465 First Avenue
P.O. Box 970
Holbrook, AZ 86025

CITY OF HOLBROOK

Telephone: (928) 524-6225
Fax: (928) 524-2159
holbrookcity@ci.holbrook.az.us

AGENDA
CITY COUNCIL WORK SESSION
MARCH 13, 2012
IMMEDIATELY FOLLOWING REGULAR COUNCIL MEETING.

The items listed below are for discussion.

NEW BUSINESS:

A. FY 2012/2013 BUDGET.

Dated this 6th Day of March 2012.

Cher Reyes, CMC, CPM, City Clerk

465 First Avenue
P.O. Box 970
Holbrook, AZ 86025

CITY OF HOLBROOK

Telephone: (928) 524-6225
Fax: (928) 524-2159
holbrookcity@ci.holbrook.az.us

OUR MISSION

The City of Holbrook Government exists to provide ethical and responsible local government.

AGENDA

REGULAR CITY COUNCIL MEETING

MARCH 13, 2012

6:00 P.M.

Pursuant to ARS 38-431.02, notice is hereby given to the Holbrook City Council, and to the general public, that a meeting, which is open to the public, will be held on above-mentioned date, in the City Council Chambers, at 465 First Avenue, Holbrook, Arizona. Some of the members of the City Council may choose to participate in this meeting telephonically. The City Council may adjourn into executive session, which will not be open to the public, to discuss certain matters in accordance with ARS 38-431.03.

The items on the following agenda are for discussion or consideration and possible action:

1) CALL TO ORDER:

2) ROLL CALL:

3) PLEDGE OF ALLEGIANCE/INVOCATION:

4) PUBLIC ANNOUNCEMENTS AND PRESENTATIONS (Please limit to 10 minutes).

   A. North Country Healthcare-Kristie Hillebert.

5) CALL TO THE AUDIENCE:
   <u>The City Council welcomes public comment at this time only for items listed on this Agenda. There is a five minute time limit per citizen.</u>

6) CONSENT AGENDA
   A. Claims/payment approval for February 23, 2012 thru March 8, 2012: Documentation for claims is available at City Hall. (pg 4)
   B. Minutes of the regular meeting held on February 28, 2012 (pg 28)

7) CLAIMS/PAYMENT APPROVAL FOR WALT'S HARDWARE $ 3010.15 (pg 35)

8) REPORTS:
   Mayor:

Council Members:
Manager:
1. Financial update.

9) OLD BUSINESS:

10) NEW BUSINESS:
1. Discussion/possible action regarding grant submission to the USDA Rural Development Department for the purchase of police cars-Manager Alley. (pg 39)
2. Discussion/possible action regarding request to expend funds not to exceed $1823.30 to Auto Safety House for repairs to Vac-Con truck- (pg 40) Manager Alley.
3. Discussion/possible action regarding to expend funds not to exceed $4921.38 to Auto Safety House for repairs to Streets Department dump (pg 42) truck-Manager Alley.
4. Discussion/possible action regarding declaring Auto Safety House a sole source provider for Heavy Duty Truck Service-Manger Alley. (pg 45)
5. Discussion/possible action regarding request to expend funds not to exceed $8282.50 to Authorized Pump Systems-Manager Alley (pg 46)
6. Resolution 12-01, approving the amendments to the Rural Arizona Group Health Trust agreement and declaration dated July 1, 2012. (pg 47

11) EXECUTIVE SESSION:
A. Per ARS 38-431.03(A) (3), the Council may adjourn into executive session for discussion or consultation or legal advice with the City Attorney for any item listed on the agenda.

12) POST EXECUTIVE SESSION:

13) CALL TO THE AUDIENCE:
The City Council welcomes public comment at this time for items not listed on this Agenda. There is a three minute time limit per citizen.

14) ADJOURNMENT:

Dated this 6th day of March 2012.

Cher Reyes, CMC, CPM

Cher Reyes, CMC, CPM, City Clerk

According to the Arizona Open Meeting Law, the City Council may only discuss matters listed on the City Council agenda. Matters discussed by the public during public appearances cannot be discussed by the City Council unless they are specifically listed on this agenda. Speaker's visual aids or recorded tapes are not allowed. Members of the public shall refrain from making personal, impertinent or slanderous remarks and from becoming boisterous while addressing the City Council or while attending the meeting. Unauthorized remarks from the audience, clapping, stomping of feet, yelling or any similar demonstrations are also prohibited. Violations of these rules may result in removal from the City Council meeting. Individual members of the public body may respond to criticism made by those who have addressed the public body.

CITY OF HOLBROOK

INVOICE APPROVAL REPORT

BY GL NUMBER EXCLUDING WALT'S HARDWARE

02/23/2012 THRU 03/08/2012

TOTAL **$201,210.61**

Report Criteria:
Invoice.Vendor No = 1-9699

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
2/27/2012												
AMERIGAS - HOLBROOK				920								
051-326601A	1	Inv	UTILITIES		02/20/2012 02/29/2012	230.18	2 No		.00		001-040-5048	2/12
AUTO SAFETY HOUSE				1571								
3220400024	1	Inv	PARTS/REPAIRS		02/09/2012 03/15/2012	34.31	2 No		.00		007-087-5024	2/12
NAVAJO COUNTY FINANCE				8690								
000042,43,44	1	Inv	JAIL CONTRACT		02/14/2012 02/29/2012	5,290.35	0 No		.00		001-050-5050	2/12
CANYON PIPE & SUPPLY				3039								
:3320416.001	1	Inv	PIPE		02/10/2012 03/15/2012	709.29	2 No		.00		002-092-5026	2/12
MOHAVE ENVIRONMENTAL LAB				8270								
57992	1	Inv	TESTING		02/14/2012 03/15/2012	280.00	0 No		.00		002-092-5041	2/12
UNISOURCE ENERGY SERVICES				3380								
02222012	1	Inv	UTILITIES		02/22/2012 02/29/2012	104.42	0 No		.00		001-031-5048	2/12
02222012	2	Inv	UTILITIES		02/22/2012 02/29/2012	1,818.11	0 No		.00		001-014-5048	2/12
02222012	3	Inv	UTILITIES		02/22/2012 02/29/2012	256.39	0 No		.00		001-020-5048	2/12
02222012	4	Inv	UTILITIES		02/22/2012 02/29/2012	17.42	0 No		.00		001-031-5048	2/12
02222012	5	Inv	UTILITIES		02/22/2012 02/29/2012	319.29	0 No		.00		001-031-5048	2/12
Total 02222012						2,515.63						
Total 3380						2,515.63						
HOME DEPOT				6310								
02172012	1	Inv	SUPPLIES		02/17/2012 02/29/2012	369.12	2 No		.00		001-031-5026	2/12
02252012	1	Inv	SUPPLIES		02/25/2012 02/29/2012	120.48	2 No		.00		001-031-5026	2/12
02252012	2	Inv	SUPPLIES		02/25/2012 02/29/2012	21.87	2 No		.00		002-091-5026	2/12
Total 02252012						142.35						
Total 6310						511.47						
ARIZONA DEPT OF WEIGHTS &				1264								
197807	1	Inv	LICENSES		02/22/2012 03/15/2012	15.00	2 No		.00		001-093-5027	2/12

R Column: Y = Recurring Payment

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
UNISOURCE ENERGY SERVICES				3380								
02232012	1	Inv	UTILITIES		02/23/2012 03/15/2012	822.68	0 No		.00		001-050-5048	2/12
MCPHERSON COLLISION				8051								
2281	1	Inv	VEHICLE REPAIRS		02/23/2012 03/15/2012	804.58	2 No		.00		001-050-5024	2/12
2285	1	Inv	VEHICLE REPAIRS		02/17/2012 03/15/2012	279.37	2 No		.00		001-050-5024	2/12
Total 8051						1,083.95						
Total 2/27/2012						11,492.86						

02/27/2012 GL Period Summary

GL Period	Amount
2/12	11,492.86
	11,492.86

Invoice No	Seq	Vendor Name / Type	Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
2/28/2012												
NORTHERN SAFETY CO.				9004								
24044701025	1	Inv	UNIFORMS		02/20/2012 / 03/15/2012	133.73	4 / No	03/06/2012	.00		007-087-5023	2/12
24044701017	1	Inv	UNIFORMS		02/17/2012 / 03/15/2012	89.16	4 / No	03/03/2012	1.78		007-087-5023	2/12
Total 9004						222.89						
ECKRIGHT, EBERLE				4753								
70001	1	Inv	REPAIRS		02/24/2012 / 02/29/2012	30.00	0 / Yes		.00		002-092-5049	2/12
70002	1	Inv	REPAIRS		02/22/2012 / 02/29/2012	500.00	0 / Yes		.00		002-092-5049	2/12
456498	1	Inv	REPAIRS		02/14/2012 / 02/29/2012	160.00	0 / Yes		.00		002-091-5049	2/12
456497	1	Inv	REPAIRS		02/14/2012 / 02/29/2012	150.00	0 / Yes		.00		002-092-5049	2/12
Total 4753						840.00						
MOHAVE ENVIRONMENTAL LAB				8270								
58035	1	Inv	TESTING		02/19/2012 / 03/15/2012	960.00	0 / No		.00		002-092-5041	2/12
A.P.S.				70								
02212012	1	Inv	UTIILITIES		02/21/2012 / 02/29/2012	545.72	0 / No		.00		001-060-5048	2/12
02212012	2	Inv	UTIILITIES		02/21/2012 / 02/29/2012	8,089.73	0 / No		.00		002-091-5048	2/12
02212012	3	Inv	UTIILITIES		02/21/2012 / 02/29/2012	9,326.70	0 / No		.00		002-092-5048	2/12
02212012	4	Inv	UTIILITIES		02/21/2012 / 02/29/2012	1,635.35	0 / No		.00		001-031-5048	2/12
02212012	5	Inv	UTIILITIES		02/21/2012 / 02/29/2012	1,846.90	0 / No		.00		001-050-5048	2/12
02212012	6	Inv	UTIILITIES		02/21/2012 / 02/29/2012	295.88	0 / No		.00		001-093-5048	2/12
02212012	7	Inv	UTIILITIES		02/21/2012 / 02/29/2012	981.50	0 / No		.00		007-087-5048	2/12
02212012	8	Inv	UTIILITIES		02/21/2012 / 02/29/2012	374.69	0 / No		.00		001-040-5048	2/12
02212012	9	Inv	UTIILITIES		02/21/2012 / 02/29/2012	118.94	0 / No		.00		002-090-5048	2/12
02212012	10	Inv	UTIILITIES		02/21/2012 / 02/29/2012	621.41	0 / No		.00		001-099-5048	2/12
02212012	11	Inv	UTIILITIES		02/21/2012 / 02/29/2012	264.00	0 / No		.00		001-085-5048	2/12
02212012	12	Inv	UTIILITIES		02/21/2012 / 02/29/2012	381.38	0 / No		.00		001-004-5048	2/12
02212012	13	Inv	UTIILITIES		02/21/2012 / 02/29/2012	493.89	0 / No		.00		001-014-5048	2/12
02212012	14	Inv	UTIILITIES		02/21/2012 / 02/29/2012	63.75	0 / No		.00		001-084-5048	2/12
02212012	15	Inv	UTIILITIES		02/21/2012	981.17	0		.00			2/12

R Column: Y = Recurring Payment

Invoice No	Vendor Name Seq Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
			02/29/2012		No				001-020-5048	
Total 02212012				26,021.01						
Total 70				26,021.01						
Total 2/28/2012				28,043.90						

02/28/2012 GL Period Summary

GL Period	Amount
2/12	28,043.90
	28,043.90

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
2/29/2012												
LEXIS-NEXIS (ACCURINT)				169								
27	1	Inv	BACKGROUND CHECKS		03/01/2012 03/01/2012	50.00	2 No		.00		001-004-5041 2/12	Y
27	2	Inv			03/01/2012 03/01/2012	.00	2 No		.00		2/12	Y
27	3	Inv			03/01/2012 03/01/2012	.00	2 Yes		.00		2/12	Y
Total 27						50.00						
Total 169						50.00						
BETTER COMMUNICATIONS CO				2430								
7012073	1	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		001-004-5047 2/12	Y
7012073	2	Inv	Radio contract		03/01/2012 03/01/2012	.00	0 No		.00		001-031-5047 2/12	Y
7012073	3	Inv	Radio Contract		03/01/2012 03/01/2012	529.90	0 No		.00		001-050-5047 2/12	Y
7012073	4	Inv	Radio Contract		03/01/2012 03/01/2012	312.63	0 No		.00		001-060-5047 2/12	Y
7012073	5	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		001-084-5047 2/12	Y
7012073	6	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		001-085-5047 2/12	Y
7012073	7	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		002-090-5047 2/12	Y
7012073	8	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		002-091-5047 2/12	Y
7012073	9	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		002-092-5047 2/12	Y
7012073	10	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		001-040-5047 2/12	Y
7012073	11	Inv	Radio Contract		03/01/2012 03/01/2012	.00	0 No		.00		007-087-5047 2/12	Y
Total 7012073						842.53						
Total 2430						842.53						
CABLE ONE				2940								
10012071	1	Inv	UTILITIES		03/01/2012 03/01/2012	49.00	0 No		.00		001-060-5048 2/12	Y
10012071	2	Inv	UTILITIES		03/01/2012 03/01/2012	105.95	0 No		.00		001-050-5048 2/12	Y
10012071	3	Inv	UTILITIES		03/01/2012 03/01/2012	.00	0 No		.00		001-093-5048 2/12	Y
10012071	4	Inv	UTILTIES		03/01/2012 03/01/2012	49.00	0 No		.00		001-050-5048 2/12	Y
10012071	5	Inv	UTILITIES		03/01/2012 03/01/2012	207.95	0 No		.00		001-004-5048 2/12	Y

CITY OF HOLBROOK

Invoice Register by Input Order
Input Date(s): 02/23/2012 - 03/08/2012

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
						411.90						
Total 10012071						411.90						
Total 2940												
CYBERTRAILS				3960								
7312059	1	Inv	EMAIL AND BACKUP		03/01/2012	254.06	2		.00		2/12	Y
					03/01/2012		No			001-004-5047		
7312059	2	Inv			03/01/2012	.00	2		.00		2/12	Y
					03/01/2012		No					
Total 7312059						254.06						
Total 3960						254.06						
HOLBROOK VOL FIRE DEPT				6260								
200587	1	Inv	RETIREMENT		03/05/2012	1,916.59	0		.00		2/12	Y
					03/05/2012		No			001-060-5015		
200587	2	Inv	UNIFORMS		03/05/2012	3,343.24	0		.00		2/12	Y
					03/05/2012		No			001-060-5023		
Total 200587						5,259.83						
Total 6260						5,259.83						
IKON FINANCIAL SERVICES				6503								
9012071	1	Inv	COPIER LEASE		03/01/2012	.00	3		.00		2/12	Y
					03/01/2012		No			001-004-5049		
9012071	2	Inv	COPIER MAINTENANCE C		03/01/2012	.00	3		.00		2/12	Y
					03/01/2012		No			001-050-5047		
Total 9012071						.00						
Total 6503						.00						
NAVAJO COUNTY HISTORICAL				8720								
110	1	Inv	CONTRIBUTION		03/01/2012	2,400.00	0		.00		2/12	Y
					03/01/2012		No			001-014-5057		
Total 2/29/2012						9,218.32						

02/29/2012 GL Period Summary

GL Period	Amount
2/12	9,218.32
	9,218.32

R Column: Y = Recurring Payment

Invoice No	Seq	Vendor Name Type	Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
3/1/2012												
PAT'S HOUSE OF ORIGINALS				9320								
584	1	Inv	FLOWERS		02/22/2012	33.03	0		.00			3/12
					03/15/2012		No				001-031-5026	
BRADCO				2590								
324447	1	Inv	FUEL		02/29/2012	5,542.84	0		.00			3/12
					03/07/2012		No				007-087-5027	
HOME DEPOT				6310								
02292012	1	Inv	SUPPLIES		02/29/2012	488.60	2		.00			3/12
					03/07/2012		No				001-031-5026	
GRAINGER				5580								
9760743295	1	Inv	PARTS		02/21/2012	2,205.22	0		.00			3/12
					03/13/2012		No				002-092-5026	
Total 3/1/2012						8,269.69						

