

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

# CITY OF HOLBROOK



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

## AGENDA

### REGULAR CITY COUNCIL MEETING

MARCH 27, 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:  
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.
- 6) CONSENT AGENDA
  - A. Claims/payment approval for March 9, 2012 thru March 21, 2012:  
Documentation for claims is available at City Hall. (pg 3)
  - B.. Minutes of the regular meeting held on March 13, 2012.(pg 24)
- 7) CLAIMS/PAYMENT APPROVAL FOR WALT'S HARDWARE \$ 2804.09  
(pg 33)
- 8) REPORTS:  
**Mayor:**

**Council Members:**  
**Manager:**

9) OLD BUSINESS:

10) NEW BUSINESS:

- A. Discussion/possible action regarding the sale and refinancing of WIFA and GADA loans-Manager Alley. (pg 35)
- B. Resolution 12-03, authorizing the refinancing of the WIFA and GADA loans. (pg 52)
- C. Resolution 12-04, adopting a Fair Housing policy. (pg 57)

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 20th day of March 2012.

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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**

03/09/2012 THRU 03/21/2012

**TOTAL** **\$112,745.03**

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
<b>3/12/2012</b>												
			<b>IKON OFFICE SOLUTIONS</b>	<b>6510</b>								
5022374494	1	Inv	RENTAL AGREEMENT		03/01/2012 03/14/2012	62.85	0 No		.00		001-004-5047	3/12
			<b>WASTE MGT / PAINTED DESERT L/F</b>	<b>9430</b>								
10653-0462-6	1	Inv	LANDFILL FEES		03/01/2012 03/14/2012	8,925.22	0 No		.00		002-090-5049	3/12
			<b>HOLBROOK TRIBUNE NEWS</b>	<b>6240</b>								
119245	1	Inv	ADVERTISEMENT		02/29/2012 03/28/2012	210.42	0 No		.00		001-001-5044	3/12
			<b>UNISOURCE ENERGY SERVICES</b>	<b>3380</b>								
03072012	1	Inv	UTILITIES		03/07/2012 03/14/2012	282.63	0 No		.00		001-050-5048	3/12
03072012	2	Inv	UTILITIES		03/07/2012 03/14/2012	173.89	0 No		.00		007-087-5048	3/12
03072012	3	Inv	UTILITIES		03/07/2012 03/14/2012	184.72	0 No		.00		001-085-5048	3/12
03072012	4	Inv	UTILITIES		03/07/2012 03/14/2012	161.24	0 No		.00		001-093-5048	3/12
03072012	5	Inv	UTILITIES		03/07/2012 03/14/2012	129.62	0 No		.00		001-093-5048	3/12
03072012	6	Inv	UTILITIES		03/07/2012 03/14/2012	17.42	0 No		.00		001-084-5048	3/12
03072012	7	Inv	UTILITIES		03/07/2012 03/14/2012	325.47	0 No		.00		001-060-5048	3/12
Total 03072012						1,274.99						
Total 3380						1,274.99						
			<b>BRADCO</b>	<b>2590</b>								
175123B	1	Inv	FUEL		02/15/2012 03/28/2012	7,015.82	0 No		.00		007-087-5027	3/12
175723B	1	Inv	FUEL		02/29/2012 03/28/2012	5,542.84	0 No		.00		007-087-5027	3/12
175123B	2	Inv	FUEL		02/15/2012 03/28/2012	92.12	0 No		.00		001-004-5027	3/12
175123B	3	Inv	FUEL		02/15/2012 03/28/2012	566.38	0 No		.00		001-031-5027	3/12
175123B	4	Inv	FUEL		02/15/2012 03/28/2012	60.07	0 No		.00		001-040-5027	3/12
175123B	5	Inv	FUEL		02/15/2012 03/28/2012	3,863.69	0 No		.00		001-050-5027	3/12
175123B	6	Inv	FUEL		02/15/2012 03/28/2012	419.92	0 No		.00		001-060-5027	3/12
175123B	7	Inv	FUEL		02/15/2012 03/28/2012	376.49	0 No		.00		001-084-5027	3/12
175123B	8	Inv	FUEL		02/15/2012 03/28/2012	235.61	0 No		.00		001-085-5027	3/12

