to the Town, cooperation by the offender and legal requirements.

a. Appropriate and timely action will be taken against those proven to have committed fraudulent acts. These remedial actions may include, but are not limited to:

1. Disciplinary action (up to and including immediate termination of employment).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.
5. Where the Town elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
6. The Town may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.

L. CONFIDENTIALITY

1. All investigations will be conducted in confidence insofar as reasonably possible. The names of those communicating information about a fraudulent act or the names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

PURPOSE: To establish standard procedures to ensure grants are properly approved and accounted for.

I. PROCEDURES

A. Prior to submitting a grant, the following must take place:

1. The Department Head or grant coordinator will make an appointment with Finance to discuss the proposed grant and any details regarding funding requirements associated with the grant.
2. It is imperative that the Finance Director be notified of any and all grant applications in order to comply with Federal Single Audit Requirements.
3. Grant applications shall include requests for administrative costs whenever practicable.

B. Grant proposals that DO NOT need Council approval:

1. A grant proposal requesting less than $50,000 in funding AND
2. Does **not** require a cash match or the cash match is available in the current year budget AND
3. Does **not** obligate (continued operation costs) the Town after the grant period is over.
   a. Town Manager has signature authority to sign this type of grant proposal.

C. Grant proposals that MUST RECEIVE Council approval:

1. Grant proposal requesting $50,000 or more in funding OR
2. Grant proposal that requires a cash match above budgeted amounts OR
3. Grant proposal that obligates (continued operation costs) the Town after the grant period is over.
   a. Note: Should time constraints make it impossible to obtain Council approval prior to the grant proposal due date, the Town Manager shall have signature authority. At the earliest feasible time, Council approval must be obtained.

D. After grant is awarded to Town:

1. Department Head or Grant Coordinator shall meet with the Finance Department so grant information can be entered into the Incode System
2. Less than $10,000 – contact Finance to have the amount included in the budget.

3. $10,000 - $49,999 – Council approval (may be on Consent Agenda)
4. $50,000 or more – Presentation to Council necessary for Council to accept grant funds.

E. Budget Process:

1. It is the Department Head's responsibility to inform Finance of any possible grants during the annual budget process, so the funds are included in the adopted budget for expenditure.

F. Management of Federal Grants

The Town shall abide by all requirements stipulated in 2 C.F.R. § 200. Specific considerations are detailed below.

1. Advance Payments

   a. If feasible, the Town shall incur expenditures under a Federal award prior to requesting reimbursement from the Federal grantor.
   b. If the Town's immediate cash requirements necessitate it, the town shall request advance payment under a Federal award. Requests for advance payment must be approved by the Finance Director before being submitted to the Federal grantor.
   c. The Finance Director shall only approve submission of a request for advance payment if the Town first has exhausted (or will exhaust) its cash available from program income, rebates, refunds, contract settlements, audit recoveries, and interest.
   d. When an advance payment is requested, the town shall minimize to the extent feasible both the amount of funds requested and the time elapsing between the town's receipt and disbursement of those funds.
      1.To minimize the time elapsing between receipt and disbursement of advance payments, the town shall create a schedule of expected disbursements under a federal project. The Town's goal shall be to disburse advance payments within ten business days of receipt.
   e. To remain eligible for advance payments under 2 C.F.R. §200(305), the Town shall comply with all project objectives of Federal awards and avoid delinquency on any debt to the United States.
   f. The Town shall deposit and maintain advance payments in an insured account.
   g. The Town shall maintain advance payments in an interest-bearing account unless any of the following apply:
      1.The Town has received less than $120,000 in Federal awards in the current fiscal year.

2.The best reasonably available interest-bearing account would not be expected to earn interest in excess of $500 per year on Federal cash balances.

3.The depository would require an average or minimum balance so high that it would not be feasible relative to expected Federal and non-Federal cash resources.

h. The Town shall retain interest earned under in an amount up to $500 per fiscal year. Any additional interest earned shall be remitted annually to the Department of Health and Human Services Payment Management System (PMS) using Automated Clearing House (ACH) network.

1.Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions). Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF, or another federal agency payment system.

2.The remittance must be submitted as follows:

Routing Number:
Account number:
Bank Name and Location:

2. Cost Allowability

Clarkdale will maintain cost allowability controls per 2 C.F.R. §§200(400) and 200(401). Clarkdale runs the risk of incurring unallowable costs which must be repaid if the town does not abide by the rules laid out herein.

a. Factors Affecting Allowability of Costs

The Town shall only submit costs for reimbursements under Federal awards if the costs meet the following criteria:

1.Be necessary and reasonable[1] for the performance of the Federal award and be allocable[2] thereto under these principles.

2.Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

3.Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the town.

[1] 2 C.F.R. §200(404) "Reasonable Costs"
[2] 2 C.F.R. §§200(405) "Allocable Costs", 200(406) "Applicable Credits", and 200(407) "Prior Approval"

4.Be accorded consistent treatment[3]. A cost may not be assigned to a federal award as a direct cost[4] if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost[5].

5.Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

6.Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period. See also 2.C.F.R. §200(306) Cost sharing or matching paragraph (b).

7.Be adequately documented as per 2 C.F.R. §§200(300) through 200(309).

b. Special Considerations (Cost Allocation Plans and Interagency Service)

The cost of services provided by one agency to another within the Town may include allowable direct costs of the service plus a prorated share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Appendix V to Part 200—State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans. Clarkdale may charge a higher indirect rate but must refer to the Code of Federal Regulations for instructions regarding an indirect cost rate proposal.

c. General Provisions for Selected Items of Cost

The determination as to allowability in each case should be based on the treatment provided for similar or related items of cost and based on the principles described in 2 C.F.R. §§200(402) through 200(411). Criteria outlined in 2 C.F.R. §200(403), Factors affecting allowability of costs, must be applied in determining allowability. See also 2 C.F.R. §200(102), Exceptions. Specific guidelines for many selected items are provided in 2 C.F.R. §§200(421) through 200(475).