03/01/2012 GL Period Summary

GL Period	Amount
3/12	8,269.69
	8,269.69

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
3/2/2012												
			CARQUEST AUTO PARTS	2440								
03012012	1	Inv	PARTS		03/01/2012 03/14/2012	91.67	0 No		.00		001-031-5024	3/12
03012012	2	Inv	PARTS		03/01/2012 03/14/2012	8.36	0 No		.00		007-087-5024	3/12
			Total 03012012			100.03						
			Total 2440			100.03						
			FUTURE TIRE, INC.	5241								
W23194	1	Inv	REPAIRS		03/02/2012 03/14/2012	12.50	2 No		.00		002-090-5024	3/12
W23136	1	Inv	LUG		02/21/2012 02/28/2012	122.76	2 No		.00		001-084-5024	3/12
			Total 5241			135.26						
			AZ DEPT OF REVENUE - UTIL. TAX	1830								
02292012	1	Inv	UTILITIES TAX		02/29/2012 03/07/2012	2,140.29	0 No		.00		002-0002460	3/12
			ROUTE 66 LUMBER & HARDWARE	650								
02292012	1	Inv	SUPPLIES		02/29/2012 03/14/2012	9.30	0 No		.00		001-020-5021	3/12
02292012	2	Inv	SUPPLIES		02/29/2012 03/14/2012	253.91	0 No		.00		002-191-5072	3/12
02292012	3	Inv	SUPPLIES		02/29/2012 03/14/2012	190.31	0 No		.00		001-031-5026	3/12
			Total 02292012			453.52						
			Total 650			453.52						
			Total 3/2/2012			2,829.10						

03/02/2012 GL Period Summary

GL Period	Amount
3/12	2,829.10
	2,829.10

R Column: Y = Recurring Payment

Invoice No	Seq	Vendor Name / Type	Vendor No / Description / Inventory No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
3/5/2012											
NAVAJO COUNTY INFORMATION TECH			8722								
12-00000019	1	Inv	INTERNET SERVICE	03/02/2012	900.00	0		.00			3/12
				03/14/2012		No				001-020-5048	
NATIONAL ENTERTAINMENT TECH			8494								
120228008	1	Inv	SUPPLIES	02/28/2012	720.00	2		.00			3/12
				03/14/2012		No				001-031-5571	
NAVAJO COUNTY HEALTH			8710								
116	1	Inv	SHOTS	02/29/2012	95.00	0		.00			3/12
				03/15/2012		No				002-092-5041	
ARIZONA STATE TREASURER			1380								
FEB 2012	1	Inv	FARE 0107	03/05/2012	1,238.64	0		.00			3/12
				03/07/2012		No				001-000-4710	
BORK, VICTOR			2558								
03022012	1	Inv	SUPPLIES	03/02/2012	20.54	2		.00			3/12
				03/07/2012		No				001-014-5057	
AL'S LOCKSMITH			540								
4829	1	Inv	KEY REPLACEMENTS	03/03/2012	150.10	0		.00			3/12
				03/14/2012		No				001-004-5026	
ARIZONA STATE TREASURER			1380								
JAN 2012	1	Inv	FARE 0107	03/05/2012	933.90	0		.00			3/12
				03/07/2012		No				001-000-4710	
AMERIGAS - HOLBROOK			920								
051-326830A	1	Inv	UTILITIES	02/28/2012	230.55	2		.00			3/12
				03/07/2012		No				001-040-5048	
Total 3/5/2012					4,288.73						

03/05/2012 GL Period Summary

GL Period	Amount
3/12	4,288.73
	4,288.73

Invoice No	Seq	Vendor Name / Type	Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
3/7/2012												
VERIZON WIRELESS				530								
01243747001	1	Inv	UTILITIES		03/05/2012	330.29	0		.00			3/12
					03/14/2012		No				007-087-5048	
ECKRIGHT, EBERLE				4753								
03062012	1	Inv	REPAIRS		03/06/2012	2,450.00	0		.00			3/12
					03/07/2012		Yes				002-191-5072	
UNISOURCE ENERGY SERVICES				3380								
03022012	1	Inv	UTILITIES		03/02/2012	92.95	0		.00			3/12
					03/07/2012		No				002-090-5048	
03022012	2	Inv	UTILITIES		03/02/2012	354.03	0		.00			3/12
					03/07/2012		No				001-031-5048	
03022012	3	Inv	UTILITIES		03/02/2012	473.09	0		.00			3/12
					03/07/2012		No				001-099-5048	
03022012	4	Inv	UTILITIES		03/02/2012	141.08	0		.00			3/12
					03/07/2012		No				001-004-5048	
03022012	5	Inv	UTILITIES		03/02/2012	78.79	0		.00			3/12
					03/07/2012		No				001-031-5048	
03022012	6	Inv	UTILITIES		03/02/2012	910.96	0		.00			3/12
					03/07/2012		No				002-090-5048	
Total 03022012						2,050.90						
Total 3380						2,050.90						
FRONTIER COMM TELE				3350								
03012012	1	Inv	UTILITIES		03/01/2012	146.56	0		.00			3/12
					03/07/2012		No				002-091-5048	
03012012	2	Inv	UTILITIES		03/01/2012	153.46	0		.00			3/12
					03/07/2012		No				001-060-5048	
03012012	3	Inv	UTILITIES		03/01/2012	1,207.68	0		.00			3/12
					03/07/2012		No				001-050-5048	
03012012	4	Inv	UTILITIES		03/01/2012	150.68	0		.00			3/12
					03/07/2012		No				001-084-5048	
03012012	5	Inv	UTILITIES		03/01/2012	151.80	0		.00			3/12
					03/07/2012		No				001-085-5048	
03012012	6	Inv	UTILITIES		03/01/2012	239.32	0		.00			3/12
					03/07/2012		No				001-093-5048	
03012012	7	Inv	UTILITIES		03/01/2012	549.57	0		.00			3/12
					03/07/2012		No				002-092-5048	
03012012	8	Inv	UTILITIES		03/01/2012	115.73	0		.00			3/12
					03/07/2012		No				001-020-5048	
03012012	9	Inv	UTILITIES		03/01/2012	163.49	0		.00			3/12
					03/07/2012		No				001-040-5048	
03012012	10	Inv	UTILITIES		03/01/2012	618.42	0		.00			3/12
					03/07/2012		No				002-090-5048	
Total 03012012						3,496.71						
Total 3350						3,496.71						

Invoice No	Vendor Name Seq	Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
Total 3/7/2012					8,327.90						

03/07/2012 GL Period Summary

GL Period	Amount
3/12	8,327.90
	8,327.90

CITY OF HOLBROOK

Invoice Register by Input Order
Input Date(s): 02/23/2012 - 03/08/2012

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
3/8/2012												
ARIZONA STATE TREASURER				1380					.00			3/12
JAN/FEB	1	Inv	FINES		03/08/2012 / 03/08/2012	7,524.80	0 / No				001-000-4710	
VERIZON WIRELESS				530					.00			3/12
1059743201	1	Inv	UTILITIES		02/21/2012 / 03/08/2012	94.48	0 / No		.00		001-031-5048	3/12
1059743201	2	Inv	UTILITIES		02/21/2012 / 03/08/2012	125.42	0 / No		.00		001-050-5048	3/12
1059743201	3	Inv	UTILITIES		02/21/2012 / 03/08/2012	55.39	0 / No		.00		001-004-5048	3/12
1059743201	4	Inv	UTILITIES		02/21/2012 / 03/08/2012	71.98	0 / No		.00		001-085-5048	3/12
1059743201	5	Inv	UTILITIES		02/21/2012 / 03/08/2012	39.87	0 / No		.00		001-040-5048	3/12
1059743201	6	Inv	UTILITIES		02/21/2012 / 03/08/2012	39.21	0 / No		.00		007-087-5048	3/12
1059743201	7	Inv	UTILITIES		02/21/2012 / 03/08/2012	60.30	0 / No		.00		002-090-5048	3/12
1059743201	8	Inv	UTILITIES		02/21/2012 / 03/08/2012	43.04	0 / No		.00		002-091-5048	3/12
1059743201	9	Inv	UTILITIES		02/21/2012 / 03/08/2012	43.03	0 / No		.00		002-092-5048	3/12
1059743201	10	Inv	UTILITIES		02/21/2012 / 03/08/2012	55.39	0 / No		.00		001-060-5048	3/12
1059743201	11	Inv	UTILITIES		02/21/2012 / 03/08/2012	57.02	0 / No		.00		001-084-5048	3/12
Total 1059743201						685.13						
Total 530						685.13						
ARIZONA HIGHWAYS				1290					.00			3/12
32281	1	Inv	SUBSCRIPTION		03/08/2012 / 03/14/2012	43.00	0 / No				001-014-5057	
NAVAJO COUNTY FINANCE				8690					.00			3/12
000046,47,48	1	Inv	JAIL CONTRACT		03/02/2012 / 03/14/2012	8,289.53	0 / No				001-050-5050	
Total 3/8/2012						16,542.46						

03/08/2012 GL Period Summary

GL Period	Amount
3/12	16,542.46
	16,542.46

R Column: Y = Recurring Payment

GL Period	Amount
Grand Total:	89,012.96

Report GL Period Summary

GL Period	Amount
2/12	48,755.08
3/12	40,257.88
	89,012.96

Vendor Number Hash:	231387
Vendor Number Hash - Split:	361408
Total Number of Invoices:	52
Total Number of Transactions:	117

TC	Terms Description	Invoice Amt	Discount Amt	Net Inv Amt
0	Open Terms	84,306.86	.00	84,306.86
2	NET 7	4,483.21	.00	4,483.21
3	IMMEDIATELY	.00	.00	.00
4	2% 15TH, NET 30	222.89	1.78	221.11
		89,012.96	1.78	89,011.18

Report Criteria:
Invoice.Vendor No = 1-9699

Report Criteria:
Invoice.Vendor No = 9701-99999

Invoice No	Seq	Vendor Name Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
2/27/2012											
LEWUS ELECTRIC CO., INC.			21827								
5990T	1	Inv	PUMP REPAIRS	02/23/2012 03/15/2012	1,769.11	0 No		.00		002-092-5026	2/12
QUILL OFFICE PRODUCTS			9990								
1193623	1	Inv	SUPPLIES	02/16/2012 03/15/2012	29.65	0 No		.00		001-040-5021	2/12
1245001	1	Inv	SUPPLIES	02/17/2012 03/15/2012	12.69	0 No		.00		002-092-5021	2/12
1193634	1	Inv	SUPPLIES	02/16/2012 03/15/2012	38.42	0 No		.00		001-004-5021	2/12
Total 9990					80.76						
O'REILLY AUTO PARTS			21622								
2652-159735	1	Inv	PARTS	02/16/2012 03/15/2012	33.66	0 No		.00		001-050-5024	2/12
WAY OUT WEST DESIGN LABS			21828								
00001376	1	Inv	PLAQUE	02/02/2012 03/15/2012	24.22	0 No		.00		001-014-5057	2/12
SERVICE ELECTRIC			10680								
508220	1	Inv	SUPPLIES	02/27/2012 03/15/2012	28.63	0 No		.00		002-191-5072	2/12
QUALITY READY MIX-CEMEX			9955								
9423172214	1	Inv	CONCRETE	02/22/2012 02/29/2012	754.02	8 No	03/08/2012	6.92		007-087-5026	2/12
ADVANCED INFOR SYSTEMS			21240								
9218	1	Inv	UTILITY BILLING	02/23/2012 02/29/2012	57.83	0 No		.00		002-092-5042	2/12
9218	2	Inv	UTILITY BILLING	02/23/2012 02/29/2012	57.83	0 No		.00		002-091-5042	2/12
9218	3	Inv	UTILITY BILLING	02/23/2012 02/29/2012	57.83	0 No		.00		002-090-5042	2/12
Total 9218					173.49						
Total 21240					173.49						
Total 2/27/2012					2,863.89						

02/27/2012 GL Period Summary

GL Period	Amount

R Column: Y = Recurring Payment

GL Period	Amount
2/12	2,863.89
	2,863.89

Vendor Name / Invoice No	Seq	Type	Vendor No / Description / Inventory No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
2/28/2012											
LEWUS ELECTRIC CO., INC.			21827								2/12
5990T	2	Adj		02/23/2012 03/15/2012	.00	0 No		.00		002-092-5071	
ALTERNATIVE ENERGY SYSTEMS			10952								2/12
2280	1	Inv	MIRRORS	02/24/2012 03/15/2012	410.32	2 No		.00		001-031-5026	
NEOFUNDS BY NEOPOST			21603								2/12
02272012	1	Inv	POSTAGE	02/27/2012 02/29/2012	27.10	0 No		.00		001-098-5042	2/12
02272012	2	Inv	POSTAGE	02/27/2012 02/29/2012	4.05	0 No		.00		001-014-5042	2/12
02272012	3	Inv	POSTAGE	02/27/2012 02/29/2012	2.25	0 No		.00		002-091-5042	2/12
02272012	4	Inv	POSTAGE	02/27/2012 02/29/2012	57.95	0 No		.00		001-004-5042	2/12
02272012	5	Inv	POSTAGE	02/27/2012 02/29/2012	3.60	0 No		.00		001-050-5042	2/12
02272012	6	Inv	POSTAGE	02/27/2012 02/29/2012	5.00	0 No		.00		001-004-5042	2/12
02272012	7	Inv	POSTAGE	02/27/2012 02/29/2012	4.40	0 No		.00		001-005-5042	2/12
Total 02272012					104.35						
Total 21603					104.35						
QUILL OFFICE PRODUCTS			9990								2/12
1251377	1	Inv	SUPPLIES	02/17/2012 03/15/2012	9.09	0 No		.00		007-087-5021	2/12
1251377	2	Inv	SUPPLIES	02/17/2012 03/15/2012	25.39	0 No		.00		002-092-5021	
Total 1251377					34.48						
Total 9990					34.48						
PADILLA, DAN			21587								2/12
RD AVENUE	1	Inv	ABATEMENT	02/27/2012 02/29/2012	100.00	0 Yes		.00		001-005-5060	
SAFEWAY, INC * 3189			10510								2/12
02242012	1	Inv	BLEACH	02/24/2012 02/29/2012	7.88	0 No		.00		002-092-5026	
QUALITY READY MIX-CEMEX			9955								2/12
9423189167	1	Inv	CONCRETE	02/24/2012 02/29/2012	949.60	8 No	03/10/2012	8.71		007-087-5026	
NEOFUNDS BY NEOPOST			21603								2/12
02082012	1	Inv	POSTAGE	02/08/2012 02/29/2012	12.76	0 No		.00		001-098-5042	
02082012	2	Inv	POSTAGE	02/08/2012	16.78	0		.00			2/12

R Column: Y = Recurring Payment

Invoice No	Vendor Name Seq	Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct		R
				02/29/2012		No				001-014-5042		
02082012	3	Inv	POSTAGE	02/08/2012	6.67	0		.00			2/12	
				02/29/2012		No				002-091-5042		
02082012	4	Inv	POSTAGE	02/08/2012	105.70	0		.00			2/12	
				02/29/2012		No				001-004-5042		
02082012	5	Inv	POSTAGE	02/08/2012	16.10	0		.00			2/12	
				02/29/2012		No				001-050-5042		
02082012	6	Inv	POSTAGE	02/08/2012	6.67	0		.00			2/12	
				02/29/2012		No				002-092-5042		
02082012	7	Inv	POSTAGE	02/08/2012	.90	0		.00			2/12	
				02/29/2012		No				001-060-5042		
02082012	8	Inv	POSTAGE	02/08/2012	.45	0		.00			2/12	
				02/29/2012		No				001-001-5042		
02082012	9	Inv	POSTAGE	02/08/2012	11.23	0		.00			2/12	
				02/29/2012		No				001-005-5042		
Total 02082012					177.26							
Total 21603					177.26							
MUELLER, CASEY & LISA			21829									
236102	1	Inv	REFUND DEPOSIT	02/28/2012	86.91	0		.00			2/12	
				02/29/2012		No				002-0002520		
Total 2/28/2012					1,870.80							

02/28/2012 GL Period Summary

GL Period	Amount
2/12	1,870.80
	1,870.80

Invoice No	Vendor Name Seq	Type	Description / Inventory No	Vendor No / Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct		R
2/29/2012												
ARIZONA PUBLIC SERVICE				21025								
54	1	Inv	STREETLIGHT AGREEMEI	03/01/2012	566.46	0		.00			2/12	Y
				03/01/2012		No				007-087-5048		
MOUNTAIN HIGH WATER, LLC				21154								
7012052	1	Inv	MONTHLY LEASE PAYMEI	03/01/2012	1,350.00	0		.00			2/12	Y
				03/01/2012		No				001-040-5047		
U.S. POSTMASTER				21221								
36	1	Inv	UTILTIY BILLING	03/01/2012	200.00	0		.00			2/12	Y
				03/01/2012		No				002-090-5042		
36	2	Inv	UTILITY BILLING	03/01/2012	200.00	0		.00			2/12	Y
				03/01/2012		No				002-091-5042		
36	3	Inv	UTILITY BILLING	03/01/2012	200.00	0		.00			2/12	Y
				03/01/2012		No				002-092-5042		
Total 36					600.00							
Total 21221					600.00							
YESCO				21716								
7	1	Inv	MAINTENANCE	03/01/2012	265.00	0		.00			2/12	Y
				03/01/2012		No				001-014-5057		
Total 2/29/2012					2,781.46							