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
175123B	9	Inv	FUEL	02/15/2012 03/28/2012	3,072.71	0 No		.00	007-087-5027		3/12
175123B	10	Inv	FUEL	02/15/2012 03/28/2012	2,259.30	0 No		.00	002-090-5027		3/12
175123B	11	Inv	FUEL	02/15/2012 03/28/2012	1,424.87	0 No		.00	002-091-5027		3/12
175123B	12	Inv	FUEL	02/15/2012 03/28/2012	187.50	0 No		.00	002-092-5027		3/12
Total 175123B					12,558.66						
Total 2590					.00						
UNISOURCE ENERGY SERVICES			3380								
03082012	1	Inv	UTILITIES	03/08/2012 03/14/2012	179.07	0 No		.00	002-091-5048		3/12
03082012	2	Inv	UTILITIES	03/08/2012 03/14/2012	110.98	0 No		.00	002-091-5048		3/12
03082012	3	Inv	UTILITIES	03/08/2012 03/14/2012	110.98	0 No		.00	002-092-5048		3/12
03082012	4	Inv	UTILITIES	03/08/2012 03/14/2012	466.24	0 No		.00	001-050-5048		3/12
Total 03082012					867.27						
Total 3380					867.27						
HOME DEPOT			6310								
02182012	2	Inv	SUPPLIES	02/18/2012 02/25/2012	181.68 -	2 No		.00	001-031-5026		3/12
02182012	3	Inv	SUPPLIES	02/18/2012 02/25/2012	21.87 -	2 No		.00	002-091-5026		3/12
02182012	4	Inv	SUPPLIES	02/18/2012 02/25/2012	120.48 -	2 No		.00	001-031-5026		3/12
Total 02182012					324.03 -						
Total 6310					324.03 -						
DIXON, TIM			4380								
03062012	1	Inv	REIMBURSEMENT	03/06/2012 03/14/2012	45.75	0 No		.00	001-050-5045		3/12
Total 3/12/2012					11,062.47						

03/12/2012 GL Period Summary

GL Period	Amount
3/12	11,062.47

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<u>GL Period</u>	<u>Amount</u>
	<u>11,062.47</u>

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
<b>3/14/2012</b>												
AUTO SAFETY HOUSE				1571								
3213290001	1	Inv	PARTS/REPAIRS		11/25/2011	1,823.30	2		.00			3/12
					03/14/2012		No			002-092-5024		
3220650018	1	Inv	PARTS/REPAIRS		03/05/2012	4,921.38	2		.00			3/12
					03/14/2012		No			007-087-5024		
Total 1571						6,744.68						
BANANA JONS				2177								
11-6366	1	Inv	RENTAL/MAINT		03/12/2012	272.00	2		.00			3/12
					03/19/2012		No			001-031-5047		
Total 3/14/2012						7,016.68						

03/14/2012 GL Period Summary

GL Period	Amount
3/12	7,016.68
	7,016.68

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
<b>3/15/2012</b>											
HOLBROOK ELK'S LODGE			6138								
03052012	1	Inv	POSSE DNNER	03/05/2012	1,600.00	3		.00			3/12
				03/28/2012		No			001-014-5057		
HOLBROOK TRIBUNE NEWS			6240								
119244	1	Inv	ADVERTISEMENT	02/29/2012	275.63	0		.00			3/12
				03/28/2012		No			001-014-5057		
CHAMBER OF COMMERCE			3220								
03142012	1	Inv	REIMBURSEMENT	03/14/2012	295.00	0		.00			3/12
				03/28/2012		No			001-014-5057		
Total 3/15/2012					<u>2,170.63</u>						