3 See Appendix V to Part 200—State/Local Governmentwide Central Service Cost Allocation Plans & Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, CFR

4 2 C.F.R. §200(413) “Direct Costs”

5 2 C.F.R. §200(414) and Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals

~~B.~~

	TOWN OF CLARKDALE **FINANCIAL OPERATIONS GUIDE**	
	SECTION XII. BUDGET POLICY	
	ORIGINATION DATE: 5/11/21	**REVISION DATE(S): 5/2/22, 10/10/23**

PURPOSE: ~~SECTION THIRTEEN~~

~~COUNCIL ADOPTED FINANCIAL POLICIES~~

~~Updated 5/11/2021~~
~~Updated 05/2/2022~~

This policy~~ese Financial Policies~~ provides general guidance for preparing, adopting, ~~implementing~~implementing, and managing the Town of Clarkdale's (Town) annual budget (both operating and capital). ~~The Financial Policies are separated into two components: Budget Policy and Fiscal Policy.~~ The
Budget Policy focuses on the philosophy, framework, structure, and legal requirements regarding ~~our~~the annual budget. ~~The Fiscal Policy focuses on the mechanics of accounting for and managing elements of the budget year over year. Together, both sections make up the Town's Financial Policies~~ This policy is set forth to ensure staff are working in support of Council-approved initiatives, provid~~e~~ing transparency to the community and ~~to~~ demonstrat~~e~~inge adequate controls in the use of taxpayer funds.

~~*Relationship to the Financial Operations Guide*~~

~~Town staff develops specific financial policies for the daily operations and control of our financial assets. The collection of these policies is referred as the Financial Operations Guide (FOG). The FOG is approved by Town Council when additions or changes are made. The FOG governs procedural control elements such as cash handling, payroll processing, procurement, credit card control and fraud detection to name a few. It is not the intent of these Financial Policies to repeat or reference all elements of the FOG, but rather build upon its foundation for elements which Council should address on an annual basis.~~

~~**BUDGET POLICY**~~

The Town Council, Town Manager and all Department Directors work collaboratively to develop a balanced budget in support of the Town Council's vision and strategic plan. The Town utilizes available information to estimate sources of funds (revenues) and uses of funds (expenditures) for programs and projects aligning with the Council's direction. Arizona Revised Statutes (ARS) govern the timing of the budget cycle and the financial limits of the adopted budget. The Town adheres to all ARS requirements in the development, adoption, ~~implementation~~implementation, and management of the annual budget.

I. BUDGET PLANNING~~Budget Planning~~

ARS requires the Town to prepare and adopt a balanced budget annually for each governmental fund. The Town Council must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy by the third Monday in August.

The Town's fiscal year ~~FY B~~ budget c~~C~~alendar will be developed and made available by January each year in accordance with State Law.

II. BUDGET FRAMEWORK~~Budget Framework~~

A. Operating, Capital Improvement and Supplemental

The Town develops a budget to meet ongoing service delivery needs as well as make major improvements, ~~repairs~~repairs, or additions to Town assets. The Operating Budget identifies the revenues and expenses necessary to keep performing services and programs approved by the Council. This includes funding for our police operations, maintenance of Town parks, treatment and delivery of water, etc. The Capital Improvement Budget identifies major investments in the development, replacement or upgrade of assets costing $5,000 or more on a per unit basis. This includes major improvements to our streets, wastewater plant, vehicle replacement program, technology improvements, etc. The combination of the Operating and Capital Improvement Budgets creates the Town's total budget subject to State Statute limitations. ARS prohibits expenditures or liabilities in excess of the amounts budgeted.

The Operating Budget will consider what it will take to operate the existing services and programs of the Town for the next fiscal year. Should Town staff and/or Council desire to extend or add services or programs to the budget, the requests will be ~~we will~~ considered ~~the requests as~~ s~~S~~upplemental r~~R~~equests to the prior year's budget. Careful consideration and estimation are taken to fully define the service offering, its alignment to the Council's strategic plan and the full first year and future years' costs in support of the ~~S~~supplemental r~~R~~equest. Most s~~S~~upplemental r~~R~~equests will be recurring in nature (e.g., adding a sworn officer in the Police Department in support of expanded service) while some may be one-time expenditures for a particular outcome (e.g., perform a classification/compensation study of existing positions). Town staff will not recommend the funding of any ~~s~~supplemental requests unless the Town's financial condition allows. The Council ~~–~~approved ~~S~~supplemental ~~R~~requests will be added to the Operating Budget prior to adoption.

The Capital Improvement Budget establishes a five-year plan of recommended capital investments for the Town. The Town Council will only approve and appropriate funds for the upcoming year of the plan. If a Council-approved capital project covers multiple years, staff will consider future years of the project are also approved and committed to ensure the execution of necessary contracts. Future projects in the capital plan may have its funding as, 'unknown' until a funding source is secured, ~~allocat~~allocated, and appropriated by the Town Council.

B. Fund Accounting/Budgeting

The Town's budget is prepared on a basis consistent with generally accepted accounting principles. Specifically, the Town follows Governmental Accounting Standards Board (GASB) guidance and recommendations. The Town utilizes fund accounting to track revenues and expenditures of related activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives and is treated as separate accounting entity. The Town, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. All funds within the Town can be divided into two categories, each consisting of multiple funds: Governmental Funds and Proprietary Funds.

The governmental and proprietary categories are organized as major funds or non-major funds, with an emphasis placed on major funds, as the GASB standards require.