02/29/2012 GL Period Summary

GL Period	Amount
2/12	2,781.46
	2,781.46

CITY OF HOLBROOK

Invoice Register by Input Order
Input Date(s): 02/23/2012 - 03/08/2012

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
3/1/2012												
O'REILLY AUTO PARTS				21622					.00			3/12
2652-160573	1	Inv	PARTS		02/22/2012	31.94	0				001-050-5024	
					03/14/2012		No					
									.00			3/12
2652161365	1	Inv	PARTS		02/28/2012	6.48	0				001-050-5024	
					03/14/2012		No					
Total 21622						38.42						
PEAK ENGINEERING				21791					.00			3/12
12COH01-02	1	Inv	PROFESSIONAL SERVICE		02/27/2012	330.00	0				001-004-5041	
					03/07/2012		No					
AZ WATER ASSOCIATION				21610					.00			3/12
77 SPENCER	1	Inv	MEMBERSHIPS		02/24/2012	45.00	0				002-092-5043	
					03/15/2012		No					
KELLEY, TAUV				21831					.00			3/12
115001	1	Inv	REFUND DEPOSIT		03/01/2012	39.50	0				002-0002520	
					03/07/2012		No					
BRUNNER, JEANNE MARIE				21832					.00			3/12
2984.02	1	Inv	REFUND DEPOSIT		03/01/2012	144.75	0				002-0002520	
					03/07/2012		No					
ALTISOURCE SOLUTIONS, INC.				21833					.00			3/12
168102	1	Inv	REFUND DEPOSIT		03/01/2012	94.31	0				002-0002520	
					03/07/2012		No					
BARNES DISTRIBUTION				21834					.00			3/12
4152983001	1	Inv	SUPPLIES		02/22/2012	158.42	0				001-085-5026	
					03/15/2012		No					
Total 3/1/2012						850.40						

03/01/2012 GL Period Summary

GL Period	Amount
3/12	850.40
	850.40

R Column: Y = Recurring Payment

Invoice No	Vendor Name Seq	Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
3/2/2012											
O'REILLY AUTO PARTS			21622								
2652-160541	1	Inv	PARTS	02/22/2012	33.01	0		.00			3/12
				03/14/2012		No				001-050-5024	
2652-161564	1	Inv	PARTS	03/01/2012	282.44	0		.00			3/12
				03/14/2012		No				001-050-5024	
2652-158806	1	Inv	PARTS	02/09/2012	5.51 -	0		.00			3/12
				03/14/2012		No				001-050-5024	
2652-161562	1	Inv	PARTS	03/01/2012	49.53	0		.00			3/12
				03/14/2012		No				001-084-5024	
Total 21622					359.47						
SYMBOLARTS			21835								
0159289-IN	1	Inv	UNIFORMS	12/19/2011	105.90	0		.00			3/12
				03/14/2012		No				001-050-5023	
Total 3/2/2012					465.37						

03/02/2012 GL Period Summary

GL Period	Amount
3/12	465.37
	465.37

Invoice No	Seq	Type	Vendor Name / Description / Inventory No	Vendor No	Inv Date / Due Date	Total Cost	Term / 1099	Disc Date	Disc Amt	PO Number	GL Per / GL Acct	R
3/5/2012												
ADVANCED INFOR SYSTEMS				21240								
9248	1	Inv	UTILITY BILLING		02/29/2012 03/07/2012	165.09	0 No		.00		002-090-5042	3/12
9248	2	Inv	UTILITY BILLING		02/29/2012 03/07/2012	165.09	0 No		.00		002-091-5042	3/12
9248	3	Inv	UTILITY BILLING		02/29/2012 03/07/2012	165.09	0 No		.00		002-092-5042	3/12
Total 9248						495.27						
Total 21240						495.27						
HOLBROOK FIRST STEP				21380								
JAN & FEB	1	Inv	PROFESSIONAL SERVICE		03/05/2012 03/07/2012	110.00	0 No		.00		001-014-5057	3/12
QUALITY READY MIX-CEMEX				9955								
9423230146	1	Inv	CONCRETE		03/01/2012 03/07/2012	464.01	8 No	03/16/2012	4.26		007-087-5026	3/12
R.A.G.H.T.				10005								
03052012	1	Inv	INSURANCE PREMIUMS		03/05/2012 03/07/2012	51,758.73	2 No		.00		099-0002524	3/12
COPIER PROGRAM DIVISION				21479								
31800161-31	1	Inv	COPIER LEASE		03/01/2012 03/14/2012	346.82	0 No		.00		001-004-5047	3/12
Total 3/5/2012						53,174.83						

03/05/2012 GL Period Summary

GL Period	Amount
3/12	53,174.83
	53,174.83

Invoice No	Seq	Vendor Name Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
3/7/2012											
HOLBROOK VETERINARY CLINIC			20796								
6533	1	Inv	VET SERVICES	03/01/2012	40.00	0		.00			3/12
				03/07/2012		No				001-050-5049	
6532	1	Inv	VET SERVICES	03/01/2012	101.00	0	03/21/2012	.00			3/12
				03/07/2012		No				001-050-5049	
Total 20796					141.00						
Total 3/7/2012					141.00						

03/07/2012 GL Period Summary

GL Period	Amount
3/12	141.00
	141.00

Invoice No	Seq	Vendor Name Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
3/8/2012											
WYRWICKI, RUSSELL & LENA			21836								
141105	1	Inv	REFUND DEPOSIT	03/05/2012	101.90	0		.00			3/12
				03/08/2012		No				002-0002520	
AMRRP			21086								
7492	1	Inv	INSURANCE	03/07/2012	3,575.50	0		.00			3/12
				03/14/2012		No				001-004-5051	
7506	1	Inv	INSURANCE	03/07/2012	46,372.50	0		.00			3/12
				03/14/2012		No				001-004-5051	
Total 21086					49,948.00						
Total 3/8/2012					50,049.90						

03/08/2012 GL Period Summary

GL Period	Amount
3/12	50,049.90
	50,049.90
Grand Total:	112,197.65

Report GL Period Summary

GL Period	Amount
2/12	7,516.15
3/12	104,681.50
	112,197.65

Vendor Number Hash:	844051
Vendor Number Hash - Split:	1283885
Total Number of Invoices:	45
Total Number of Transactions:	66

TC	Terms Description	Invoice Amt	Discount Amt	Net Inv Amt
0	Open Terms	57,860.97	.00	57,860.97
2	NET 7	52,169.05	.00	52,169.05
8	1% 15TH, NET 30TH	2,167.63	19.89	2,147.74
		112,197.65	19.89	112,177.76

465 First Avenue
P.O. Box 970
Holbrook, AZ 86025

CITY OF HOLBROOK

Telephone: (928) 524-6225
Fax: (928) 524-2159
holbrookcity@ci.holbrook.az.us

OUR MISSION

The City of Holbrook Government exists to provide ethical and responsible local government.

AGENDA

REGULAR CITY COUNCIL MEETING

FEBRUARY 28, 2012

6:00 P.M.

Pursuant to ARS 38-431.02, notice is hereby given to the Holbrook City Council, and to the general public, that a meeting, which is open to the public, will be held on above-mentioned date, in the City Council Chambers, at 465 First Avenue, Holbrook, Arizona. Some of the members of the City Council may choose to participate in this meeting telephonically. The City Council may adjourn into executive session, which will not be open to the public, to discuss certain matters in accordance with ARS 38-431.03.

The items on the following agenda are for discussion or consideration and possible action:

1) CALL TO ORDER:

2) ROLL CALL:

3) PLEDGE OF ALLEGIANCE/INVOCATION:

4) PUBLIC ANNOUNCEMENTS AND PRESENTATIONS (Please limit to 10 minutes).

5) CALL TO THE AUDIENCE:
<u>The City Council welcomes public comment at this time only for items listed on this Agenda. There is a five minute time limit per citizen.</u>

6) CONSENT AGENDA
   A. Claims/payment approval for February 9, 2012 thru February 22, 2012: Documentation for claims is available at City Hall. (Pg 3)
   B. Minutes of the regular meeting held on February 14, 2012 (Pg 16)
   C. Minutes of the work session held on February 14, 2012. (Pg 24)

7) CLAIMS/PAYMENT APPROVAL FOR WALT'S HARDWARE $ NONE

8) REPORTS:
   Mayor:
   Council Members:
   Manager:

9) OLD BUSINESS:

10) NEW BUSINESS:

A. Resolution 12-01, supporting the White Mountain Apache Tribe's efforts to fund the necessary equipment upgrades at Sunrise Park Resort. (Pg 27)

B. Discussion/possible action regarding lease agreement with Global Resources for office space located at 410 E. Iowa-Manager Alley. (Pg 28)

C. Discussion/possible action regarding appointment of Charter Review Committee-City Clerk Reyes. (Pg 35)

D. Discussion/possible action regarding bid results for Landfill services-Manager Alley. (Pg 36)

11) EXECUTIVE SESSION:

A. Per ARS 38-431.03(A) (3), the Council may adjourn into executive session for discussion or consultation or legal advice with the City Attorney for any item listed on the agenda.

12) POST EXECUTIVE SESSION:

13) CALL TO THE AUDIENCE:

The City Council welcomes public comment at this time for items not listed on this Agenda. There is a three minute time limit per citizen.

14) ADJOURNMENT:

Dated this 21st day of February 2012.

Cher Reyes, CMC, CPM, City Clerk

According to the Arizona Open Meeting Law, the City Council may only discuss matters listed on the City Council agenda. Matters discussed by the public during public appearances cannot be discussed by the City Council unless they are specifically listed on this agenda. Speaker's visual aids or recorded tapes are not allowed. Members of the public shall refrain from making personal, impertinent or slanderous remarks and from becoming boisterous while addressing the City Council or while attending the meeting. Unauthorized remarks from the audience, clapping, stomping of feet, yelling or any similar demonstrations are also prohibited. Violations of these rules may result in removal from the City Council meeting. Individual members of the public body may respond to criticism made by those who have addressed the public body.

MINUTES OF THE REGULAR MEETING OF THE HOLBROOK CITY COUNCIL HELD ON FEBRUARY 28, 2012

CALL TO ORDER:

Vice-Mayor Haussman called the meeting to order at 6:08 p.m.

ROLL CALL:

Vice-Mayor Charles Haussman, Councilmember's Richard Peterson, Myron Maxwell, Bobby Tyler and Phil Cobb. Mayor Hill and Councilmember Carlisle was absent and excused.

PLEDGE OF ALLEGIANCE/INVOCATION:

Councilmember Tyler led the pledge of allegiance and Councilmember Cobb gave the invocation.

CITY STAFF:

City Manager Ray Alley, Finance Director Randall Sullivan, Chief of Police Mark Jackson and City Clerk Cher Reyes.

CEREMONIALS/ANNOUNCMENTS/PRESENTATION:

PETITIONS FROM THE PUBLIC:

CONSENT AGENDA

Councilmember Peterson made a motion to approve the items on the consent agenda.

A. Claims/payment approval for February 9, 2012 thru February 22, 2012.

B. Minutes of the regular meeting held on February 14, 2012.

C. Minutes of the work session held on February 14, 2012.

Councilmember Tyler seconded and the motion carried unanimously.

CLAIMS/PAYMENT APPROVAL FOR: Walt's Hardware: None.

SUMMARY OF CURRENT EVENTS:

Mayor:

Councilmembers:

1. Councilmember Cobb reminded the Council that the Potash Forum would be held at the George Gardner Performing Arts Center on February 29, 2012.
2. Councilmember Cobb commended the Holbrook High School Basketball team for making it to the Final 4 in the State.
3. Councilmember Cobb stated that the public will be impressed with the improvements being made at the Holbrook Swimming Pool.
4. Councilmember Maxwell reported that he had visited the new water well pump house and it looks nice.
5. Vice-Mayor Haussman reminded Council that if they have any questions about any item on the agenda, they can ask Staff before the Council meeting.

Manager's Report:

1. Manager Alley reported that the electric meter has been set for the new well house and power is on.
2. Manager Alley reported that Staff is focusing all efforts on remodeling the pool. Manager Alley stated that the bathrooms are being completely redone.
3. Finance Director Sullivan reported that a budget work session with be held on March 13, 2012 after the regular meeting.
4. Finance Director Sullivan reported that Staff is looking at refinancing the WIFA loan which if able to do will reduce the interest amount by $60,000.00. Finance Director Sullivan stated that he would be bringing the refinance documents to

Council on March 27, 2012.

OLD BUSINESS:

NEW BUSINESS:

A. Manager Alley stated that this resolution is a resolution of support only for the Apache Tribe's efforts to fund necessary equipment at Sunrise Park Resort. Manager Alley stated that all the surrounding communities have been asked to prepare a resolution of support so that the Tribe can use them in their efforts to find funding. Discussion was held regarding the wording of the resolution and concerns with the possibility that the Tribe may think the City would contribute financially. Manager Alley suggested that the wording of the Resolution be changed to "support the Apache Tribe's efforts to find funding for the necessary equipment upgrade". Councilmember Tyler made a motion to adopt the resolution with the change to "support efforts to find funding". Councilmember Cobb seconded and the motion carried unanimously.

B. Manager Alley presented the lease agreement with American West Potash for the property located at 410 E. Iowa. Manager Alley stated that American West had asked that the lease be changed to a one year term and after first year be on a month to month basis, Manager Alley stated the lease agreement has been revised to include such wording. Councilmember Cobb made a motion to enter into the lease agreement with American West Potash. Councilmember Peterson seconded and the motion carried unanimously.

C. City Clerk Reyes stated that this item had been on an agenda in December and that Mayor Hill had asked each Council Member to submit a name to serve

on the Charter Review Committee. City Clerk Reyes reported that she had contacted 4 individual to see if they were willing to serve on the committee. City Clerk Reyes stated that she has reviewed the Charter and that a 4 year review was not required but could be conducted if the Council so chose. Manager Alley stated that he hasn't had any issues with the Charter the way it is so unless Council has items in the Charter to address, he does not believe this needs to be done at this item. Vice-Mayor Haussman asked if the City were to experience growth would the Charter need to be reviewed. City Clerk Reyes responded stating that the Charter really doesn't deal with growth and it would be more important to review the General Plan which is supposed to be done frequently. City Clerk Reyes stated that the General Plan actually deals with growth and development issues. Council took no action on this item.

D. Manager Alley stated that Staff bid for landfill services and that two bids were received. Manager Alley stated that Waste Management was the low bidder with exactly the same bid as last year and that he recommends awarding the bid to them. Manager Alley stated that the City has had no issues with Waste Management and that they are providing good service. Councilmember Maxwell made a motion to award the landfill services bid to Waste Management. Councilmember Cobb seconded and the motion carried unanimously.

EXECUTIVE SESSION:

POST EXECUTIVE SESSION:

CALL TO THE AUDIENCE:

ADJOURNMENT:

There being no further business to come before the Council at this time, adjourned the meeting by unanimous consent at 6:26 p.m.