03/15/2012 GL Period Summary

GL Period	Amount
3/12	<u>2,170.63</u>
	<u>2,170.63</u>

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
<b>3/19/2012</b>											
<b>INGRAM</b>											
'05,03404646	1	Inv	BOOKS	6620	02/17/2012	47.13	0				
					03/28/2012		No			001-020-5026	3/12
<b>H&amp;C STARTER</b>											
780598	1	Inv	PARTS	5740	03/13/2012	261.99	0				
					03/28/2012		No			001-050-5024	3/12
<b>MOHAVE ENVIRONMENTAL LAB</b>											
58184	1	Inv	TESTING	8270	03/01/2012	280.00	0				
					03/28/2012		No			002-092-5041	3/12
<b>BRADCO</b>											
176126	1	Inv	OIL	2590	03/13/2012	827.25	0				
					03/28/2012		No			007-087-5027	3/12
<b>GRAINGER</b>											
9773690277	1	Inv	PARTS	5580	03/08/2012	171.50	0				
					03/28/2012		No			002-092-5026	3/12
<b>HOLBROOK TRIBUNE NEWS</b>											
119246	1	Inv	ADVERTISEMENT	6240	02/29/2012	526.05	0				
					03/28/2012		No			001-014-5057	3/12
<b>ECKRIGHT, EBERLE</b>											
104	1	Inv	REPAIRS	4753	03/16/2012	2,450.00	0				
					03/21/2012		Yes			002-191-5072	3/12
<b>COPPERSTATE BOLT &amp; NUT</b>											
S00106324	1	Inv	PAINT	3750	03/08/2012	53.19	0				
					03/28/2012		No			002-091-5026	3/12
S00106324	2	Inv	PAINT		03/08/2012	53.19	0				
					03/28/2012		No			002-092-5026	3/12
Total S00106324						106.38					
Total 3750						106.38					
<b>CANYON PIPE &amp; SUPPLY</b>											
3327618.001	1	Inv	SUPPLIES	3039	03/01/2012	962.72	2				
					03/28/2012		No			002-191-5072	3/12
3322907.001	1	Inv	SUPPLIES		03/01/2012	736.88	2				
					03/28/2012		No			002-191-5072	3/12
Total 3039						1,699.60					
<b>NAVAJO COUNTY RECORDER</b>											
00141188	1	Inv	RECORDING	8730	03/15/2012	8.00	0				
					03/28/2012		No			001-005-5054	3/12
<b>FRONTIER COMM TELE</b>											
03152012	1	Inv	UTILITIES	3350	03/15/2012	56.34	0				
					03/21/2012		No			001-050-5048	3/12
03152012	2	Inv	UTILITIES		03/15/2012	292.97	0				

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
					03/21/2012		No				001-014-5048	
Total 03152012						349.31						
Total 3350						349.31						
CASANOVA M.D., FRANCISCO				3120								
6150,186236	1	Inv	PHYSICALS		02/16/2012	80.00	0		.00			3/12
					03/28/2012		Yes			002-090-5041		
5150, 186236	1	Inv	PHYSICALS		02/28/2012	80.00	0		.00			3/12
					03/28/2012		Yes			007-087-5041		
Total 3120						160.00						
AMERIGAS - HOLBROOK				920								
3007225763	1	Inv	UTILITIES		03/12/2012	281.34	2		.00			3/12
					03/21/2012		No			001-040-5048		
CARQUEST AUTO PARTS				2440								
03152012	1	Inv	PARTS		03/15/2012	27.50	0		.00			3/12
					03/28/2012		No			002-090-5024		
03152012	2	Inv	PARTS		03/15/2012	2.19	0		.00			3/12
					03/28/2012		No			007-087-5024		
03152012	3	Inv	3		03/15/2012	35.22	0		.00			3/12
					03/28/2012		No			001-050-5024		
03152012	4	Inv	PARTS		03/15/2012	67.46	0		.00			3/12
					03/28/2012		No			002-091-5024		
03152012	5	Inv	PARTS		03/15/2012	11.00	0		.00			3/12
					03/28/2012		No			001-031-5024		
03152012	6	Inv	PARTS		03/15/2012	105.75	0		.00			3/12
					03/28/2012		No			001-040-5026		
Total 03152012						249.12						
Total 2440						249.12						
Total 3/19/2012						7,417.67						