1. Governmental Funds - Most of the Town's basic services are included in governmental funds which focus on how cash, and other financial assets that can be easily converted to cash, flow in and out, along with the balances left at the end of the year that are available for spending.

   a. General Fund - Accounts for the Town's primary operating activities and is used to account for all financial resources, except those required to be accounted for in another fund. This includes revenues and expenditures necessary to deliver basic governmental services of the Town such as police operations, parks and recreation, building permitting/inspection, administration, etc. Revenues generated in the General Fund include, but are not limited to, local sales taxes, permitting activities, state shared revenue, and departmental revenue.

      1. Streets Fund - This unrestricted fund was established to account for the transfer of General Funds for the operation, maintenance, and minor repair of the Town's rights-of-ways.

      2. Capital Improvement Fund - This unrestricted fund was established to account for transfers of general and other funds in support of major capital improvements for general governmental (non-enterprise fund) projects. Historically, a portion of the locally generated construction sales tax was allocated to this fund.

   b. Special Revenue Funds - These funds are separate accounting funds under the Governmental Funds used to track revenues and expenses that are legally restricted for specific purposes. These include:

      1. Grants Fund - Accounts for specific revenue sources that are restricted to expenditures for specified purposes as defined by the grantor.

      2. Other Governmental (non-major) Funds:

         a. Highway User Revenue (HURF) Fund - HURF accounts for specific revenue received from the State of Arizona Highway

Revenue fund which is legally restricted to expenditures for street and transportation expenditures.

b. Cemetery Perpetual Care Fund – Restricted for cemetery improvements.

~~Most of the Town's basic services are included in Governmental Funds and include the following Funds:~~

- ~~General Fund – The General Fund accounts for revenues and expenditures necessary to deliver basic governmental services of the Town such as police operations, parks and recreation, building permitting/inspection, administration, etc. Most General Fund use is through the Operating Budget, with some allocation to Capital Improvement. Revenues generated in the General Fund derive from local sales taxes, permitting activities and state shared revenue, to name a few.~~
- ~~Streets Fund – This unrestricted fund was established to account for the transfer of General Fund for the operations, maintenance and minor repair of the Town's rights-of- ways.~~
- ~~Capital Construction Fund – This unrestricted fund was established to account for transfers of General Fund and other funds in support of major capital improvements for general governmental (non-enterprise fund) projects. Historically, a portion of the locally-generated construction sales tax was allocated to this fund.~~
- ~~Special Revenue Funds – These funds are separate accounting funds under the Governmental Funds used to track revenues and expenses that are legally restricted for specific purposes. These include:~~
  - ~~Highway User Revenue Funds (HURF) – HURF accounts for specific revenue received from the State of Arizona Highway Revenue fund which is legally restricted to expenditures for street and transportation expenditures.~~
  - ~~Grant Funds – Grant Funds are for specific revenue sources that are restricted to expenditures for specified purposes as defined by the grantor.~~
  - ~~Other funds for which there are legal and/or contractual restrictions regarding the funds' use: Developer Reimbursement Fund; Impact Fee Fund; Cemetery Perpetual Care Fund.~~

c. Proprietary Funds are also known as Enterprise Funds and are used to account for separate business-type activities of the Town funded by user fees supporting the services provided. The Town has created the following Proprietary (Enterprise) Funds to account for revenues and expenses in each of these business units:

1. Water Fund
2. Sewer Fund
3. Sanitation Fund
4. Cemetery Fund

C. GASB Statement No. 54 Classification

Within each Fund, staff is required to classify ~~portions of the funds~~fund balances in accordance with ~~relative~~ ~~to~~ GASB Statement No. 54 requirements. Fund balances~~,~~ must be reported within one of the fund balance categories:

1. Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact such as fund balance associated with inventories, prepaid expenditures~~s~~, long-term loans and notes receivable (unless the proceeds are restricted, committed, or assigned).

2. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution provisions or enabling legislation, or external resource providers.

3. Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council.

4. Assigned fund balances are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed.

5. Unassigned fund balance is the residual classification for the Town's governmental or proprietary funds and includes all spendable amounts not contained in other classifications.

D. Fund Balance and Net Position Objectives

~~*Fund Balance and Net Position Objectives*~~

Fund balance (Governmental Funds) and Net Position (Proprietary Funds) are important indicators of the Town's financial position. Adequate fund balances and net position must be maintained to allow the Town to continue providing services to the community in case of economic downturns and/or unexpected emergencies or requirements. A Budget Stabilization Reserve (BSR), also known as ~~a,~~a "Rainy Day Fund," is a good financial practice to provide a defense in stabilizing a budget that has been impacted by a shortfall in revenues and/or an unanticipated emergency expense. The reserve becomes the revenue source of last resort to avoid a budget deficit. The BSR amount should be based on the volatility of the funds' major revenue sources. The BSR is differentiated from a 'contingency' in that a contingency is contemplated
for in the upcoming year and is part of the Town's overall budget, subject to the State Statue expenditure limitation. A BSR is unbudgeted and not available to be used until formally appropriated during budget adoption. Additionally, a BSR is in addition to any statutory, ~~regulatory~~regulatory, or contractual reserve required within a fund, representing the "unassigned" portion of the fund balance.

The Town of Clarkdale establishes a minimum BSR of total fund balance or net position for each of the following funds:

- General Fund: BSR equal to 25% of the prior year's expenditures, representing approximately 90 days of expenses.
- Streets, ~~HURF~~HURF, and Capital Construction Funds: no minimum BSR, however, the Town will grow the necessary fund balance to fund future

projects in the Capital Improvement Budget.

- Grant Fund: No BSR as Grantor requirements regarding expenses and timeline of expenses must be met.
- Water and Sewer Funds: BSR equal to 25% of the prior year's expenditures, representing approximately 90 days of expenses; BSR is above any legally/contractually required debt service reserves.
- Sanitation Fund: BSR equal to 10% of the prior year's expenditures, representing approximately 30 days of expenses.
- Cemetery Fund: BSR of 10% of the prior year's expenditures, representing approximately 30 days of expenses.