Charles Haussman, Vice-Mayor

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Holbrook City Council held on the February 28, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Cher Reyes, CMC, CPM, City Clerk

CITY OF HOLBROOK

INVOICE APPROVAL REPORT

BY GL NUMBER WALT'S HARDWARE

02/23/2012 THRU 03/08/2012

TOTAL **$3010.15**

Report Criteria:
Invoice.Vendor No = 9700

Invoice No	Vendor Name Seq	Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
2/28/2012											
WALT'S HARDWARE			9700								
02182012	1	Inv	SUPPLIES	02/18/2012 03/15/2012	50.84	0 No		.00		002-091-5026	2/12
02182012	2	Inv	SUPPLIES	02/18/2012 03/15/2012	50.83	0 No		.00		002-092-5026	2/12
02182012	3	Inv	SUPPLIES	02/18/2012 03/15/2012	184.13	0 No		.00		002-091-5026	2/12
02182012	4	Inv	SUPPLIES	02/18/2012 03/15/2012	5.64	0 No		.00		002-091-5026	2/12
02182012	5	Inv	SUPPLIES	02/18/2012 03/15/2012	122.66	0 No		.00		002-092-5026	2/12
02182012	6	Inv	SUPPLIES	02/18/2012 03/15/2012	1.96	0 No		.00		001-004-5026	2/12
02182012	7	Inv	SUPPLIES	02/18/2012 03/15/2012	1.88	0 No		.00		001-031-5026	2/12
02182012	8	Inv	SUPPLIES	02/18/2012 03/15/2012	18.92	0 No		.00		007-087-5026	2/12
02182012	9	Inv	SUPPLIES	02/18/2012 03/15/2012	21.29	0 No		.00		001-040-5026	2/12
02182012	10	Inv	SUPPLIES	02/18/2012 03/15/2012	25.75	0 No		.00		001-084-5022	2/12
02182012	11	Inv	SUPPLIES	02/18/2012 03/15/2012	.78	0 No		.00		002-090-5026	2/12
02182012	12	Inv	SUPPLIES	02/18/2012 03/15/2012	405.30	0 No		.00		001-031-5026	2/12
02182012	13	Inv	SUPPLIES	02/18/2012 03/15/2012	39.69	0 No		.00		001-014-5026	2/12
02182012	14	Inv	SUPPLIES	02/18/2012 03/15/2012	28.17	0 No		.00		002-091-5026	2/12
Total 02182012					957.84						
Total 9700					957.84						
Total 2/28/2012					957.84						

02/28/2012 GL Period Summary

GL Period	Amount
2/12	957.84
	957.84

R Column: Y = Recurring Payment

Invoice No	Seq	Vendor Name Type	Vendor No Description Inventory No	Inv Date Due Date	Total Cost	Term 1099	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
3/7/2012											
100249	1	Inv	SUPPLIES	02/22/2012 03/14/2012	187.24	0 No		.00		001-031-5021	3/12
02292012	1	Inv	SUPPLIES	02/29/2012 03/14/2012	1,102.58	0 No		.00		001-031-5026	3/12
02292012	2	Inv	SUPPLIES	02/29/2012 03/14/2012	5.92	0 No		.00		001-031-5026	3/12
02292012	3	Inv	SUPPLIES	02/29/2012 03/14/2012	72.21	0 No		.00		001-040-5026	3/12
02292012	4	Inv	SUPPLIES	02/29/2012 03/14/2012	3.49	0 No		.00		001-050-5026	3/12
02292012	5	Inv	SUPPLIES	02/29/2012 03/14/2012	53.45	0 No		.00		001-084-5026	3/12
02292012	6	Inv	SUPPLIES	02/29/2012 03/14/2012	3.95	0 No		.00		001-085-5024	3/12
02292012	7	Inv	SUPPLIES	02/29/2012 03/14/2012	3.75	0 No		.00		001-084-5026	3/12
02292012	8	Inv	SUPPLIES	02/29/2012 03/14/2012	316.81	0 No		.00		002-092-5026	3/12
02292012	9	Inv	SUPPLIES	02/29/2012 03/14/2012	25.88	0 No		.00		002-091-5022	3/12
02292012	10	Inv	SUPPLIES	02/29/2012 03/14/2012	25.89	0 No		.00		002-092-5026	
Total 02292012					1,613.93						
02182012	15	Inv	SUPPLIES	02/18/2012 03/15/2012	69.37	0 No		.00		001-031-5026	3/12
02182012	16	Inv	SUPPLIES	02/18/2012 03/15/2012	2.17	0 No		.00		001-004-5026	3/12
02182012	17	Inv	SUPPLIES	02/18/2012 03/15/2012	43.59	0 No		.00		002-091-5026	3/12
02182012	18	Inv	SUPPLIES	02/18/2012 03/15/2012	45.42	0 No		.00		001-050-5026	3/12
02182012	19	Inv	SUPPLIES	02/18/2012 03/15/2012	28.17	0 No		.00		002-091-5026	
Total 02182012					188.72						
100249	2	Inv	SUPPLIES	02/22/2012 03/14/2012	62.42	0 No		.00		001-050-5026	3/12
Total 9700					2,052.31						
Total 3/7/2012					2,052.31						

03/07/2012 GL Period Summary

GL Period	Amount
3/12	2,052.31

R Column: Y = Recurring Payment

GL Period	Amount
	2,052.31

Grand Total: 3,010.15

Report GL Period Summary

GL Period	Amount
2/12	957.84
3/12	2,052.31
	3,010.15

Vendor Number Hash:	48500
Vendor Number Hash - Split:	300700
Total Number of Invoices:	5
Total Number of Transactions:	31

TC	Terms Description	Invoice Amt	Discount Amt	Net Inv Amt
0	Open Terms	3,010.15	.00	3,010.15
		3,010.15	.00	3,010.15

Report Criteria:
Invoice.Vendor No = 9700

HOLBROOK CITY COUNCIL

AGENDA ITEM

ISSUE/ITEM: Grant submission to the USDA Rural Development Department for purchase of police cars

DATE OF MEETING: March 13, 2012

ACTION REQUESTED: Authorize submission of grant application.

BACKGROUND USDA Rural Development has a grant which will assist in the purchase of new police cars. The grant will pay 15% of the purchase price with the City paying the remaining 85%. There is no cost to apply for the grant. Chief Jackson is requesting Council permission to apply for the grant.

GENERAL PLAN: N/A

BUDGET LINE: 001-050-5071

FUNDS AVAILABLE:

AMOUNT TO BE EXPENDED: $0

Approvals (as required) City Manager _____

Finance Director _____

HOLBROOK CITY COUNCIL

AGENDA ITEM

ISSUE/ITEM: Expenditure of funds to Auto Safety House for repairs to the Vac-Con

DATE OF MEETING: March 13, 2012

ACTION REQUESTED: Authorize payment for services to Auto Safety House not to exceed $1823.30

BACKGROUND The Vac-Con truck was taken to Auto Safety House for repairs as it was derating (shutting itself down). Auto Safety House hauled the truck to Flagstaff for repairs. The truck was returned from Flagstaff and still was not running properly so it was taken back to Auto Safety House who repaired it again. Truck has been working fine since.

GENERAL PLAN: N/A

BUDGET LINE: 002-092-5024

FUNDS AVAILABLE: $9,364.74

AMOUNT TO BE EXPENDED: $1823.30

Approvals (as required) City Manager _____

Finance Director RYB

Quality since 1941

ASH

AUTO SAFETY HOUSE

TOTAL FLEET SOLUTIONS

REMIT TO: AUTO SAFETY HOUSE
P.O. BOX 31001-1339
PASADENA, CA 91110-1339

PHOENIX
2630 W. BUCKEYE RD.
PHOENIX, AZ 85009
(800) 352.5355
FAX: (602) 278-3916
PHONE: (602) 269-9721

HOLBROOK
1500 NAVAJO BLVD.
HOLBROOK, AZ 86025
(800) 816-3619
FAX: (928) 524-2594
PHONE: (928) 524-3582

TUCSON
1402 E. BENSON HWY.
TUCSON, AZ 85714
(800) 717-1601
FAX: (520) 294-3223
PHONE: (520) 889-9551

LAS VEGAS
1601 Palm St.
LAS VEGAS, NV 89104
(877) 221-9915
FAX: (702) 222-9907
PHONE: (702) 221-9915

EIN 86-0960895

INVOICE DATE	
11/25/2011 08:13AM	
INVOICE NO.	PAGE
3213290001	1
CUSTOMER NO.	BRANCH
40186	3

SOLD TO: HOLBROOK, CITY OF
465 1ST AVENUE
HOLBROOK AZ 86025

SHIP TO: HOLBROOK, CITY OF
465 1ST AVENUE
HOLBROOK AZ 86025

TERMS: NET - NO DISCOUNT, PAYABLE 10th of MONTH FOLLOWING PURCHASE,
Min. 15% Restocking Fee on ALL Returns, No Returns on Special Orders, No Returns after 30 days, No Returns without Invoice
All cash special orders must be paid in full before order is placed.

CUSTOMER P.O.	R/S ORDER NO.		PRICE / PER	EXTENSION
JOHNG	020509	(928) 524-6225	KB 271/000	

TERMS: (00) NET DUE 30 DAYS

Contact Name: Contact Phone:
Estimate #: Promise Date/Time: 113011
UNIT: 723 YEAR: MAKE/MODEL: VAC-CON TRK
SERIAL: MILEAGE:

JOB#01 45 004 18 MISC ENGINE REPAIRS
60 (Y) - CUSTOMER PAY SERVICE

CUSTOMER STATES THAT THE RED CHECK ENGINE LIGHT IS ON	
REPAIR ECM	975.05
(REF: 318953.00/020509)	
TOW TRUCK CHARGES	848.25
(REF: 318954.00/020509)	
MISC SUBTOTAL	1823.30
PARTS SUBTOTAL	0.00
LABOR SUBTOTAL	0.00
** JOB SUBTOTAL	1823.30
*TOTAL PARTS:	0.00
*TOTAL LABOR:	0.00
*TOTAL OTHER:	1823.30

****
PLEASE NOTE: AUTO SAFETY HOUSE WILL NOT BE RESPONSIBLE FOR ANY EQUIPMENT
OR MATERIAL LEFT OVER 15 DAYS, THANK YOU!
****

MISC	SUB TOTAL	TAX STATUS/STATE	SALES TAX	PLEASE PAY
	1823.30	TAXABLE AZ	0.00	1823.30

THE ONLY WARRANTIES APPLYING TO THE PART(S) ARE THOSE WHICH MAY BE OFFERED BY THE MANUFACTURER. THE SELLING DEALER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, ... INCLUDING ANY IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND NEITHER ASSUMES NOR AUTHORIZES ANY ... WITH THE SALE OF THIS PART(S) AND/OR SERVICE. BUYER SHALL NOT BE ENTITLED TO RECOVER FROM THE SELLING ... OR INCOME, OR ANY OTHER INCIDENTAL DAMAGES

HOLBROOK CITY COUNCIL

AGENDA ITEM

ISSUE/ITEM: Expenditure of funds to Auto Safety House for repairs to the Streets Department Dump Truck

DATE OF MEETING: March 13, 2012

ACTION REQUESTED: Authorize payment for services to Auto Safety House not to exceed $4,921.38

BACKGROUND The Streets dump truck was taken to Auto Safety House for repairs as it was derating (shutting itself down) and could not be driven to Flagstaff for repairs. Towing the vehicle to Flagstaff would have cost a substantial amount. Repairs were completed and amounted to $4921.38. Staff unable to obtain three quotes.

GENERAL PLAN: N/A

BUDGET LINE: 007-087-5024

FUNDS AVAILABLE: $14,746.48

AMOUNT TO BE EXPENDED: $4921.38

Approvals (as required) City Manager _____

Finance Director _____

Quality since 1941

ASH AUTO SAFETY HOUSE
TOTAL FLEET SOLUTIONS

REMIT TO: AUTO SAFETY HOUSE
P.O. BOX 31001-1339
PASADENA, CA 91110-1339

PHOENIX
2630 W. BUCKEYE RD.
PHOENIX, AZ 85009
(800) 352.5355
FAX: (602) 278-3916
PHONE: (602) 269-9721

HOLBROOK
840 S. HIGHWAY 77
HOLBROOK, AZ 86025
(800) 816-3619
FAX: (928) 524-2594
PHONE: (928) 524-3582

TUCSON
1402 E. BENSON HWY.
TUCSON, AZ 85714
(800) 717-1601
FAX: (520) 294-3223
PHONE: (520) 889-9551

LAS VEGAS
1601 Palm St.
LAS VEGAS, NV 89104
(877) 221-9915
FAX: (702) 222-9907
PHONE: (702) 221-9915

EIN 86-0960895

INVOICE DATE	
03/05/2012 02:50PM	
INVOICE NO.	PAGE
3220650018	1
CUSTOMER NO.	BRANCH
40186	3

SOLD TO: HOLBROOK, CITY OF
465 1ST AVENUE
HOLBROOK AZ 86025

SHIP TO: HOLBROOK, CITY OF
465 1ST AVENUE
HOLBROOK AZ 86025

TERMS: NET - NO DISCOUNT, PAYABLE 10th of MONTH FOLLOWING PURCHASE,
Min. 15% Restocking Fee on ALL Returns, No Returns on Special Orders, No Returns after 30 days, No Returns without Invoice
All cash special orders must be paid in full before order is placed.

CUSTOMER P.O. JOHN | R/S ORDER NO. 021122 | (928) 524-6225 | RE 271/000

PRICE / PER | EXTENSION

TERMS: (00) NET DUE 30 DAYS
Contact Name: Contact Phone:
Estimate #: Promise Date/Time: 022912
COMPLETION DATE: 01/30/2012
UNIT: 212 YEAR: 2008 MAKE/MODEL: STERLING
SERIAL: 2F2HATBS69AAC7979 MILEAGE: 21643
JOB#01 45 030 18 CHECK ENGINE LIGHT IS COMING/STAYING ON/LIT UP
60 (Y) - CUSTOMER PAY SERVICE
Customer states that check engine light is on and also it is derating.

HOOKED UP INSITE, FOUND 3 ACTIVE ENGINE CODES
STARTED DIAGNOSES, REMOVED REQUIRED PARTS FOR ACCESS
FOUND 3 INJECTORS BAD, WEAK. #1 WAS GROUNDED INTERNALLY.
DURING THE DIAG PORTION, FOUND EGR COOLER LEAKING.
CONTACTED CUSTOMER TO UP DATE
ADVISE EGR REPLACEMENT ALONG WITH ALL 6 INJECTORS AND NOZZLES REQUIRED DURING REPLACEMENT
REPLACED ALL 6 INJECTORS, NOZZLES AND HIGH PRESSURE FUEL CONNECTORS
REPLACED EGR COOLER, AND STARTED REASSMEBLE PROCESS.
PROGRAMMED INJECTORS, STARTED UNIT, RAN TO OPERATING TEMP . HOOKED UP COMPUTER TO PERFORM MANUAL REGEN REQUIRED BEFORE CODES COULD BE CLEARED. TEST DROVE, ALL OK AT THIS TIME.
ADVISED CUSTOMER THAT THERE WAS AN INACTIVE CODE AT DASH, WIF SENSOR.

NOTE **** PROVIDED CUSTOMER WITH CODE BOOK, AND THAT THE RIGHT FRONT TIRE NEEDS REPLACING. BELOW MINIMUM STANDARDS.

1 CU	CV50628	FLEETGUARD CV ELEMEN $163.86	126.86EA	126.86
6 LO	2872288	CONNECTORS,INJ FU $71.30 BIL (REF: 319506.00)	37.71EA	226.26
1 CU	4944527	*GASKET,CONNECTIO $14.55 BIL (REF: 319516.00)	11.26EA	11.26
1 CU	4944527	*GASKET,CONNECTIO $12.56 BIL (REF: 319506.00)	9.72EA	9.72
1-CU	4944527	*GASKET,CONNECTION FRT (REF: 319506.00)	9.72EA	9.72- 10.68

MISC	SUB TOTAL	TAX STATUS/STATE	SALES TAX	PLEASE PAY
				CONTINUED

THE ONLY WARRANTIES APPLYING TO THE PART(S) ARE THOSE WHICH MAY BE OFFERED BY THE MANUFACTURER. THE SELLING DEALER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FORE IT ANY LIABILITY IN CONNECTION WITH THE SALE OF THIS PART(S) AND/OR SERVICE. BUYER SHALL NOT BE ENTITLED TO RECOVER FROM THE SELLING DEALER ANY CONSEQUENTIAL DAMAGES TO PROPERTY, DAMAGES FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFIT, OR INCOME, OR ANY OTHER INCIDENTAL DAMAGES.

CUSTOMER SIGNATURE

Quality since 1941

ASH
AUTO SAFETY HOUSE
TOTAL FLEET SOLUTIONS

REMIT TO:
AUTO SAFETY HOUSE
P.O. BOX 31001-1339
PASADENA, CA 91110-1339

PHOENIX
2630 W. BUCKEYE RD.
PHOENIX, AZ 85009
(800) 352.5355
FAX: (602) 278-3916
PHONE: (602) 269-9721

HOLBROOK
840 S. HIGHWAY 77
HOLBROOK, AZ 86025
(800) 816-3619
FAX: (928) 524-2594
PHONE: (928) 524-3582

TUCSON
1402 E. BENSON HWY.
TUCSON, AZ 85714
(800) 717-1601
FAX: (520) 294-3223
PHONE: (520) 889-9551

LAS VEGAS
1601 Palm St.
LAS VEGAS, NV 89104
(877) 221-9915
FAX: (702) 222-9907
PHONE: (702) 221-9915

EIN 86-0960895

INVOICE DATE	
03/05/2012 02:50PM	
INVOICE NO.	PAGE
3220650018	2
CUSTOMER NO.	BRANCH
40186	3

SOLD TO:
HOLBROOK, CITY OF

465 1ST AVENUE
HOLBROOK AZ 86025

SHIP TO:
HOLBROOK, CITY OF

465 1ST AVENUE
HOLBROOK AZ 86025

TERMS: NET - NO DISCOUNT, PAYABLE 10th of MONTH FOLLOWING PURCHASE,
Min. 15% Restocking Fee on ALL Returns, No Returns on Special Orders, No Returns after 30 days, No Returns without Invoice
All cash special orders must be paid in full before order is placed.