03/19/2012 GL Period Summary

GL Period	Amount
3/12	7,417.67
	<u>7,417.67</u>

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
<b>3/20/2012</b>												
6871-396817	1	Inv	PARTS		03/15/2012 03/28/2012	21.78	0 No		.00		001-031-5024	3/12
Total 2440						21.78						
HOME DEPOT				6310								
03142012	1	Inv	SUPPLIES		03/14/2012 03/21/2012	151.94	2 No		.00		001-031-5026	3/12
02162012	1	Inv	SUPPLIES		02/16/2012 03/21/2012	1,173.97	2 No		.00		001-031-5026	3/12
Total 6310						1,325.91						
CANYON PIPE & SUPPLY				3039								
3322907.002	1	Inv	SUPPLIES		03/06/2012 03/28/2012	170.78	2 No		.00		002-091-5026	3/12
BRADCO				2590								
176332	1	Inv	FUEL		03/15/2012 03/21/2012	7,686.91	0 No		.00		007-087-5027	3/12
FRONTIER COM LONG DISTANCE				3353								
3673404	1	Inv	UTILITIES		02/20/2012 03/21/2012	11.58	2 No		.00		001-004-5048	3/12
3673404	2	Inv	UTILITIES		02/20/2012 03/21/2012	77.01	2 No		.00		001-050-5048	3/12
3673404	3	Inv	UTILITIES		02/20/2012 03/21/2012	11.85	2 No		.00		001-084-5048	3/12
3673404	4	Inv	UTILITIES		02/20/2012 03/21/2012	6.29	2 No		.00		001-004-5048	3/12
3673404	5	Inv	UTILITIES		02/20/2012 03/21/2012	1.14	2 No		.00		001-031-5048	3/12
3673404	6	Inv	UTILITIES		02/20/2012 03/21/2012	16.27	2 No		.00		001-020-5048	3/12
3673404	7	Inv	UTILITIES		02/20/2012 03/21/2012	4.88	2 No		.00		002-092-5048	3/12
Total 3673404						129.02						
Total 3353						129.02						
Total 3/20/2012						9,334.40						

03/20/2012 GL Period Summary

GL Period	Amount
3/12	9,334.40
	9,334.40

<u>GL Period</u>	<u>Amount</u>
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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
<b>3/21/2012</b>												
	12-03	1 Inv	NAVAJO COUNTY SHERIFF OFFICE DISPATCH SERVICES	8735	03/16/2012 03/28/2012	25,000.00	2 No		.00	001-050-5049		3/12
	03162012	1 Inv	A.P.S. UTILITIES	70	03/16/2012 03/21/2012	3,270.42	0 No		.00	007-087-5048		3/12
Total 3/21/2012						<u>28,270.42</u>						

03/21/2012 GL Period Summary

GL Period	Amount
3/12	<u>28,270.42</u>
	<u>28,270.42</u>
Grand Total:	<u>65,272.27</u>

Report GL Period Summary

GL Period	Amount
3/12	<u>65,272.27</u>
	<u>65,272.27</u>

Vendor Number Hash: 172465  
 Vendor Number Hash - Split: 280823  
 Total Number of Invoices: 40  
 Total Number of Transactions: 74

TC	Terms Description	Invoice Amt	Discount Amt	Net Inv Amt
0	Open Terms	28,372.97	.00	28,372.97
2	NET 7	35,299.30	.00	35,299.30
3	IMMEDIATELY	1,600.00	.00	1,600.00
		<u>65,272.27</u>	<u>.00</u>	<u>65,272.27</u>