Should the BSR for any Fund fall below the minimum, the Town Manager will inform the Town Council of recommended actions to remedy the situation.

E. Fund Allocations and Transfers

~~Revenue/Fund Balance Practices~~

The Town's preliminary/draft annual budget will be built using the following Council-approved practices; however, Council may make other budgeting decisions for these funds during the budget process.:

1. Streets Fund: The unrestricted Streets Fund may be allocated in the ~~the~~ following manner and shall remain in the Fund if budgeted funds are not spent by fiscal year end, to be appropriated and used for future projects:

    a. Transfer from the General Fund – 100% of the prior fiscal year's value of state shared vehicle license tax revenue subject to the General Fund attaining and maintaining its BSR, and subject to ~~funding is~~ available funding.

    b. Transfer from the Sanitation Fund – 100% of the prior fiscal year's fund balance, up to, but not limited to $10,000 annually, once the BSR target has been attained and maintained, and subject to available funding.

~~Transfer from the Sanitation Fund – 100% of the prior fiscal year's fund balance, up to, but not limited to $10,000 annually, once the BSR target has been attained and maintained and funding is available~~

2. Capital Construction Fund: The unrestricted Capital Construction Fund may be allocated in the ~~the~~ following manner and shall remain in the fund if budgeted funds are not spent by fiscal year end, to be appropriated and used for future projects:

    a. Transfer from the General Fund – 25% of the prior fiscal year's value of locally-assessed transaction privilege (sales) tax on all construction contracting activities, subject to the General Fund attaining and maintaining its BSR, and subject to available ~~and~~ funding ~~is available~~.

3. General Fund: The General Fund may allocate the following intra-fund value(s) for said outcomes/services; any funds not spent by fiscal year end will revert to the General Fund balance:

   ~~b.~~Directly budget in the Community Development Department, or wherever deemed appropriate by the Town Manager, 100% of the prior fiscal year's value of locally assessed transaction privilege (sales) tax on the hotel/motel activity, for use in economic development, tourism, and marketing strategies for Clarkdale.

F. Budgeting for Contingencies

Budgeting for contingencies at the fund level is prudent financial management. Contingencies allow for the Town to react to unforeseen circumstances during the fiscal year while remaining compliant with State Statues relative to our expenditure limit for the year. The Town will annually budget for an acceptable level of contingency in each fund. The Council will adopt a budget which will include clearly identified values for contingencies. The entire budget, including contingency values, establishes our upper expenditure limit subject to State Statutes. The use of any contingency will be subject to Council approval.

As an example, the Town budgets for a substantial contingency within the Grants Fund annually. This is done since the timing of grant announcements, applications and awards are not always known when the budget is adopted. Staff will move the contingency appropriation to a specific grant award once accepted and approved by Council. Without adding a contingency value to our budget, we would not be able to spend the grant funding until the next fiscal year when funds would be appropriated.

	TOWN OF CLARKDALE **FINANCIAL OPERATIONS GUIDE**	
	SECTION XIII. FISCAL POLICY	
	ORIGINATION DATE: 5/11/21	**REVISION DATE(S): 5/2/22, 10/10/23**

~~FISCAL POLICY~~

PURPOSE: The Fiscal Policy focuses on the mechanics of accounting for and managing elements of the budget year over year. This policy is set forth to ensure staff are working in support of Council-approved initiatives, providing transparency to the community and demonstrating adequate controls in the use of taxpayer funds.

Town staff are committed to their role in being good stewards of taxpayer funds. The Fiscal Policy identifies elements of protecting, controlling, reviewing, reporting, and amending the Council-adopted annual budget. Staff will follow all generally acceptable accounting practices and requirements established by professional, regulatory, and legislative agencies in the transaction of the Town's annual budget.

I. FINANCIAL MONITORING AND CONTROL~~inancial Monitoring and Control~~

The Finance Department will make available ~~distribute~~ monthly revenue and expenditure reports for~~to~~ Department Directors and the Town Manager ~~for~~to review, helping to ensure the Departments~~we~~ remain within the adopted budget amount. The Finance Department will monitor the revenues and expenditures of the Town on a monthly basis. Any significant variances will be reported to the Town Manager for action.

The Finance Department will distribute to the Town Council, and the public, a monthly revenue and expenditure report for all active funds. This report shall provide budget to actual results to assist with ~~a summary of major revenues and fund-level expenditure budget reports to aid in our~~ ongoing monitoring and ~~commitment to~~ transparency in financial operations. Transactions will be uploaded monthly on the State of Arizona Financial Transparency Portal, https://clarkdaleaz.opengov.com.

A. Budget Amendments

~~*Budget Amendments*~~

A budget is a plan and sometimes the best developed plan may need to be altered in order to deal with current information or economic changes. State Statues govern how budget a~~A~~mendments and ~~/~~transfers are approved. Ultimately, it is the Council's decision to approve any amendment to the adopted budget. Throughout the year, there are instances that arise which may be easily handled administratively as directed by Council. Town staff will execute the budget given the Council~~-~~ adopted amendment matrix below. Any instance not defined in the matrix will require Council approval.