CUSTOMER P.O. JOHN | R/S ORDER NO. 021122 | (928) 524-6225 | RE 271/000

			PRICE / PER	EXTENSION
6 CU	2872127NX	*INJECTOR, XPI G $792.85 EXC (REF: 319502.00)	558.60EA*	3351.60
6 CU	2872127NX-C1	4954679D *INJEC $346.15 CHG (REF: 319502.00)	346.15EA	2076.90
6-CU	2872127NX-C1	4954679D *INJECTOR- XPI RET (REF: 319502.00)	346.15EA	2076.90-
		MISC SUBTOTAL		10.68
		PARTS SUBTOTAL		3715.98
		LABOR SUBTOTAL		756.90
		SHOP SUPPLIES		56.77
		** JOB SUBTOTAL		4540.33
		*TOTAL PARTS:		3715.98
		*TOTAL LABOR:		756.90
		*TOTAL OTHER:		10.68
		*TOTAL SHOP SUPPLIES:		56.77

****
PLEASE NOTE: AUTO SAFETY HOUSE WILL NOT BE RESPONSIBLE FOR ANY EQUIPMENT
OR MATERIAL LEFT OVER 15 DAYS, THANK YOU!
****

MISC	SUB TOTAL	TAX STATUS/STATE	SALES TAX	PLEASE PAY
	4540.33	TAXABLE AZ	381.05	4921.38

THE ONLY WARRANTIES APPLYING TO THE PART(S) ARE THOSE WHICH MAY BE OFFERED BY THE MANUFACTURER. THE SELLING DEALER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FORE IT ANY LIABILITY IN CONNECTION WITH THE SALE OF THIS PART(S) AND/OR SERVICE. BUYER SHALL NOT BE ENTITLED TO RECOVER FROM THE SELLING DEALER ANY CONSEQUENTIAL DAMAGES TO PROPERTY, DAMAGES FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFIT, OR INCOME, OR ANY OTHER INCIDENTAL DAMAGES.

CUSTOMER SIGNATURE

HOLBROOK CITY COUNCIL

AGENDA ITEM

ISSUE/ITEM: Request to declare Auto Safety House as sole source provider for Heavy Duty truck repairs

DATE OF MEETING: March 13, 2012

ACTION REQUESTED: Declare Auto Safety House sole source provider

BACKGROUND: Auto Safety House is the only provider for heavy duty truck repairs locally. The City has had to have repair work done several times on an emergency basis for amounts which are over $1000.00 and require the three written quotes. It all of the instances the vehicle had to be towed. Staff is recommending that Auto Safety House be declared sole source provider so that their services can be utilized and towing fees be eliminated or reduced.

GENERAL PLAN: N/A

BUDGET LINE:

FUNDS AVAILABLE:

AMOUNT TO BE EXPENDED:

Approvals (as required) City Manager _____

Finance Director _____

HOLBROOK CITY COUNCIL

AGENDA ITEM

ISSUE/ITEM: Expenditure of funds to Authorized Pump Systems for repairs to wet well pump at Golf Course

DATE OF MEETING: March 13, 2012

ACTION REQUESTED: Authorize payment for services to Authorized Pump Systems not to exceed $8,282.50

BACKGROUND Manager Alley attempted to obtain three quotes for the work to wet well pump at Golf Course. The electrician from Payson stated that it would be very difficult for him to repair and would take many hours as the issue is in the control panel. Eberle Eckright was contacted and he is unable to repair the panel. The original installer of the equipment was notified (Authorized Pump Sytems) and they can complete the work for $8,282.50. Manager Alley recommends using the original installer due to the nature of the work.

GENERAL PLAN: N/A

BUDGET LINE: 001-004-5071

FUNDS AVAILABLE: $59,731.70

AMOUNT TO BE EXPENDED: $8,282.50

Approvals (as required) City Manager _____

Finance Director RYB

AUTHORIZED PUMP SYSTEMS

FAX COVER SHEET

Send to: HIDDEN COVE	**From: ROD BAKER**
Attention: LARSON	**Date: 3-1-12 Total pages:1**
Fax number: 928-524-2159	**Fax number: 602-494-8632**
Phone number:	**Phone number: 602-541-9000**
www.authorizedpumpsystems.com	**E-mail: authpump@aol.com**

☐ **Urgent** ☐ **Reply ASAP** ☐ **Please comment** ☐ **Please review** ☐ **For your information**

RE:

Comments:

LARSON:
FOR THE NEW ABB 550 VFD, FUSE BLOCK AND FUSES INCLUDING LABOR, YOUR COST WOULD BE----------$8282.50

PRICE DOES NOT INCLUDE FREIGHT OR SALES TAX.

THANK YOU

ROD BAKER

RESOLUTION NO. 12-01

A RESOLUTION OF THE CITY OF HOLBROOK APPROVING THE AMENDMENTS TO THE RURAL ARIZONA GROUP HEALTH TRUST AGREEMENT AND DECLARATION OF TRUST DATED JULY 01, 2012

WHEREAS, Section 11-952.01(C) of the Arizona Revised Statutes authorizes two or more public agencies to enter into agreements for the provision of employee health benefit programs; and

WHEREAS, On July 1, 2002, certain Arizona public entities entered into an Agreement and Declaration of Trust (the "2002 Trust Agreement") establishing the Rural Arizona Group Health Trust (the "RAGHT") for the purpose of providing health benefits to employees of the Participating Entities; and

WHEREAS, Holbrook has been a Participating Entity in RAGHT since 2002; and

WHEREAS, the RAGHT Board of Trustees has approved distribution to the Participating Entities an amendment to the 2002 Agreement and Declaration of Trust, with an effective date of July 1, 2012, for approval by the governing boards of the Participating Entities; and

WHEREAS, the City Council of Holbrook has determined that it is in the best interest of Holbrook and its employees to approve the amendment.

NOW, THEREFORE, IT IS RESOLVED AS FOLLOWS

The City Council of Holbrook hereby approves and adopts the proposed amendment to the RAGHT Agreement and Declaration of Trust with an effective date of July 1, 2012.

APPROVED AND ADOPTED this _____ day of _____, 2012.

_____
Jeff A. Hill, Mayor

ATTEST:

_____
Cher Reyes, City Clerk

APPROVED AS TO FORM:

_____
Sterling Solomon, City Attorney

Erin P. Collins & Associates, Inc.
Employee Benefit Consultants
1115 Stockton Hill Rd., Ste. 101
Kingman, AZ. 86401
norenek@ecollinsandassociates.com

MEMORANDUM

Date: March 1, 2012

To: **RURAL ARIZONA GROUP HEALTH TRUST TRUSTEES (RAGHT)**

From: Norene Kurtze, Vice President
Erin P. Collins & Associates, Inc. (ECA)

Re: Proposed Revisions to RAGHT Declaration of Trust

When first drafted in 2002, the RAGHT Agreement and Declaration of Trust was drafted to expire on June 30, 2012, therefore an amendment is required to continue to operate the Trust.

Section 9.02 of the RAGHT Declaration of Trust outlines the following procedure for amending this document:

1. Proposed amendments shall be reviewed and approved in writing as to form by counsel for the Trust prior to approval by the Board of Trustees.
   a. Michael Hensley, Trust legal counsel, reviewed and approved these documents on November 28, 2011.
2. No less than 30 days prior to the date on which the proposed amendments are to be considered each Participating Entity and Trustee must be notified.
   a. Each entity and Trustee was sent notification of the proposed changes via email on November 30, 2011. This notification included a written overview of the changes as well as a redline copy of the document.
3. The amendments require a 2/3 vote of the Board of Trustees.
   a. Trustees unanimously approved the amendments at their meeting on Friday, February 24, 2012.
4. Following approval by the Board of Trustees, proposed amendments must be submitted to the governing bodies of each Participating Entity and will become effective after approval of no less than 2/3 vote of all entities.

In order for your entity to consider these amendments through your governing body I have included the following:

1. A written overview of the proposed amendments below;
2. A redline copy of the Declaration of Trust highlighting all changes; and

3. A draft resolution for consideration by your governing body. This document is a draft only and should be revised to include your entity's specific information and changed to meet your internal format.

Since we knew that the amendment process had to be conducted due to the expiration of the Agreement and Declaration of Trust, we took this as an opportunity to review the document in its entirety and to make proposed revisions as we saw appropriate for clarification and administration purposes. The following is an overview of the changes proposed through this amendment process:

1. Minor language changes throughout as proposed by Michael Hensley, RAGHT Trust Legal Counsel, for clarification purposes.
2. Section 1.11 – Legal Counsel suggested removal of this section since RAGHT only has one (1) benefits document and it was defined under Section 1.12. The term "Plan Document" has been replaced with "Summary Plan Description" throughout.
3. Section 3.02 – The language addressing Trustee representation in the event of only two (2) member entities was removed as it no longer applies now that RAGHT is comprised of sixteen (16) member entities.
4. Section 4.13 – We have removed reference to "7 days notice" in case this timeframe cannot be met in certain special meeting situations and in an effort to avoid amendments in the future should open meeting laws change.
5. Section 4.14 – A specific reference to telephonic and electronic participation to satisfy quorum requirements was added to reflect the telephonic meetings generally being conducted by RAGHT currently.
6. Sections 5.01 and 5.06 – The specific reference to premium payments being due on the first day of the month has been removed. This has changed several times since Trust inception and from now on will be included in the Trust Bylaws which will be amended as appropriate.
7. Section 7.02 –The appeal process language has been removed as this has been changed due to Health Care Reform. We have become more generalized in this area and have referred to the Summary Plan Description (SPD) for the current appeal procedures as the SPD will always include the most recent legal requirements.
8. Section 14.01 – The termination date of June 30, 2012 has been removed and the Agreement has been changed to continue in force until terminated as provided for within the document.
9. Section 15.02 – Ninety (90) days notice of termination is required per ARS § 11-952.01 (L).
10. Section 19.11 – The Secretary of State no longer requires Trust documents to be filed in their office, therefore we have made this a general statement to ensure that all documents are filed as required by law. This general language was added in an effort to alleviate the need for this amendment process again in the future should the State change its filing requirements again.

We are requesting that all resolutions be considered and copies of signed resolutions be returned to ECA no later than ***June 15, 2012***. This will allow us time to organize the documents and file them with the appropriate government agencies to continue our Trust on and after July 1, 2012.

If you should have any questions regarding this process do not hesitate to contact me at 928.753.4700 ext. 22, or via email at norenek@ecollinsandassociates.com.

Rural Arizona Group Health Trust
(RAGHT)

AMENDED AND RESTATED ~~AGREEMENT AND~~ DECLARATION OF TRUST

Effective:
July 01, 2002
Amended:
July 01, 2005
July 01, 2007
July 01, 2012

TABLE OF CONTENTS

Article	Title	Page(s)
I.	Definitions	1
II.	Purpose of Trust and Application of the Fund	2
III.	Board of Trustees	3
IV.	Powers and Duties of Trustees	3
V.	Payments to the Fund	8
VI.	Payment of Benefits	9
VII.	Controversies and Disputes	10
VIII.	Responsibilities and Liabilities	11
IX.	Amendment of the Trust Agreement	12
X.	Non-Vesting of Rights	12
XI.	Provisions Relating to Insurance Companies	13
XII.	Program Administration	13
XIII.	Additional Members	14
XIV.	Duration of Agreement	15
XV.	Voluntary Termination of Membership	15
XVI.	Suspension and Expulsion	16
XVII.	Termination of Trust	17
XVIII.	Distributions of Surpluses and Deficits Upon Termination of the Trust, Voluntary Termination of Membership or Expulsion	17
XIX.	Miscellaneous	19
XX.	Stop-Loss	21
XXI.	Loss Control Program	21
XXII.	Use and Disclosure of Protected Health Information by Participating Entities	21
	Exhibit A Approvals	25

This Amended and Restated Agreement and Declaration of Trust (hereinafter referred to as "Trust Agreement" or "Agreement"), by and between The Participating Entities for the administration of the Trust in accordance with the terms and provisions of this Trust Agreement is made and entered into effective July 1, 2012.
~~**THIS AGREEMENT AND DECLARATION OF TRUST** is made and entered into this first day of July, 2002 between the "Participating Entities" and certain persons hereinafter referred to as the "Trustees" to administer the Trust in accordance with the terms and provisions of this Agreement.~~

RECITALS

WHEREAS, A.R.S. § 11-952.01 provides a vehicle through which public agencies in the State of Arizona may come together to cooperatively provide for the provision of certain employee benefits~~,~~; and

WHEREAS, The Participating Entities desire to enter into an agreement to provide and maintain a program of health and welfare benefits for the Employees of the Participating Entities and to certain other persons deemed eligible for coverage hereunder; and

WHEREAS, To effect the aforesaid purpose, it is mutually beneficial to the parties hereto to declare and create a Trust which establishes a Trust Fund for and in the manner more particularly set forth herein; and

WHEREAS, The Participating Entities which accept this Agreement and Declaration of Trust and agree to be bound by the provisions hereof shall, upon acceptance by the Trustees, be deemed parties to this Agreement and Declaration of Trust.

NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

ARTICLE I. DEFINITIONS

1.01 "Beneficiary" shall mean Employees, their dependents and such other persons designated by the Participating Entities as eligible for coverage provided herein under and approved by the Trustees.

1.02 "Benefits Administrator" shall mean the person(s) or firm employed by the Trustees who is responsible for processing of claims and payment of benefits, and related services.

1.03 "Employee" shall mean any person employed by a Participating Entity on a regular basis working not less than the number of hours per week required by the Participating Entity for eligibility, and who are not eligible for benefits under any other Health and Welfare program to which the Participating Entity makes contributions.

1.04 "Employee Benefit Program" shall mean the program of benefits to be established by the Trustees pursuant to the authority granted to them in this ~~Agreement and Declaration of~~ Trust Agreement and as set forth in the applicable Summary Plan Description.

1.05 "Employee Contributions" shall mean any contributions made by ~~Employees~~ Beneficiaries whether comprising part of the Entity Premium or whether made directly to the Fund in order to obtain coverage by the Employee Benefit Program.

1.06 "Employer Contributions" shall mean the contributions made by Participating ~~Entities comprising~~Entities comprising all or part of the Entity Premium.

1.07 "Entity Premium" shall mean the total charges paid by each Participating Entity to the Fund for the Employee Benefit Program, and shall be comprised of the sum of Employer Contributions and Employee Contributions.

1.08 "Fund" shall mean the Trust Fund created by this instrument, and shall mean generally, the monies, property, contracts or things of value, tangible or intangible, received and held by the Trustees for the uses and purposes of the Trust set forth therein, and those things of value which comprise the corpus and additions to the Fund.

1.09 The Name of this Trust is and shall be the Rural Arizona Group Health Trust.

1.10 "Participating Entities" shall mean those entities listed in Exhibit A which is attached hereto and incorporated by reference herein, and such additional Participating Entities as may be approved for membership by the Board of Trustees pursuant to Article XIII of this Agreement and Declaration of Trust.

~~**1.11 "Plan Document"** shall meant the document applroved by the Trustees setting forth the health and welfare benefits to be provided by the Trust to covered Beneficiaries. Upon approval of the Trustees, the Summary Plan Description may simultaneously serve as the Plan Document.~~

1.1~~2~~1 "Summary Plan Description" (SPD) shall mean the document which generally describes health and welfare benefits to be provided by the Trust to the Beneficiaries.

1.1~~3~~2 "Trust Agreement" shall mean this Agreement and Declaration of Trust and any modifications or amendments thereto.

1.1~~4~~3 "Trustees" shall mean the Trustees and their successors as provided for in this Trust Agreement.

ARTICLE II. PURPOSE OF TRUST AND APPLICATION OF THE FUND

2.01 Creation of Trust Fund. There is hereby declared and created the Rural Arizona Group Health Trust to provide benefits for the Beneficiaries of the Trust. Such benefits may include, but are not limited to those described under Article 4.05 of this Agreement and Declaration of Trust whether through one or a combination of self-funded or insured programs.

2.02 Principal Office. The Principal Office of the Trust shall be ~~in~~ the office of Erin P. Collins & Associates, Inc. located in the City of Kingman, County of Mohave, State of Arizona (hereinafter designated and referred to as the Principal Office).

Formatted: Font: Not Bold, Not Italic

ARTICLE III. BOARD OF TRUSTEES

3.01 Trustees. The Employee Benefit Program shall be operated and administered by the Board of Trustees for the benefit of the Beneficiaries. The Trustees shall be selected by the Participating Entities as provided herein and may resign or be removed at any time by their respective Participating Entities. Trustees must be employees of the Participating Entity.

3.02 Membership and Appointment. . The Board of Trustees shall be comprised of one Trustee appointed by each Participating ~~If the number of Participating Entities does not exceed two (2), each shall be represented by two (2) Trustees appointed by the Participating Entity. In the event that the number of Participating Entities exceeds two (2), each shall be represented by (1) Trustee appointed by the Participating Entity. Each~~Entity. Each Participating Entity shall make or rescind appointments as necessary to comply with the requirements of this Section. The appointing Participating Entity may remove a Trustee at any time without cause. In the event of the death, removal or resignation of a Trustee, the appointing Participating Entity shall designate a successor Trustee. Upon acceptance of his/her appointment in writing, the successor shall succeed to the legal interest of his/her predecessor and have the same powers and duties. Participating Entities may appoint alternate Trustees to vote on behalf of an absent Trustees. Participating Entities shall submit written notice of appointments or rescission of appointments of a Trustees or alternate Trustees to the Trust.