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
<b>3/12/2012</b>												
O'REILLY AUTO PARTS			21622									
2652-162555	1	Inv PARTS			03/08/2012	53.73	0		.00			3/12
					03/28/2012		No			001-085-5024		
WELLS FARGO REMITTANCE CENTER			20946									
03052012	1	Inv TRAVEL			03/05/2012	134.79	0		.00			3/12
					03/14/2012		No			001-050-5045		
QUALITY READY MIX-CEMEX			9955									
9423261422	1	Inv CONCRETE			03/08/2012	691.36	8	03/21/2012	6.34			3/12
					03/14/2012		No			007-087-5026		
9423268346	1	Inv CONCRETE			03/08/2012	655.90	8	03/23/2012	6.01			3/12
					03/14/2012		No			007-087-5026		
Total 9955						1,347.26						
NORTH COUNTRY HEALTHCARE			20979									
843333	1	Inv PROFESSIONAL FEES			02/13/2012	25.00	0		.00			3/12
					03/14/2012		No			001-085-5041		
843342	1	Inv PROFESSIONAL FEES			02/13/2012	25.00	0		.00			3/12
					03/14/2012		No			002-091-5041		
854431	1	Inv PROFESSIONAL FEES			02/13/2012	25.00	0		.00			3/12
					03/14/2012		No			007-087-5041		
Total 20979						75.00						
ROUTE 66 MAGAZINE			21606									
HCOFC 009	1	Inv ADVERTISING			03/05/2012	281.25	0		.00			3/12
					03/28/2012		No			001-014-5057		
PATTERSON, RAY			21467									
02132012	1	Inv REIMBURSEMENT			02/13/2012	17.64	0		.00			3/12
					03/14/2012		No			001-050-5045		
SYMBOLARTS			21835									
0162581-IN	1	Inv UNIFORMS			02/10/2012	1,340.00	0		.00			3/12
					03/28/2012		No			001-050-5023		
WELLS FARGO REMITTANCE CENTER			20946									
03052012	2	Inv TRAVEL			03/05/2012	616.20	0		.00			3/12
					03/14/2012		No			001-050-5045		
03052012	3	Inv SUPPLIES			03/05/2012	2,297.16	0		.00			3/12
					03/14/2012		No			001-031-5026		
03052012	4	Inv SUPPLIES			03/05/2012	21.87	0		.00			3/12
					03/14/2012		No			002-091-5026		
03052012	5	Inv SUPPLIES			03/05/2012	21.70	0		.00			3/12
					03/14/2012		No			001-020-5021		
03052012	6	Inv TRAVEL			03/05/2012	53.67	0		.00			3/12
					03/14/2012		No			002-092-5045		
03052012	7	Inv SUPPLIES			03/05/2012	282.57	0		.00			3/12
					03/14/2012		No			001-031-5026		

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
03052012	8	Inv	TRAVEL	03/05/2012 03/14/2012	751.27	0 No		.00		001-050-5045	3/12
03052012	9	Inv	TRAVEL	03/05/2012 03/14/2012	5.75	0 No		.00		001-050-5045	3/12
03052012	10	Inv	SUPPLIES	03/05/2012 03/14/2012	95.48	0 No		.00		001-004-5021	3/12
Total 03052012					4,145.67						
Total 20946					4,145.67						
Total 3/12/2012					7,395.34						

03/12/2012 GL Period Summary

GL Period	Amount
3/12	7,395.34
	<u>7,395.34</u>

Invoice No	Seq	Type	Vendor Name Description Inventory No	Vendor No	Inv Date Due Date	Total Cost	Term	Disc Date	Disc Amt	PO Number	GL Per GL Acct	R
<b>3/13/2012</b>												
ROUTE 66 MAGAZINE				21606								
HCOFC 009	2	Adj			03/05/2012	.25 -	0		.00			3/12
					03/28/2012		No				001-014-5044	
<b>WATSON, THOMAS ALLAN</b>												
				21637								
2066.02	2	Adj	DEPOSIT REFUNDS		03/13/2012	101.20 -	0		.00			2/12
					03/13/2012		No				002-0002520	
<b>Total 3/13/2012</b>						<u>101.45 -</u>						