Budget Amendment Need	**Approval Authority**
Operating Budget ~~t: ~~Intra-Department Amendment: C~~c~~hange within same department, same fund (e.g., General Fund, Streets Fund, Water Fund) and NOT increasing personne~~a~~l ~~services~~ costs, and NOT increasing bottom line appropriation for the department or fund.	Department Head – up to $5,000 Finance Director – up to $25,000 Town Manager – up to $50,000
Operating Budget Inter-Department Amendment: ~~: ~~C~~c~~hange between departments within the same fund and NOT increasing ~~person~~persona~~a~~nel ~~services~~ costs, and NOT increasing the bottom-line appropriation for the fund.	Finance Director – up to $25,000 Town Manager – up to $50,000
Capital Improvement Budget ~~: c~~Change within same Program Area, same fund and NOT increasing bottom line appropriation for the Program Area or fund.	Department Head – up to $5,000 Finance Director – up to $25,000 Town Manager – up to $50,000
Capital Improvement Budget~~:~~ C ~~c~~hange between Program Areas, same fund and NOT increasing bottom line appropriation for the Program Area or fund.	Finance Director – up to $25,000 Town Manager – up to $50,000

Operating or Capital Improvement Budget~~:~~ A~~ a~~ny increase to personnel~~al~~ ~~services ~~costs or use of contingency appropriation.	Town Manager – up to $49,999 Annually Town Council – $50,000 and over

The Finance Department will monitor the expenditures and revenues of all Town departments on an ongoing basis. Any significant variances will be reported to the Town management for action. On a monthly basis, an expenditure and revenue report with year-end projections will be distributed to the Town Council and all Town D~~d~~epartment H~~h~~eads.

B. Grants

~~*Grants*~~

Grant funding is a significant funding source to provide for enhanced community services and improvements, and~~. Yet grants~~ are typically awarded~~ come~~ with restrictions on~~in~~ their use. They~~, ~~often require matching local funds to secure the ~~grant and~~grant and may be subject to additional audit provisions. Staff will evaluate grant opportunities that best meet the needs of the Town and ~~our ~~financial capabilities, and make recommendations to Council based upon the following matrix:

Grant Value	**Cash Match Required OR Future Funding Obligation of the Town?**	**Application Approval~~roval to Apply~~**	**Approval to Accept and Appropriate Funds***
< $50,000	None	Town Manager	Town Council
Any Value	Yes, within current budget	Town Manager	Town Council
Any Value	Yes	Town Council	Town Council

*Appropriation may be via an individual Council action or through adoption of the annual Budget.

Due to the timing of some grant applications, staff may be unable to secure Council's approval before applications are due. Staff will bring a request to Council as soon as possible to seek retroactive approval to apply for and if successful with a grant award, accept and appropriate the funding for the specific grant. Staff will follow all federal, state, regulatory and grantor-specific requirements in expending and managing grant funds, including adherence to applicable procurement rules.

C. Independent Audits

~~*Independent Audits*~~

The Town Council shall appoint an independent financial auditor to perform an annual audit and prepare the Town's financial statements and other required materials required by Federal and State Law as well as regulatory bodies. The independent auditor will perform the Single Audit of Federal Funds, when required to do so. The independent auditor will present their findings annually to the Town Council prior to publishing the audited financial statements and other required materials. Town staff will make the financial statements available on the Town's website for the ~~statutorily required~~statutorily required timeline. Clarkdale's Magistrate Court will timely complete its triennial audit, as required by the State of Arizona Administrative Office of the Court.

D. Risk Management

~~*Risk Management*~~

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town seeks to control its expenses by limiting financial exposure due these risks. The Town carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. The Town leverages a, 'cost pool' structure to spread the risks among other governmental agencies within the cost pool.

II.

USER FEES REVIEW~~User Fees Review~~

User fees will be reviewed every three to five years, or as necessary. The reviews will ensure the Town~~we~~ is~~are~~ meeting Council direction regarding cost recovery. Any change~~s~~ to the Town's Fee Schedule will follow applicable statutes prior to implementation. The Fee Schedule is published on the Town's website.

III. COST SHARING~~Cost Sharing~~

The Town, like most other governmental and private entities, utilizes cost accounting methodologies to appropriately transfer costs from one fund to another in order to share costs among all users of the service. The allocations can be made in both the operating and capital improvement budgets and are reviewed periodically to ensure the model represents best accounting practices.

A. Operating Budget

~~*Operating Budget*~~

Expenses for administrative support of the entire Town is an~~one~~ example of cost allocation, distributing expenses across~~with is distributed to all~~ multiple Town funds.~~in the Town.~~ The costs of Human Resources, Finance, Town Manager, Town Council, Town Clerk, etc. should not be a burden on only the General Fund. All Funds, including Grants, benefit from the staffing, ~~systems~~systems, and actions of the administrative functions. The Town charges an administrative fee of 10% of each fund's Operating Budget (expenditures not including capital, contingencies, or transfers) through the annual budgeted transfer process. The 10% allocation is a ~~generally accepted~~generally accepted figure that most grants allow for administrative overhead. The amount charged by each fund should be reviewed annually and may be adjusted based on the health of the fund, or other underlying conditions during the budget process.

B. Capital Improvement Budget

~~*Capital Improvement Budget*~~

The Town will appropriately allocate costs for future Capital Improvement Projects (CIP) by fund.

Just like in the Operating Budget, projects which provide benefit to multiple funds should be shared by those respective funds. As an example, the cost to replace the Town's financial system should be shared by the General, Water, Sewer, Sanitation, etc. funds, as all said funds leverage the use of the financial system. Each project will be reviewed to determine the most appropriate cost allocation to be used when preparing the annual budget.

IV. INVESTMENTS~~Investments~~

The Town Council authorized an Investment Policy as part of the overall Financial Operations Guide document~~FOG~~. The Investment Policy conforms to requirements of Arizona Revised Statutes (ARS), which govern the Town's investment actions. Town staff will operate in accordance with the Investment Policy.

While the Investment Policy allows for several options by which the Town may invest available funds, the Town has generally leveraged the State Treasurer-managed Local Government Investment Pools (LGIP) for its investments. The LGIPs provide local jurisdiction with investment options which adhere to State Statue. Town staff manages multiple accounts within the LGIP to keep an appropriate accounting of investments by fund. The Town also follows ARS relative to funds on deposit at its commercial bank.