3.03 Votes. If the number of Participating Entities does not exceed two (2), each Participating Entity shall be entitled to cast two (2) votes in matters requiring a vote by the Board of Trustees. In the event that the number of Participating Entities exceeds two (2), each Participating Entity shall be entitled to cast one (1) vote.

3.04 Terms of Office. Following appointment, Trustees shall serve until such time as they are removed, resign or cease to be employees of the Participating Entity that they were designated to represent. In the event that a Trustee is removed, resigns or ceases to be an employee of the designating Participating Entity, the position shall be deemed vacant and a new Trustee shall be designated by that Participating Entity.

3.05 Executive Committee. In the event that the number of Participating Entities exceeds seven (7) the Board of Trustees may, by a 2/3 vote, elect to designate an Executive Committee who shall exercise such powers and duties as may be provided in the Bylaws of the Trust. The Executive Committee shall consist of the Chairperson and at least two other Trustees selected by majority vote of the Board. The Term of the elected members of the Executive Committee shall be one year. Vacancies on the Executive Committee shall be filled by majority vote of the Board.

ARTICLE IV. POWERS AND DUTIES OF TRUSTEES

4.01 Appointment of Trustees. The Trust shall be administered by the Board of Trustees who shall be selected and shall serve as provided in Article III.

4.02 Trustees' Acceptance. The Trustees named in the preceding Section, by their signatures to this Trust Agreement, hereby accept the Trust and Trusteeship and declare that they will receive and hold the Fund by virtue of this Trust Agreement for the uses and purposes and with the powers and duties herein set forth and none other. Trustees shall faithfully keep and hold any and all monies they receive as Trustees for the purposes of the Trust and keep adequate and proper records thereof.

4.03 Duties of Trustees. The Trustees shall:

(a) hold, manage, care for and keep the Fund for the benefit of the Beneficiaries and collect the income and increments thereof, and shall keep and maintain adequate and proper records to render an annual audit, accounting and reports as hereinafter mentioned.

(b) employ or hire such agents, attorneys, accountants, actuaries, auditors, engineers, private consultants, advisors, employees or other persons and shall purchase, lease or rent real or personal property as may be necessary or desirable in administering the Fund and carrying out its purposes. Agreements for such expenditures shall be in writing and formally approved by the Trustees. Fees, salaries, wages, emoluments or compensation of any and all such persons and other such expenses shall be paid from the Fund. When acting upon advice of counsel for the Trust, the Trustees shall be relieved of all responsibility for acts performed or not performed except for their own gross negligence, bad faith or willful misconduct.

(c) pay any and all taxes of whatever nature the Fund is, or may be, obligated to pay and incur any expenses for supplies, rental of space, or other items, or anything else determined to be necessary or desirable in administering the Fund and carrying out the objects and purposes of this Trust and Trust Agreement.

(d) establish terms and conditions of coverage within the ~~Plan Document~~Summary Plan Description including the exclusions of coverage.

(e) ensure that all valid claims are paid promptly.

(f) take all necessary precautions to safeguard the assets of the Trust.

4.04 Authority of Trustees. In carrying out the purposes of the Trust Agreement, the Trustees shall have all right, power and authority to:

(a) enter into contracts, procure insurance policies, or provide such benefits through self-funding, and to place into effect and maintain the desired schedule of benefits.

(b) provide the intended benefits under this Trust by means of self-funding by the Trust and/or by the procurement of group insurance contracts (as permitted by the laws of the State of Arizona) including group insurance contracts issued to and in the name of the Trust, together with such other forms of contracts issued by qualified insurance companies authorized to do business in the State of Arizona as may be selected by the Trustees for the purpose of providing for all or part of

the benefits provided for under this Trust. The Trustees are hereby expressly authorized to pay to any insurance company as may be selected by the Trustees the required insurance premiums in connection with such group insurance contracts issued to the Trust. Whether or not benefits are provided by means of self-funding or by the procurement of group insurance, such decision shall be at the sole and exclusive discretion of the Trustees.

(c) do all those things which, in the opinion of the Trustees, may be necessary or desirable for the administration, and operation of and accomplishment of the objectives and purposes of the Fund and this Trust and Trust Agreement.

4.05 Selection of Benefits. The Trustees may, subject to their discretion and the continuing right to change, obtain for the Beneficiaries of the Trust forms of employee benefits which include, but are not limited to, the following:

(a) Accidental and sickness weekly indemnity
(b) Long and short-term disability
(c) Accidental death and dismemberment
(d) Dental benefits
(e) Vision benefits
(f) Life insurance
(g) Hospital, surgical, professional, in-patient, out-patient, prescription drug and other group medical products customarily made available to employee groups.
(h) e~~E~~mployee wellness programs, employee assistance programs, utilization review programs, claims management programs and other –programs intended to improve ~~E~~employee health, reduce costs to the Trust and ~~Employees~~ Beneficiaries and otherwise manage losses.

4.06 Deposits and Investments. All corpus or portions of the Fund not expended pursuant to this Article IV may be deposited by the Trustees in the name of the Trust in such depository or depositories as the Trustees shall from time to time select, and any such deposit or deposits should bear interest. The Trustees are empowered to receive for the benefit of the Fund such interest as might accrue on the above deposits.

(a) If not so deposited, any accumulated funds not currently required for the purposes of this Trust shall be invested by the Trustees in reasonably secure, reasonably liquid investments and in a manner consistent with applicable Arizona law pertaining to investment of public funds.

(b) The Trustees may accumulate dividends, experience rating refunds or other monies, if any, accruing from any insurance policy or policies, deposits or investments. Such dividends, refunds or other monies, or all of them, shall be held in the Fund, applied to the payment of self-funded claims, the payment of insurance premiums or held, used or applied as herein set forth.

(c) The Trustees may enter into financial services agreements with banks and other financial institutions and may authorize the Trust to issue checks in its own name as required to further the purposes and objectives of the Trust.

4.07 Trustees' Expense Reimbursement. The Trustees may receive reimbursement for actual reasonable expenses incurred in carrying out their duties pursuant to the Trust Agreement.

4.08 Trustees' Compensation. The Trustees shall not receive compensation for services rendered pursuant to the Trust Agreement.

4.09 Presumption of Validity. No person dealing with the Trustees shall be obligated to see to the application of any monies or property of the Fund, or to see that the terms of this Trust Agreement have been complied with or to inquire as to the necessity or expediency of any act by the Trustees. Every instrument executed by the Trustees shall be conclusive in favor of every person who in good faith relies upon it that:

(a) at the time of the delivery of the instrument, this Trust Agreement was in full force and effect;

(b) the instrument was executed in accordance with the terms and conditions of the Trust Agreement; and

(c) the Trustees were duly authorized to execute the instrument or direct its execution.

4.10 Withdrawals. All checks, drafts, vouchers or other withdrawals from the fund or depositories and the transfer or liquidating of insurance policies or investments shall be signed by appropriate signatures as determined by the Board of Trustees. All such withdrawals shall be reviewed and approved by majority vote of the Board of Trustees

4.11 Administrative Disputes. In the event of any dispute between the Trustees and the Benefits Administrator or any other parties providing services to the Trust over exercise of powers granted herein, the Trustees' interpretation shall prevail and the service organization shall have no liability to any person with respect to the disputed act or omission in the event that it gives written notice of its dissent from such act or omission to each Trustee and to the Participating Entities.

4.12 Selection of Officers and Recording Secretary. The Trustees shall elect from among themselves at their first meeting, and annually thereafter, the following officers: Chairperson, Vice Chairperson and Treasurer who shall serve as officers of the Trust. The Trustees shall further designate annually a Recording Secretary, who need not be a Trustee. The powers and duties of the officers shall be specified herein or in the Bylaws.

4.13 Trustees' Meetings. The Trustees shall hold an initial Board meeting as soon as practical after being appointed. The Trustees shall determine the time and place of the regular meetings which shall be held at least quarterly. Special meetings may be called by the Chairperson or by a majority of the Trustees. Minutes of all meetings shall be taken. Meetings shall be conducted in accordance with applicable provisions of A.R.S. § 38-431 et seq. and the Bylaws. ~~At least seven (7) days w~~Written notice designating the time and place of an annual, regular or special meeting shall be given to the Trustees as required by applicable open meeting laws. Notice and agendas of meetings of the Board of Trustees shall be made and posted as provided in the Arizona Open Meeting Law, A.R.S. § 38-431 et seq., as amended from time to time, and any successor statute. In the event of an emergency, a special meeting may be held with such lesser notice as may be appropriate and

otherwise permissible by law. Any meeting at which all Trustees are present, in person or concerning which all Trustees have waived notice in writing, shall be a valid meeting without requirement that notice be given to the Trustees.

4.14 Quorum Requirement. To constitute a quorum at any regular or special meeting of the Trustees, there must be present in person or by telephonic or other electronic means Trustees or Alternate Trustees from at least a majority of the Participating Entities.

4.15 Location of Meetings. All meetings of the Trustees shall be held at such location or locations as designated from time to time by the Trustees.

4.16 Successor Trustees. The Trustees and their successors, from time to time acting hereunder, shall have all the rights, powers and duties of the initial Trustees, named herein.

4.17 Fiscal Year and Audit. The accounting year of the Fund shall be on a fiscal year basis. The initial fiscal year shall commence on July 01, 2002 and end on the 30th day of June, 2003. Subsequent fiscal years shall commence on July 1 and end on the 30th day of June of the following year. Any report required by city, county State or Federal law, or the respective subdivisions thereof, shall be made by the Trustees. The Trustees shall have an annual audit and accounting of the Trust Fund by an independent Certified Public Accountant in accordance with generally accepted accounting practices, at the end of each fiscal year. The Accountant shall certify to the accuracy of the audit and accounting. The Trustees shall also obtain an appropriate actuarial evaluation of the claim reserves of the pool, including an estimate of the incurred but not reported claims. A statement of the results of each audit shall be available for inspection by authorized persons at the principal office of the Trust. Copies of the audit and generalized statements of the accounting and reports shall be delivered to each Trustee, to the governing body or chief executive officer of each Participating Entity, and to the director of the Arizona Department of Insurance or as otherwise required. Copies of the audit shall be retained by the Board of Trustees for a period of at least five (5) years.

4.18 Bylaws, Rules and Regulations. The Trustees shall have the power to adopt bylaws, rules, procedures and regulations pertaining to the purpose, powers and administration of the Trust, which shall be consistent with covenants, terms, conditions and duties as set forth in the Trust Agreement. Such bylaws, rules, procedures and regulations shall be binding on all persons dealing with the Fund and upon any and all persons claiming any benefits there under. Adoption or amendment of bylaws, rules, procedures or regulations shall require a majority vote of the Board of Trustees.

4.19 Bonding Requirements. The Trustees shall procure fidelity bonds for the Trust and/or persons authorized to receive, handle, deal with or draw upon the monies in the Fund for any purpose whatsoever, said bonds to be in such amount to reasonably aid in reimbursing bondable loss of money, and to meet the requirements as may be required, from time to time of applicable United States or State law. Such bonds are to be obtained from such reputable fidelity or surety companies as the Trustees shall determine. If convenient, and in conformity with the law, such bonds may be position bonds. The cost of the premiums on such bonds shall be paid out of the corpus or income of

the Fund. If any fidelity or surety company refuses to bond or write a bond for any Trustee, or other person described in this section, said Trustee or person shall not serve and shall resign.

ARTICLE V. PAYMENTS TO THE FUND

5.01 Entity Premiums. In order to effectuate the purposes of the Trust, each Participating Entity shall contribute to the Fund an amount determined by the Trustees to be necessary to pay for the benefits provided hereunder to the Employees and other persons covered by the Employee Benefit Program. The Entity Premium shall be due and payable as of the ~~first day of each month during the effective term of this Trust Agreement or as otherwise specified by the Trustees~~ date specified in the Bylaws. The Entity Premium shall not include amounts payable directly by persons receiving extended coverage under the Employee Benefit Program as required by law or otherwise.

5.02 Interest on Premiums in Arrears. Entity Premiums not paid as of the due date as provided in Section 5.01 shall ~~accrue interest, at rates specified by the Trustees, from the due date to the date of payment.~~ be subject to the late payment process as outlined in the Past Due Contributions section of the Bylaws.

5.03 Employer Contributions Not Wages. Employer Contributions paid or accrued to the Fund through Entity Premiums shall not constitute or be deemed wages due employees, nor shall such contributions in any manner be liable for or subject to the debts, contracts or liabilities of the Participating Entity; neither the Participating Entity, any Employee, nor any Beneficiary under the Plan shall have any rights, title or interest in the Fund, except as specifically provided in this Trust Agreement.

5.04 Employee Contributions. Employees may be required to contribute a portion of the Entity Premium in amounts to be determined by each Participating Entity as appropriate for the benefits to be provided hereunder. Nothing in this paragraph shall be deemed to preclude a Participating Entity from making all or any portion of Employee Contribution payments on behalf of its Employees.

5.05 Payment in Lieu of Benefits. No Employee shall have any right to receive any part of his/her own Employee Contributions or any part of Employer Contributions paid in lieu of benefits.

5.06 Payroll Deductions. All Employee Contributions shall be paid by payroll deductions. The Participating Entity shall remit all monies obtained through payroll deductions in a lump sum to the Fund as part of the Entity Premium described herein ~~on the first day of each month during the effective term of this Agreement or as otherwise specified by the Trustees.~~

5.07 Manner of Payment. All Entity Premiums and other payments to the Fund shall be payable to the name of the Trust and shall be paid in the manner and form determined by the Trustees.

5.08 Wage Reports/Audits. Each Participating Entity shall provide or make availalble all reports required by the Trustees. The Trustees may at any time have an audit of the Participating Entity's wage records performed by an independent Certified Public Accountant or other qualified individual

or organization as determined by the Trustees to confirm the accuracy of required reports and to confirm the correct levels of contributions.

5.09 Contributions Irrevocable. Subject to the provisions of Article XVII with respect to termination of this Trust Agreement and Article XV with respect to termination of membership in the Trust, all Contributions to the Fund shall be irrevocable and under no circumstances shall any monies properly paid into the Fund, or any part of the Fund, be recoverable by or payable to a Participating Entity or ~~any Employee~~any Beneficiary, nor shall any of the same be used for or diverted to purposes other than for the exclusive program of benefits for Employees and other covered persons as provided in this Trust Agreement.

5.10 Assessments. In the event a deficit shall develop which is creditable to any plan or fiscal year, the Trustees shall order an assessment sufficient to cure the deficit. Assessments shall be distributed among the Participating Entities on a pro-rata basis, as calculated by the amount of each Participating Entity's contributions for the plan or fiscal year to which the deficit is credited. Assessments shall not exceed the amount of the Participating Entity's annual contribution to the Fund for the year to which the deficit is credited.

ARTICLE VI. PAYMENT OF BENEFITS

6.01 Benefits Liability. Subject to the terms and conditions set forth in this Trust Agreement, the ~~Plan Document~~Summary Plan Description and other procedures, rules, regulations and conditions established by the Trustees, the Trust shall pay all claims for which each Participating Entity's ~~Employees~~ Beneficiaries would be liable and would be entitled to receive benefits under the Employee Benefit Program.

6.02 Discharge of Liability. Subject to the terms and conditions set forth in this Trust Agreement, the ~~Plan document~~Summary Plan Descriptions and other procedures, rules, regulations and conditions established by the Trustees, liabilities incurred for claims for services rendered to the Beneficiaries of Participating Entities under the Employee Benefit Program will be relieved only by payment of claims by the Trust, by the Beneficiary, or by such other party who may be deemed responsible for payment of such claims.

6.03 Method of Payment. The Trustees shall arrange for disbursement of benefits under the Employee Benefit Trust through a Benefits Administrator appointed by the Trustees.

6.04 Summary Plan Description. The Benefits to be provided pursuant to the Trust Agreement, whether by self-funding or by insurance contract, shall be set forth in a Summary Plan Description which shall, at a minimum, generally explain the eligibility rules for coverage ~~for Employees and dependents~~for Beneficiaries of the applicable Participating Entity.

6.05 Protection of Employees or Other Beneficiaries. Prior to payment to or on behalf of an Employee or other Beneficiary, all assets of the Trust shall be owned by the Trust and shall not be liable in any way for any debt or obligation of any Employee or the Trust. To the extent permitted by law, all Trust benefits shall be exempt from attachment, garnishment, and levy of execution,

bankruptcy proceedings, or other legal process at any time subject to the Trustee's possession and control; but in any event, such assets shall be subject to such process only to the extent of such Employee's benefits hereunder as they come due.

6.06 Employee or Other Beneficiary Claims to Benefits. No Employee or other Beneficiary shall have any right or claim to benefits under the Employee Benefit Plan except as specified in the Summary Plan Description, policy or policies or contract or contracts procured or entered into pursuant to Articles II and IV. Any disputes as to eligibility, time, amount, or duration of benefits shall be resolved by the appropriate insurance carrier or Benefits Administrator, under and pursuant to the Summary Plan Description, policy or policies, or contract or contracts; and the Employee or other beneficiary shall not have any right or claim in respect thereto against the Fund or Trustees. Any dispute as to eligibility, type, amount, time or duration of benefits provided by the Fund, as self-funded, shall be decided by the Trustees, and all disputes shall be finally settled pursuant to Article VII.

6.07 Maintenance of Reserves. The Trust shall maintain claim reserves in an amount at least equal to known incurred losses and reasonable estimates of claims incurred but not reported.

6.08 Failure to Pay Benefits. Neither the Participating Entity nor the Trustees shall be liable for the failure or omission, for any reason, to pay any benefits under the Employee Benefit Plan. If for any reason, including, but not limited to, epidemics, catastrophes, or normal depletion, the Trustees determine that self-insured funds are insufficient to pay the current claims, the amount of benefits payable to an eligible Employee or other Beneficiary shall, in all events, be limited to the extent that sufficient funds are available to the Trustees for the payment of all such claims; and, in such event, benefit payments to each eligible Employee or other Beneficiary shall be limited to the extent that sufficient funds are available from the Trust Fund, and shall be further prorated in such amounts that all such claims shall be treated proportionally equal to the ratio that such total claims bear to the funds that are available for such payment. If any controversy or dispute exists concerning such matters, they shall be settled in accordance with the provisions of Article VII.

ARTICLE VII. CONTROVERSIES AND DISPUTES

7.01 Interpretation of Trust Documents. The Trustees shall have the power to construe, interpret and apply the provisions of this Trust Agreement and any amendments, rules or regulations adopted pursuant to this Trust Agreement as well as the terms used herein and any construction, interpretation or application adopted in good faith. Should the Trustees in good faith reach a decision in a particular circumstance which is or appears to be at odds with the terms of this Trust Agreement, such decision shall not have as its purpose of effect to in any other way modify the plan of benefits or this Trust Agreement or to obligate the Trustees to take the same or similar action on any matter then pending or which might come before them at a future date.

7.02 Settlement of Benefit Claims. ~~Controversies related to denial of claims shall first be referred by moving parties to the Trust's claims administrator in the manner and according to the time lines included in the Summary Plan Description. The claims administrator will, upon completion of the final review provided for in the Summary Plan Description, issue a written Notice of Final Determination to the moving party. The Notice of Final Determination shall include at least the~~

~~section(s) of the Summary Plan Description or Trust Agreement from which the dispute arises, the facts giving rise to the dispute and the proposed resolution of the dispute.~~

~~(a) If the moving party is dissatisfied with the claims administrator's Notice of Final Determination, the moving party shall have sixty (60) calendar days from the date of receipt of the Notice of Final Determination to appeal the claims administrator's determination to the Trustees.~~

Formatted: Indent: Left: 0", First line: 0", Tab stops: Not at -1"

~~(b) At the next scheduled meeting of the Trust, the Trustees shall meet to decide whether (1) to issue a decision based on the notice of dispute and claims administrator's Notice of Final Determination; (2) hold a hearing; or (3) designate a hearing officer to hold a hearing to hear the evidence, prepare a record and bring a recommendation to the Trust for decision. In all cases, the decision of the Trustees shall be final and binding on all parties to the dispute.~~

Formatted: Indent: Left: 0", First line: 0", Tab stops: Not at -1"

~~(c) Hearing officers may not be employees or elected officials of any Participating Entity or have any substantive interest in the outcome of the proceedings. Hearing officers shall hear the appeal within forty-five (45) days of appointment. The hearing officer may extend the time for hearing upon agreement of the parties. Hearings conducted by the hearing officer shall be conducted in the same manner as meetings of the Trustees, including the maintenance of an electronic or other record of the proceeding as shall be determined by the hearing officer and compliance with Arizona's Open Meeting Law, A.R.S. § 38-431 et seq. Upon conclusion of the hearing, the hearing officer shall issue written findings and recommendations to the Trustees. Within fifteen (15) calendar days of receipt of the hearing officer's recommendations, the Trustees shall meet to receive and review the hearing officer's report. The Trustees may accept or reject, in whole or in part, the hearing officer's findings and recommendations. Costs to the Trust associated with the services of the hearing officer shall be borne by the Trust. Costs associated with presentation of an appeal shall be borne by the appealing party. The decision of the Trustees shall be final and binding on all parties to the dispute.~~

Formatted: Indent: Left: 0", First line: 0", Tab stops: Not at -1"

~~(d) If the appealing party is dissatisfied with the decision of the Trustees, the moving party shall have the right to pursue such other relief as may be afforded through a court of competent jurisdiction or such other alternative dispute resolution procedure as may be agreed to between the parties. In the event a court claim is brought, the prevailing party shall be entitled to their attorneys' fees and costs.~~ The Trustees may, in their sole discretion, compromise or settle any disputed benefits claim controversy in such manner as they deem appropriate and consistent with applicable law and regulation and in accordance with the appeal procedure set forth in the then current and applicable Summary Plan Description. All decisions made by the Trustees shall be conclusive and binding upon all parties.

Formatted: Indent: Left: 0", First line: 0", Tab stops: Not at -1"

ARTICLE VIII. RESPONSIBILITIES AND LIABILITIES

8.01 Responsibilities and Liabilities of Trustees. The Trustees shall only be responsible for monies when and if said monies are received in accordance with the provisions of this Trust Agreement. Should the Trustees select or provide for any policy or program of self-funding, no claims for benefits or claims for liabilities shall be brought against the Trustees. The sole and

exclusive liability of said Trustees in the management and operation of any program of self-funding shall be limited to due care in the selection of administrators, claims representatives, actuaries or other officials charged with the administration of such a program of self-funding. The Trustees shall only be responsible for any liability arising from their respective gross negligence, bad faith or willful misconduct in handling of the monies received in hand by them for execution and administration of the terms of the Fund. The Trustees shall not be responsible for the actions or omissions of their Co-Trustees or successors, nor for the acts or omissions of other agents, or for any of the acts or omissions of any insurance company or its agents, servants or representatives, including but not limited to non-payment of claims by an insurance company or companies for any reason. No Trustee or Successor Trustee shall be entitled to any indemnifications of court costs or attorneys' fees from any liability arising from his/her own willful misconduct, bad faith or gross negligence. To the extent that their actions do not constitute willful misconduct, bad faith or gross negligence, Trustees shall not be liable for actions taken on advice of counsel for the Trust as provided in Section 4.03.

8.02 Successors' Liability. No successor Trustee shall be liable or responsible for any acts or defaults of his/her predecessor, or for any losses or expenses resulting from or occasioned by acts or omissions prior to his/her appointment as Trustee, nor shall he/she be required to inquire into or take any notice of the prior administration of the Fund or Trust. A sSuccessor Trustee is responsible solely for his/her actions as set forth in Section 8.01 herein.

ARTICLE IX. AMENDMENT OF THE TRUST AGREEMENT

9.01 Powers. It is anticipated that in the administration of this Trust, conditions may arise that are not foreseen at the time of execution of this Trust Agreement and it is the intention of the Participating Entities, Trustees and each and every party to this Trust Agreement, that the power of amendment which is herein granted be exercised in order to carry out the spirit, object and purposes of this Trust. Therefore, the general power is granted by all parties to this Trust Agreement to the Trustees to amend this Trust Agreement in accordance with the procedures set forth herein. All parties to the Trust and all persons claiming any interest hereunder are and shall be bound thereby.

9.02 Procedures. Prior to amendment of this Trust Agreement, the Trustees shall notify each Participating Entity and Trustee no less than 30 days prior to the date on which such proposed amendments are to be considered by the Board of Trustees. Such notice shall set forth in detail the nature of the proposed amendments and shall invite questions or comments. Amendments to the Trust Agreement shall require a 2/3 vote of the Board of Trustees. Approved amendments shall be signed by each Trustee voting in favor of approval. Amended or new Trust Agreements shall be filed with the State of Arizona in the manner provided by law for such agreements. Proposed amendments to the Trust Agreement shall be reviewed and approved in writing as to form by counsel for the Trust prior to approval by the Board of Trustees. Following approval by the Board of Trustees, proposed amendments shall be submitted to the governing bodies of the Participating Entities and shall become effective after approval by no less than 2/3 of the total number of Participating Entities. Upon approval of a proposed amendment by the requisite number of governing bodies as provided herein, a Participating Entity whose governing body fails to approve

the proposed amendment may elect to terminate its membership in the Trust pursuant to the provisions of Article XV of the Trust Agreement.

ARTICLE X. NON-VESTING OF RIGHTS

10.01 Rights Not Vested. No Employee, family, dependents, Beneficiary nor any other person or group nor their respective successors, assigns, nor legal representatives, shall have any right, title or interest, vested or otherwise, in or to the Fund, Trust, corpus (income or increments thereto), insurance dividends, cash value, if any, or any insurance or benefits or monies payable there from, payments from the Fund, or in or to the eligibility requirements for benefits as changed or altered. Any Beneficiary who withdraws or ceases to participate in the Employee Benefit Program does hereby and shall expressly waive and forfeit any right, title or interest in and to the Fund, it corpus and assets. No Employee, family, dependents, Beneficiaries nor any other person or group nor their respective successors, assigns nor legal representatives shall have any right in or to the Trust Fund, corpus, insurance dividends, cash value, if any, of insurance, interest, income, benefits, or any benefits or money payable there from, or anything arising out of or in this Trust during the term of this Trust Agreement and any benefit he or they may have is forever terminated and discharged upon the Employee's termination of employment with the Participating Entity (quitting, discharge or otherwise), or when this Trust Agreement is terminated, wound up or dissolved. No benefit, right or interest, in any of the forgoing is transferable by the Employee to another Employee or person, corporate or otherwise except to physicians, hospitals and any other person or institution furnishing medical services within the terms of this Trust Agreement. No monies, property or equity of whatsoever nature, in the Fund, nor insurance policies or benefits or monies payable there from, nor investments, nor deposits nor any part or portion of the Fund, shall be subject in any manner by any Employee or Beneficiary, or person claiming through such Employee or Beneficiary, ownership, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution, mortgage lien or charge of whatsoever nature or kind and any attempt to cause the same is and shall be null and void.

ARTICLE XI. PROVISIONS RELATING TO INSURANCE COMPANIES

11.01 Status of Insurance Companies. No insurance company which may issue any policies or contracts for the purpose of fulfilling the terms of the Trust Agreement shall be deemed to be a party to this Agreement, nor shall it be responsible for the validity of this Trust Agreement, nor is this Agreement in any manner for the benefit of any insurance company or companies. No insurance company is a third party beneficiary to the Trust Agreement. No insurance company shall be required to look into the terms of this Trust Agreement or to question the authority of or action of the Trustees, or be responsible to verify that any action of the Trustees is authorized by the terms of this Trust Agreement.

ARTICLE XII. PROGRAM ADMINISTRATION

12.01 Allocation of Administrative Duties. The Trustees shall have the full obligation and

responsibility for administration of the Employee Benefit Program, but may designate any person, firm, corporation or other entity as an employee, agent or representative, for purposes carrying out the objectives of the Trust. The Trustees shall designate an administrator to carry out the policies established by the Trustees and to provide day to day management. An administrator appointed pursuant to Section 12.03 may also serve in this capacity.

12.02 Termination of Agents. The Trustees may remove any agent for administration at any time, without cause, after thirty (30) days written notice to the agent or as otherwise provided in contracts for employment of such agents.

12.03 Consultant/Administrator. The Trustees shall designate a risk management consultant or insurance administrator. The designated consultant or administrator shall be licensed pursuant to Arizona Revised Statutes Title 20, Chapter 2, Articles 3 or 9. Such licensing shall be verified by the Trustees prior to any appointment pursuant to this section.

12.04 Duties of Agents. Agents shall perform all designated duties in a workmanlike and professional manner and shall keep accurate and complete records of activities as prescribed by the Trustees. Any agent designated as benefits administrator shall, in addition to the other duties set forth in this section, keep its records open for examination at reasonable times during business hours by any person authorized by the Board of Trustees and shall, within sixty (60) days after the end of each Trust year or such other date as determined by the Trustees, file with the Trustees a complete statement of its administration covering the period since the closing date of the previous statement.

12.05 Business Offices. The Trust may establish offices within the State of Arizona as required for the conduct of business and may employ necessary staff to carry out the purposes of the Trust.

ARTICLE XIII. ADDITIONAL MEMBERS

13. 01 Eligibility for Membership. Any "Public Agency" as defined in A.R.S. § 11-951 is eligible to be considered for membership in the Trust subject to the terms and conditions set forth herein.

13.02 Application for Membership. An entity desiring membership in the Trust may petition the Trustees for permission to become a Participating Entity. Applicants shall submit application forms as prescribed by the Trustees and shall provide such additional information as may be requested in order to fully evaluate the application. Completed applications and supporting data shall be submitted no later than the deadlines established by the Trustees. Applications deemed incomplete by the established deadlines may be rejected in the sole discretion of the Trustees.

13.03 Approval of Applications. Completed applications will be reviewed and evaluated based on standards acceptable to the Trustees to ensure that approvals of applications are based on the best interests of the Trust, its Participating Entities and their Beneficiaries. Decisions of the Trustees may be based upon recommendations of their Employees or agents. The Trustees, in a regularly convened meeting may, by two-thirds vote, approve the application for membership subject to such terms and conditions as may be established by the Trustees in their sole discretion. Decisions of the Trustees with respect to membership applications will be final. If accepted for membership, an entity

will be bound by all applicable terms and conditions of this Trust Agreement and Declaration of Trust as well as all policies, procedures and regulations established pursuant to this Trust Agreement. Representatives of Participating Entities approved for membership may attend meetings of the Board of Trustees, but will not be allowed to vote or otherwise formally participate in the governance or benefits of the Trust until the date on which the Entity's ~~Employees~~Beneficiaries become eligible to receive benefits under the Employee Benefit Program.

ARTICLE XIV. DURATION OF AGREEMENT

14.01 Term of Agreement. ~~This Agreement and Declaration of Trust shall continue in full force until June 30, 2012, unless earlier terminated as provided herein or extended in accordance with the procedures set forth in Article IX of this Trust Agreement.~~ This Amended and Restated Agreement and Declaration of Trust shall continue in full force and effect until terminated in accordance with the procedures set forth in Article XVII of this Trust Agreement.

14.02 Initial and Renewal Participation Requirements. The initial membership term for new members shall be for a period of not less than thirty five (35) nor more than forty-seven (47) calendar months, to the extent permitted by law if monies are appropriated. Membership in the Trust may not be terminated by any Participating Entity during the initial membership term except as expressly provided herein. Notwithstanding these limitations on voluntary termination, coverage under the Employee Benefit Plan may be suspended or terminated as provided herein for nonpayment of Entity Premiums or other violations of the terms of this Agreement and Declaration of Trust. After expiration of the initial membership term, a Participating Entity may terminate its participation as provided in Article XV herein or may request that the Board of Trustees approve an additional Renewal Term. Renewal terms may be for thirty six (36), forty eight (48) or sixty (60) months, with the duration of the Renewal Term to be selected by the Participating Entity. Approval of Renewal Terms requires a 2/3 vote of the Board of Trustees. Membership in the Trust may not be voluntarily terminated during Renewal Terms except as expressly provided herein.

ARTICLE XV. VOLUNTARY TERMINATION OF MEMBERSHIP

15.01 Procedure. Membership in the Trust may be terminated by a Participating Entity after completion of the Initial or Renewal Participation Term subject to the following conditions:

(a) Written notice of termination must be received no later than ninety (90) days prior to the end of the Initial or current Renewal Participation Term, at the end of which the termination is to be effective.

(b) Once termination is effective, a former Participating Entity may not be eligible for readmission to the Trust for a minimum of three (3) fiscal years. Application for readmission shall be made according to the procedures set forth in Article XIII.

(c) Termination will not relieve a former Participating Entity of any obligations, financial or otherwise, imposed upon Participating Entities pursuant to this Agreement and Declaration of Trust for the period during which the former Participating Entity was a member of the Trust.

(d) Participating Entities terminating their membership in the Trust in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.02 of this Agreement.

15.02. Termination Due to Amendment of the Trust Agreement. Notwithstanding the provisions of Article 15.01, a Participating Entity may elect to terminate its membership prior to the end of their Initial Term of Participation or their then applicable Renewal Term under the following conditions and as long as they give such notice as least ninety (90) days before the effective date of the termination:

(a) The governing board of the Participating Entity wishing to terminate its membership pursuant to this Article must have failed to approve a proposed amendment to the Trust Agreement which was approved by the requisite number of governing boards of Participating Entities pursuant to Article 9.02 of the Trust Agreement.

(b) The approved amendment to the Trust Agreement is to become effective prior to the end of the current Renewal Term.

(c) The proposed date of termination of membership is to be on or before the effective date of the approved amendment to the Trust Agreement or upon such later date as may be approved by the Board of Trustees during which period the terminating entity shall not be subject to the provisions of the approved amendment to the Trust Agreement.