V. DEBT MANAGEMENT

~~Debt Management~~

The Debt Management portion of the Financial Policies is meant to supplement the legal framework of public debt laws provided by the Arizona Constitution, State Statutes, federal tax laws, and the Town's current debt obligations.

Town staff will recommend debt financing options to the Town Council when it is in the best interest of the organization to do so. The Town will not use long-term debt to fund current operations or projects that can be financed from current revenues or resources. The Town will first attempt to use pay-as-you-go capital financing, which may be facilitated by building up a significant fund balance over time.

The Town may utilize long-term debt to finance capital projects with long useful lives. Financing capital projects with debt provides for an intergenerational equity, as the actual users of the capital asset pay for its cost over time rather than one group of users paying in advance for the cost of the asset. As an example, the Town leveraged long-term debt financing for improvements to both the sewer and water infrastructure through the Water Infrastructure Financing Authority (WIFA).

The Town may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Council approval. The Town may issue inter-fund loans rather than outside debt instruments to meet short-term cash flow needs. Inter-fund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not negatively impact the fund's current operations.

EXHIBITS

EXHIBIT A

PRE-TRAVEL REQUEST AND EXPENSE AUTHORIZATION: MULTI-DAY EDUCATION & TRAINING

PART 1: TRAVEL/TRAINING INFORMATION

DATE OF REQUEST:	**DEPARTMENT:** (Individual travel requests are required for each person)
Employee Name:	Title:
Purpose of Trip:	
Destination:	Dates of Training/Education:
Date of Departure:	Date of Return:

Method of Travel: Town Vehicle [ ] Private Vehicle [ ] Airplane [ ] Other [ ]

PART 2: PRE-TRAVEL EXPENSE ESTIMATE

EXPENSE CATEGORY		UNITS	RATE	ESTIMATED TOTAL
Transportation-Mileage (see instructions)		0	$0.625	$0.00
Transportation-Air Travel		0	$0.00	$0.00
Garage/Parking		0	$0.00	$0.00
Ground Transportation		0	$0.00	$0.00
Lodging		0	$0.00	$0.00
Registration Fees		0	$0.00	$0.00
Meals (For travel outside a 20 mile radius of corporate Town limits): No per diem will be paid for meals provided by conference, seminar, or lodging site.				
Breakfast (when travel commences before 6 a.m.)		0	$13.00	$0.00
Lunch (when travel commences before 11 a.m. and ends after 2 p.m.)		0	$15.00	$0.00
Dinner (when travel extends to 7 p.m. or beyond, or when leaving for travel before 6 p.m.)		0	$26.00	$0.00
Incidentals (full day only)		0	$5.00	$0.00
Miscellaneous (Specify)		0		$0.00
Totals				**$0.00**

Prepaid expenses include registration, airline tickets, etc. Prior approval MUST be obtained from appropriate supervisors before any prepaid costs, advances, or refunds are expended.

TOTAL ESTIMATED TRAVEL/TRAINING COST: **$0.00**

ADVANCE PAYMENT REQUESTED (Eligible Costs are Mileage and/or Per Diem): **$0.00**

G/L Account:

Employee Signature **Date**

I certify that the foregoing expenses are incurred in the conduct of Town business. Any advanced payments received will be remitted to the Town in the event of registration cancellation.

Department Head **Date** **Town Manager** **Date**

Please include a copy of the training agenda, mileage map, and all applicable estimates with each submission.

Transportation-Mileage:
Vehicle mileage is reimbursed at the current IRS rate UNLESS an alternative Town vehicle is available for use. If a Town vehicle is available for use, and the employee chooses to use their vehicle, the employee will be reimbursed at 50% of the current IRS rate.

Lodging:
Employees should attempt to book hotel rooms at the reduced conference block rates and/or government rates. Employees should be mindful that taxpayer funds are being used and seek out the most reasonable rates near the conference venue.

Meals:
Attach a copy of the training schedule with each request, including the meal schedule for the event, if applicable.
Remit completed request and estimation of costs to Town Manager for approval
If an advance is being requested, remit approved form to Finance for processing.
Within five (5) working days after return, complete Post-Travel form and attach receipts and remit to Town Manager for approval.

EXHIBIT A

POST-TRAVEL REQUEST AND EXPENSE REPORT: MULTI-DAY EDUCATION & TRAINING

PART 1: TRAVEL/TRAINING INFORMATION

DATE OF REQUEST:	**DEPARTMENT:** (Individual travel requests are required for each person)
Employee Name:	Title:
Purpose of Trip:	
Destination:	Dates of Training/Education:
Date of Departure:	Date of Return:

Method of Travel: Town Vehicle [ ] Private Vehicle [ ] Airplane [ ] Other [ ]

PART 2: POST-TRAVEL EXPENSE REPORT

EXPENSE CATEGORY		UNITS	RATE	TOTAL
Transportation-Mileage (see instructions)		0	$0.625	$0.00
Transportation-Air Travel		0	$0.00	$0.00
Garage/Parking		0	$0.00	$0.00
Ground Transportation		0	$0.00	$0.00
Lodging		0	$0.00	$0.00
Registration Fees		0	$0.00	$0.00
Meals (For travel outside a 20 mile radius of corporate Town limits): No per diem will be paid for meals provided by conference, seminar, or lodging site.				
Breakfast (when travel commences before 6 a.m.)		0	$13.00	$0.00
Lunch (when travel commences before 11 a.m. and ends after 2 p.m.)		0	$15.00	$0.00
Dinner (when travel extends to 7 p.m. or beyond, or when leaving for travel before 6 p.m.)		0	$26.00	$0.00
Incidentals (full day only)		0	$5.00	$0.00
Miscellaneous (Specify)		0		$0.00
Totals				**$0.00**

Prepaid expenses include registration, airline tickets, etc. Prior approval MUST be obtained from appropriate supervisors before any prepaid costs, advances, or refunds are expended.