(d) Any termination pursuant to this Article 15.02 shall also be subject to the provisions of Article 15.01(b).

(e) Participating Entities terminating their membership in the Trust in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.02.

ARTICLE XVI. SUSPENSION AND EXPULSION

16.01 Suspension. In the event that any Participating Entity shall fail to make its contributions as specified herein, or shall fail to comply with any other terms or conditions of this Trust Agreement or other requirements established by the Trustees, the Board of Trustees may suspend benefits provided to the ~~Employees~~ Beneficiaries of that Participating Entity. Prior to any suspension, the Board shall provide written notice of default to the Entity. The notice of default shall advise the Entity that:

(a) Unless the default is cured within ten (10) working days of receipt of the notice, coverage

may be suspended for a period of up to ninety (90) days without further notice or administrative process.

(b) During the ninety (90) day suspension period, the Board of Trustees shall determine if the Entity should be terminated as a Participating Entity effective at any time before, or on completion of, the ninety (90) day suspension period.

(c) That, prior to removal of any suspension, the Trustees may impose specific conditions for reinstatement of coverage and continued membership in the Trust.

(d) That the entity will be liable for unpaid premiums and/or benefit payments, administrative costs and other costs incurred by the Trust between the date that premium payments became in arrears and the date of suspension/termination of benefits plus interest accrued as provided in Section 5.02.

16.02 Expulsion. Participating Entities that are expelled from membership in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.03 of this Agreement.

ARTICLE XVII. TERMINATION OF TRUST

17.01 Termination by the Trustees. The Trust created by this Agreement and Declaration of Trust may be terminated at any time by formal resolution approved by majority vote of the Board of Trustees.

17.02 Notice of Termination. Upon termination of the Trust as provided herein, the Trustees shall forthwith notify all Beneficiaries and all other necessary parties.

17.03 Duration After Termination. Notwithstanding any provision set forth in this Trust Agreement regarding duration and termination of the Trust, the Trust shall continue in existence for as long a period as may be required to wind up its business. Upon termination, the Trustees shall continue in their capacity as Trustees for so long a period as may be required to wind up the business of the Trust.

17.04 Disposition of Trust Assets and Final Accounting. Upon termination of this Trust, any and all monies remaining in the Fund shall be disposed of in accordance with Article 18.01. At such time as the business of the Trust is wound up, the Trustees shall render a final accounting of the affairs of the Trust to the Participating Entities and their ~~Employees~~Beneficiaries. Thereafter, there shall be no claim or action against the Trustees except as expressly provided herein and they shall have no further responsibility or duties and they shall be discharged.

ARTICLE XVIII. DISTRIBUTIONS OF SURPLUSED AND DEFICITS UPON TERMINATION OF THE TRUST, VOLUNTARY TERMINATION OF MEMBERSHIP OR EXPULSION

18.01 Upon Termination of the Trust. Upon termination of the Trust, the Trustees shall by majority vote provide for the development of a plan (the termination plan) to wind up the Trust's business over the course of a period not to exceed thirty six (36) calendar months from the effective date of the Trust's termination, subject to regulatory approval. The termination plan shall provide for at least the following:

(a) Payment of all administrative and other costs reasonably required to wind up the Trust's operations;
(b) Payment of all outstanding claims liabilities of the Trust including, without limitation, all known claims and incurred but not reported liabilities;
(c) Payment to the Trust of any deficits owed to it by any current or former Participating Entities; and
(d) Payment of any outstanding amounts due to former Participating Entities that have previously voluntarily terminated their memberships in the Trust in accordance with Articles 15.01 or 15.02.

18.02 Upon Voluntary Termination of Membership. For entities voluntarily terminating membership as provided under Article 15.01 or 15.02, surpluses and deficits allocated to the Participating Entity during the term of its membership, including adjustments for administrative expenses associated with the termination, shall be paid in accordance with the following schedule:

(a) Surpluses payable to the former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75) percent of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination, and any remaining surplus balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Trustees.

(b) Deficits payable to the Trust from the former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75) percent of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination and any remaining deficit balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Trustees.

18.03 Upon Expulsion. In the event that a Participating Entity is expelled and membership involuntarily terminated in accordance with Article 16.02, surpluses and deficits allocated to the Participating Entity during the term of its membership, including adjustments for administrative expenses associated with the termination, shall be paid in accordance with the following schedule:

(a) Former Participating Entities shall remain liable for the full amount of contributions that would otherwise have been due to the Trust during the period of time between the date of

such Entity's expulsion and the scheduled end of such Entity's Initial or Renewal Term of Participation. Amounts due to the Trust under this Article may be collected through reduction of any surpluses otherwise due to the former Participating Entity in accordance with Article 18.03 (b) or, in the event the former Participating Entity has no surplus due to it, or that the amount due to the Trust under this Article exceeds the amount of surplus due to the former Participating Entity, through assessment in accordance with Article 18.03(c).

(b) Surpluses payable to former Participating Entities that were expelled in accordance with Article XVI shall be reduced by the amount of the Member Contributions that would otherwise have been due to the Trust during the period of time between the date of such Entity's expulsion and the scheduled end of such Entity's Initial or Renewal Term of Participation. The balance of any remaining surpluses due to the former Participating Entity after making such adjustment shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75) percent of the remaining total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such expulsion, and any remaining surplus balances due being paid not later than twenty seven (27) months after the effective date of such expulsion, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Trustees.

(c) Deficits payable to the Trust from an expelled former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75) percent of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination and any remaining deficit balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Trustees.

ARTICLE XIX. MISCELLANEOUS

19.01 Prosecution and Defense of Lawsuits. In the event any claim, suit, action or legal or administrative proceeding is brought against the Trust, Board of Trustees, one or more Trustees or the Fund, in connection with any matter arising out of the administration of the Trust or Fund or in connection with this Trust Agreement or in connection with any act or omission of the Board of Trustees or one or more of the Trustees, or in the event of any suit, action or proceeding commenced by the Trustees, including, but not limited to, a request for a judicial settlement of accounts, a suit for construction, a bill of interpleader, or any other matter relating to the Trust, the Trustees shall have the power and authority to employ counsel to represent them in any such suit, action or proceeding. Expenses, including counsel fees and other costs shall be paid from the Fund as long as the Trustees have acted in good faith and not with gross negligence, bad faith or willful misconduct, it being the intent to indemnify the Trustees against all honest mistakes in judgment and all acts or omissions that are not grossly negligent, deliberate or willful violations of the duties of the Trustees. In addition, the Trustees shall have the right to commence and prosecute such suits, actions or

proceedings as they may determine are necessary and proper in order to protect the interests of the Trust and Fund, and, in this connection, the Trustees shall have the same rights and entitlement to reimbursement for costs and expenses as heretofore described for the defense of lawsuits.

19.02 Fiduciary Liability. The fiduciary liability and funding of all eligible benefits as determined by the ~~Plan Document~~Summary Plan Description shall be the sole responsibility of the Trustees.

19.03 Worker's Compensation. The insurance coverage contemplated by this Trust Agreement shall not apply in any case which is compensable under Worker's Compensation.

19.04 Sites of Fund. **The office of Erin P. Collins & Associates, Inc.,** ~~***The City of***~~ ***Kingman, County of Mohave,*** State of Arizona, shall be deemed the sites of the Fund created hereunder. All questions pertaining to validity, construction and administration shall be determined in accordance with the laws of such State and County. This Trust -Agreement is deemed made, executed and delivered in such State.

19.05 Interpretation of Trust Agreement. Whenever any words are used in this Trust Agreement in the masculine gender, they shall be construed as though they were also in the feminine or neuter gender in all situations where they would so apply, and wherever any words are used in this Trust Agreement in the singular form, they shall also be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words are used in this Agreement in the plural form they shall be construed as though they were also in the singular form in all situations where they would so apply.

19.06 Captions. It is understood and agreed that the captions and headings contained in this Trust Agreement are included for convenience only and that they are not and shall not be deemed a part of the Agreement and that they shall in no way define, limit or expand any of the terms, obligations or conditions set forth herein.

19.07 Severability. The parties agree that, to the extent that any provision of this Trust Agreement is in conflict with any applicable statute, regulation or rule, that provision shall be deemed unenforceable and the applicable statute, regulation or rule shall govern. Should any provision or term in this Trust Agreement be deemed or held to be unlawful or invalid for any reason, such determination will not adversely affect the remaining provisions contained herein unless such determination will make the operation of the Trust impossible or impractical. In such a case, the appropriate parties shall immediately adopt such provisions as may be required to facilitate to proper functioning of the Trust.

19.08 Taxation of Contributions, Assets, Income and Benefits. This Trust Agreement is being entered into and contributions are being made based upon the expectation that contributions made hereunder will not be subject to taxation and that benefits received by Employees or other Beneficiaries will not be deemed compensation in determination of federal, state or local tax liability. -The parties hereto, individually and collectively agree to take or cause to be taken any and all steps that may be necessary or advisable in order to obtain and/or maintain a tax-exempt status for this

Trust. In the event that any provisions of this Trust Agreement are determined to impose tax obligations on the Trust or Employees or other Beneficiaries, any steps necessary to eliminate such obligations shall be taken immediately. Nothing in this section shall be deemed to impose liability on the Trustees, the Trust or the Participating Entities in the event that contributions or benefits are deemed taxable or in the event that investment income received by the Trust is determined to be subject to taxation.

19.09 Cancellation. This Trust Agreement is subject to cancellation pursuant to A.R.S. Section 38-511.

19.10 Effective Date. This Trust Agreement shall be effective as of the date set forth herein.

19.11 Recording. This Trust Agreement shall be filed in accordance with all applicable Federal, State and Local laws and regulations.~~with the Secretary of State's office for the State of Arizona and recorded with the County Recorder's Office for any county in which a Participating Entity operates.~~

Formatted: Justified

Formatted: Not Highlight

ARTICLE XX. STOP LOSS PROVISIONS

20.01 Stop Loss Requirement. Specific stop-loss reinsurance shall be an integral part of any self-funded medical benefit program established pursuant to this Trust Agreement. It is the intent of the parties to this Trust Agreement that stop-loss coverage, with such attachment points and policy limits as may be deemed necessary to protect the loss fund and allow complete and timely payment of benefits, be provided by an authorized carrier licensed to execute such contracts in the State of Arizona. Specific stop-loss limits shall be an integral part of any other self-funded program established pursuant to the Trust Agreement, with such dollars limits as may be necessary to protect the loss fund and allow complete and timely payment of benefits.

ARTICLE XXI. LOSS CONTROL PROGRAM

21.01 Loss Control Program. The Trustees shall provide for the development and implementation of a program of loss control for each plan year of Trust operations. The loss control program shall be further described in the Plan of Risk Management approved each year and may include one or combinations of:

(a) Specific and/or aggregate reinsurance
(b) Conventional insurance, partial or full self-insurance with appropriate stop-loss payment limits
(c) Access to preferred Provider organizations (PPO's) for benefit offerings
(d) Medical pre-certification, concurrent and/or post discharge review
(e) Large case management
(f) Health and wellness promotion
(g) Employee assistance programs
(h) Such other loss control programs as the Trustees may determine to be appropriate.

ARTICLE XXII. USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION BY PARTICIPATING ENTITIES

22.01 The Participating Entities in the Rural Arizona Group Health Trust health and welfare benefits plan shall only use protected health information (PHI) to the extent of and in accordance with the uses and disclosures permitted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Specifically, the Participating Entities may use and disclose PHI for purposes related to health care treatment, payment for health care and health care operations.

22.02 Payment includes activities undertaken by the Participating Entities to obtain individually or through the Benefits Administrator premiums or determine or fulfill its responsibility for coverage and provision of plan benefits that relate to a Beneficiary to whom health care is provided. These activities include, but are not limited to, the following:

(a) determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums and copayments as determined for an individual's claim);

(b) adjudication of health benefit claims (including appeals and other payment disputes);

(c) subrogation of health benefit claims;

(d) establishing Employee Contributions;

(e) risk adjusting amounts due based on enrollee health status and demographic characteristics;

(f) billing, collection activities and related health care data processing;

(g) claims management and related health care data processing, including auditing payments, investigating and resolving payment disputes and responding to Beneficiary inquiries about payments;

(h) obtaining payment under a contract for reinsurance (including stop-loss and excess of loss insurance);

(i) medical necessity reviews or reviews of appropriateness of care or justification of charges;

(j) utilization review, including precertification, preauthorization, concurrent review and retrospective review;

(k) disclosure to consumer reporting agencies related to the collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number and name and address of the

provider and/or health plan); and

(l) reimbursement to the Trust.

22.03 Health Care Operations include, but are not limited to, the following activities:

(a) quality assessment;

(b) population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, disease management, contacting health care providers and patients with information about treatment alternatives and related functions;

(c) rating provider and plan performance, including accreditation, certification, licensing or credentialing activities;

(d) underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing or placing a contract for reinsurance of risk relating to health care claims (including stop-loss insurance and excess of loss insurance);

(e) conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;

(f) business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Trust, including formulary development and administration, development or improvement of payment methods or coverage policies;

(g) business management and general administrative activities of the Trust, including, but not limited to:

(i) management activities relating to the implementation of and compliance with HIPAA's administrative simplification requirements, or

(ii) customer service, including the provision of data analyses for Employees, the Trust or other Beneficiaries;

(h) resolution of internal grievances; and

22.04 The Participating Entity agrees to:

(a) not use or further disclose PHI other than as permitted or required by the ~~Plan Document~~Summary Plan Description or as required by law;

(b) ensure than any agents, including a subcontractor to whom the Participating Entity provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Participating Entity with respect to PHI;

(c) not use or disclose PHI for employment-related actions and decisions unless authorized by a Beneficiary;

(d) not use or disclose PHI in connection with any other benefit or employee benefit plan of the Participating Entity unless authorized by a Beneficiary;

(e) report to the Trust any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;

(f) make PHI available to a Beneficiary in accordance with HIPAA's access requirements;

(g) make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

(h) make available the information required to provide an accounting of disclosure;

(i) make internal practices, books and records relating to the use and disclosure of PHI received from Plan available to the HHS Secretary for the purposes of determining the Trust's compliance with HIPAA; and

(j) if feasible, return or destroy all PHI received from the Trust that the Participating Entity still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

22.05 In accordance with HIPAA, only the following employees or classes of employees of a Participating Entity may be given access to PHI:

(a) the human resources director or the individual assigned by the governing body of a Participating Entity to perform said function; and

(b) staff designated by the person assigned pursuant to Article 22.05(a).

22.06 The persons described in Article 22.05 may only have access to and use and disclose PHI for plan administration functions that the Trust performs for the Participating Entity.

22.07 If the persons described in Article 22.05 do not comply with the ~~Plan Document~~Summary Plan Description, the Trust may provide a mechanism for resolving issues on noncompliance, including disciplinary sanctions.

EXHIBIT A

Participating Entities - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective July 01, 2002:

	Participating Entity	Membership Term
1.	City of Holbrook	July 01, 2002 - June 30, 2014
2.	City of Winslow	July 01, 2002 - June 30, 2014
3.	Town of Parker	July 01, 2002 - June 30, 2016

Participating Entities - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective July 01, 2003:

	Participating Entity	Membership Term
1.	Kingman Academy of Learning	July 01, 2003 - June 30, 2014
2.	City of Safford	July 01, 2003 – June 30, 2012

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective January 01, 2005:

	Participating Entity	Membership Term
1.	City of Page	January 01, 2005 – June 30, 2014

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective October 01, 2005:

	Participating Entity	Membership Term
1.	Town of Eagar	October 01, 2005 – June 30, 2014

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective October 01, 2005:

	Participating Entity	Membership Term
1.	Town of Miami	June 01, 2006 - June 30, 2012

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective October 01, 2005:

	Participating Entity	Membership Term
1.	Town of Springerville	July 01, 2009 - June 30, 2012

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective January 01, 2010:

	Participating Entity	Membership Term
1.	City of St. Johns	January 01, 2010 - June 30, 2013

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT

Board of Trustees effective July 01, 2010:

	Participating Entity	Membership Term
1.	City of Williams	July 01, 2010 - June 30, 2013
2.	Carpe Diem Collegiate High School	July 01, 2010 - June 30, 2013
3.	Desert View Academy	July 01, 2010 - June 30, 2013

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective March 01, 2011:

	Participating Entity	Membership Term
1.	Town of Taylor	March 01, 2011 - June 30, 2014

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective July 01, 2011:

	Participating Entity	Membership Term
1.	Summit Fire District	July 01, 2011 - June 30, 2014

Participating Entity - Rural Arizona Group Health Trust as authorized and approved by the RAGHT Board of Trustees effective January 01, 2012:

	Participating Entity	Membership Term
1.	Town of Snowflake	January 01, 2012 - June 30, 2015