TOTAL ORIGINAL ESTIMATED TRAVEL/TRAINING COST (Attach Pre-Travel Authorization Form):

TOTAL ACTUAL TRAVEL/TRAINING COST: **$0.00**

AMOUNT PREVIOUSLY REIMBURSED:

AMOUNT CHARGED TO TOWN CREDIT CARD:

REIMBURSEMENT REQUESTED: **$0.00**

G/L Account:

Employee Signature **Date**

I certify that the foregoing expenses are incurred in the conduct of Town business. Any advanced payments received will be remitted to the Town in the event of registration cancellation.

Department Head **Date** **Town Manager Signature** **Date**

Please include a copy of the training agenda, mileage map, and all applicable estimates with each submission.

Transportation-Mileage:
Vehicle mileage is reimbursed at the current IRS rate UNLESS an alternative Town vehicle is available for use. If a Town vehicle is available for use, and the employee chooses to use their vehicle, the employee will be reimbursed at 50% of the current IRS rate.

Lodging:
Employees should attempt to book hotel rooms at the reduced conference block rates and/or government rates. Employees should be mindful that taxpayer funds are being used and seek out the most reasonable rates near the conference venue.

Meals:
If per diem was not previously requested, attach a copy of the training schedule with each request, including the meal schedule for the event, if applicable.
Within five (5) working days after return, complete Post-Travel form and attach receipts and remit to Town Manager for approval.
Upon approval, remit to Finance for processing.

EXHIBIT B

Project & Invoice #____________

TOWN OF CLARKDALE, AZ

PROCUREMENT FORM – ITEMS OVER $10,000

DEPT & PROJECT/PURCHASE: ____________________________ ESTIMATED COST: $___________

1. **Has purchase/project been included in the current budget? YES / NO**
   a. **If yes, please provide budget line item #: _______________________**
   b. **If no, provide written explanation:**
   ____
   ____
   ____
   ____
2. **Is the purchase/project available through the State Procurement Office list of approved contracts? YES / NO**
3. **Has purchase/project been approved by the Town Manager? YES / NO**
4. **Is the purchase/project expected to range between $10,000 and $74,999? YES / NO**
   a. **If YES, attach three written quotes to the first invoice paid under the new project**
   b. **If three written quotes can't be obtained, attach memo of explanation**
   c. **If NO, proceed to question #5**
5. **Is the purchase/project expected to exceed $75,000? YES / NO**
   a. **Attach Town Council approval and refer to Procurement rules under Section Six of the Town of Clarkdale Financial Operations Guide.**

Submitted By: **Town Manager Acknowledgement:**

__________________________ __________________________

Date: **Date:**

__________________________ __________________________

EXHIBIT C

REQUEST FOR TOWN OF CLARKDALE CREDIT CARD/CREDIT ACCOUNT

To: Finance Department

From: ________________ Department

Subject: Request for Credit Card

Check One

Chase: _____ Home Depot: _____ Maverik: _____ Verde Valley Hardware: _____ Other: _____

I request that the following employee be issued a Town of Clarkdale Credit Card.

Temporary Issue: ______ Length of Time: ______ Permanent Issue: ______

Employee Name: ____

Employee Title: ____

Reason for request:

____
____
____
____

Approved: ____________ Disapproved: ____________

______________________ ______________________
Employee Signature Department Head Signature

______________________ ______________________
Town Manager Signature Finance Signature

~~Town of Clarkdale Credit Card User Agreement~~

EXHIBIT D

TOWN OF CLARKDALE
CREDIT CARD/CREDIT ACCOUNT
USER AGREEMENT

1. I understand that I am making a financial commitment on behalf of the Town of Clarkdale and will strive to obtain the best value for the Town.

2. I understand that under NO circumstance will I use the Credit Card/Credit Account to make personal purchases, either for others or myself.

3. I will follow the established Credit Card/Credit Account policy. I understand that failure to do so may result in either loss of privileges or other disciplinary actions, including termination of employment.

4. I agree that should I willfully violate the term of this Agreement, I will reimburse the Town of Clarkdale for all incurred charges and any fees related to the collection of those charges.

5. All receipts received when making a Credit Card/Credit Account purchase, will promptly be

forwarded to the Finance Department for monthly reconciliation and payment.

6. I understand that I am restricted to specific limits when using the Credit Card/Credit Account -for purchases.

7. I agree that should I leave Town of Clarkdale employment, I will return my Credit Card and all appropriate documentation to the Finance Department.

8. I will use the Town of Clarkdale Credit Cards with the highest degree of personal and professional integrity and ethics, recognizing my responsibility to the public and the Town organizations.

9. I agree to promptly contact Chase Bank, Home Depot, or any physical card issued if I lose, misplace, or have my credit card stolen.

I have received, read, understand, and agree to comply with the Town of Clarkdale Credit Card User Policy.

____

Employee Name (Print)

____________________________________ ____________________

Employee Signature Date

~~8.~~

~~9. I agree to promptly contact Chase Bank if I lose, misplace, or have my credit card stolen.~~

~~I have received, read, understand, and agree to comply with the Town of Clarkdale Credit Card User Policy.~~

____

~~Employee Name (Print)~~

____________________________________ ____________________

~~Employee Signature Date~~

~~**Request for Town of Clarkdale Credit Card**~~

~~To: Finance Department~~

~~From:____________________Department~~

~~Subject: Request for Credit Card~~

~~I request that the following employee be issued a Town of Clarkdale Credit Card.~~

~~Temporary Issue: ______~~ ~~Length of Time: ______~~ ~~Permanent Issue: ______~~

~~Employee Name: ____~~

~~Employee Title: ____~~

~~Reason for request:~~

____
____
____
____

~~Approved:_____________~~ ~~Disapproved:____________~~

________________________________ ________________________________
~~Employee Signature~~ ~~Department Head Signature~~

________________________________ ________________________________
~~Town Manager Signature~~ ~~Finance Signature~~

EXHIBIT E

~~Town of ClarkdaleStatement of Missing Documentation for Credit Card~~

STATEMENT OF MISSING DOCUMENTATION FOR CREDIT CARD/ACCOUNT PURCHASES

Complete this form if there is no documentation to support a charge on your Credit Card or Credit Account. One form must be completed in full for each instance of missing documentation. Original form must be promptly forwarded to the Finance Department for processing. Delays in forwarding this document may result in finance fees being charged to your account.

Vendor Name: ____

Date of Transaction:________________ Amount Charged $ ______________________

Description of item(s) Purchased:

____
____
____
____

Explain why the documentation is missing:

____
____
____
____

What future action will be taken to ensure receipts are available:

____
____
____
____

______________________________ ______________________________
Cardholder Signature Date

______________________________ ______________________________
Town Manager Signature Date

~~Town of Clarkdale Credit Card~~
~~**Statement of Disputed Item**~~

~~Instructions: You should first make a good-faith effort to settle a claim or disputed charge directly with the Vendor. If unable to resolve the dispute with the Vendor, complete this form and fax to the Credit Card Issuer. Forward a copy of~~

~~this statement to the Finance Department if you are not satisfied with the results of the Credit Card Issuer.~~

~~Send form to: First USA Disputes~~
~~P. O. Box 8776~~
~~Wilmington, DE 19899-8776~~

~~Cardholder Name:___Account Number: ___~~
~~This charge appears on our statement (billing close date):__~~

~~Transaction Date:____Reference Number: __ Vendor Name: __________________~~
~~Posted Amount:_____ Disputed Amount: ___~~

~~Please check only *one* of the following:~~

~~**Unauthorized Transaction**~~
~~I did not authorize, nor did I authorize anyone else to engage in this transaction. No goods or services represented by the above charge were received by me or anyone I authorized. My Credit Card was in my possession at the time of the transaction.~~

~~Charge amount does not agree with the order authorizing the charge~~
~~The amount entered on the sales receipt was changed from $______to $___. Ihave enclosed a copy of the unaltered sales receipt.~~

~~Merchandise or Services Not Received~~
~~I have not received the merchandise or services represented by the above transaction. The expected delivery date or services was___. (On Town letterhead, please describe any attempts to resolve this matter with the vendor, the date(s) you contacted them and their response.)~~

~~Disputed Transaction~~
~~I did engage in the above transaction, which I am now disputing. I have contacted the vendor, but I have been unable to return the merchandise and /or I have been unsuccessful in reaching an acceptable resolution with them. (On letterhead, please describe your attempt to resolve this matter with the vendor, the date(s) you contacted them and their response.)~~

~~Double or Multiple Charges~~
~~My Credit Card account has been doubled charged. The first charged appeared on the ______(date) billing statement.~~

~~Defective or Wrong Merchandise~~
~~I returned the merchandise on_______because it was: (check one) defective wrong size wrong color wrong quantity~~
~~(Please enclose proof of return)~~

~~Other (Explain) _____~~

______________________________ ____________________

~~Cardholder Signature Date~~

~~Town of Clarkdale Credit Card Maintenance Form~~

~~**Cardholder Name**~~
~~Name as it appears on the card: Account number:~~
~~Change name to:~~

~~**Credit Limit**~~
~~Permanent Change Temporary Change~~ ~~If change is temporary, how long is the limit in effect? ____~~
~~Current Single Purchase Limit: Change Single Purchase Limit To:~~
~~Current Billing Cycle Limit: Change Billing Cycle Limit To:~~

~~**Card Replacement**~~
~~Reason: Lost Stolen Mutilated Please return mutilated card to the Finance~~
~~Please Explain:~~

~~**Card Cancellation**~~
~~Name as it appears on card: Account number:~~
~~Please Explain:~~

~~Town Manager Signature Date~~

~~Cardholder Signature Date~~

~~Town of~~
~~Clarkdale Request for~~
~~Mobile Device~~

~~To: Finance Department~~

~~From:~~

~~Department Subject:~~

~~Request for Mobile~~

~~Device~~

~~I request that the following employee be issued a Mobile Device.~~

~~Temporary Issue:~~

~~Length of Time:~~

~~Permanent Issue:~~

~~Employee Name:~~

~~Employee Title:~~

~~Reason for request:~~

~~Approved:~~ ~~Disapproved:~~

~~Employee Signature~~ ~~Department Head Signature~~

~~Town Manager Signature~~ ~~Finance Signature~~

~~Town of Clarkdale Mobile Device User Agreement~~

1. ~~I understand that I am using communication equipment that has been issued to me by the Town of Clarkdale to make my work easier and more productive.~~

2. ~~I understand that under NO circumstance will I use the mobile device to make personal business-related calls. I will restrict my personal calls to emergencies.~~

3. ~~I will follow the established Mobile Device policy. I understand that failure to do so may result in loss of privileges and, if I am a Town employee, disciplinary action, including termination of employment.~~

4. ~~I agree that if I violate the terms of this Agreement, I will reimburse the Town of Clarkdale for all incurred charges and any fees related to the collection of those charges.~~

5. ~~I agree that if I leave Town of Clarkdale employment or public office, I will return my mobile device and all appropriate documentation to my supervisor or to the Town Manager, as may be appropriate.~~

6. ~~I will use the Town-issued mobile device with the highest degree of personal and professional integrity and ethics, recognizing my responsibility to the public and the Town organization.~~

~~I have received, read, understand, and agree to comply with the Town of Clarkdale Mobile Device User Policy.~~

____

~~Officer/Employee Name (Print)~~

________________________________ ____________________

~~Signature~~ ~~Date~~