03/13/2012 GL Period Summary

GL Period	Amount
2/12	101.20 -
3/12	.25 -
	<u>101.45 -</u>

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
<b>3/14/2012</b>												
SMARTWORKSPLUS, INC.			21532									
17	1	Inv	CONTRACT SERVICES		03/15/2012	.00	0		.00			3/12 Y
					03/15/2012		No			002-091-5049		
17	2	Inv	CONTRACT SERVICES		03/15/2012	2,537.98	0		.00			3/12 Y
					03/15/2012		No			001-050-5049		
17	3	Inv	CONTRACT SERVICES		03/15/2012	3,001.90	0		.00			3/12 Y
					03/15/2012		No			001-040-5049		
17	4	Inv	COTNRACT SERVICES		03/15/2012	2,719.72	0		.00			3/12 Y
					03/15/2012		No			001-005-5049		
Total 17						8,259.60						
Total 21532						8,259.60						
SIMPSON, CARY			20326									
01282012	1	Inv	SOFTWARE		01/28/2012	22.00	3		.00			3/12
					03/14/2012		Yes			001-060-5021		
SAFEWAY, INC * 3189			10510									
03092012	1	Inv	RESALE		03/09/2012	58.07	0		.00			3/12
					03/14/2012		No			001-040-5029		
KARGES, JULENA			21838									
183002	1	Inv	REFUND DEPOSIT		03/08/2012	105.40	0		.00			3/12
					03/14/2012		No			002-0002520		
Total 3/14/2012						8,445.07						

03/14/2012 GL Period Summary

GL Period	Amount
3/12	8,445.07
	<u>8,445.07</u>

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
<b>3/15/2012</b>												
BELBECK	TIMOTHY	THOMAS		21774								
03092012	1	Inv	ABATEMENT		03/09/2012	800.00	0		.00			3/12
					03/14/2012		Yes			001-005-5060		
Total 3/15/2012						800.00						

03/15/2012 GL Period Summary

GL Period	Amount
3/12	800.00
	800.00

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
<b>3/19/2012</b>												
UNIQUE MANAGEMENT SERVICES INC				21441								
219650	1	Inv	COLLECTIONS		03/01/2012	44.75	0		.00			3/12
					03/28/2012		No			001-000-4720		
OUR LADY OF GUADALUPE PARISH				20024								
03162012	1	Inv	RENTAL		03/16/2012	200.00	2		.00			3/12
					03/28/2012		No			001-014-5057		
PRINT PLACE				9800								
32335	1	Inv	PRINTING		03/12/2012	325.90	0		.00			3/12
					03/28/2012		No			001-005-5046		
WELLS FARGO REMITTANCE CENTER				20946								
03142012	1	Inv	SUPPLIES		03/14/2012	1,994.45	0		.00			3/12
					03/21/2012		No			001-031-5026		
03142012	2	Inv	SUPPLIES		03/14/2012	498.13	0		.00			3/12
					03/21/2012		No			001-060-5026		
03142012	3	Inv	SUPPLIES		03/14/2012	142.57	0		.00			3/12
					03/21/2012		No			001-060-5021		
Total 03142012						2,635.15						
Total 20946						2,635.15						
RDO EQUIPMENT CO				10080								
P41346	1	Inv	PARTS		03/15/2012	275.80	2		.00			3/12
					03/28/2012		No			001-040-5024		
P41346	2	Inv	PARTS		03/15/2012	275.81	2		.00			3/12
					03/28/2012		No			002-091-5024		
Total P41346						551.61						
03152012	1	Inv	PARTS		03/15/2012	2,254.58	2		.00			3/12
					03/28/2012		No			007-087-5024		
Total 10080						2,806.19						
WELLS FARGO REMITTANCE CENTER				20946								
03142012	4	Inv	TRAVEL		03/14/2012	26.56	0		.00			3/12
					03/21/2012		No			001-050-5045		
O'REILLY AUTO PARTS				21622								
2652-163440	1	Inv	PARTS		03/14/2012	15.94	0		.00			3/12
					03/28/2012		No			001-050-5024		
2652-162613	1	Inv	PARTS		03/08/2012	116.53	0		.00			3/12
					03/28/2012		No			001-031-5024		
2652-162607	1	Inv	PARTS		03/08/2012	222.69	0		.00			3/12
					03/28/2012		No			001-031-5024		
2652-162570	1	Inv	PARTS		03/08/2012	192.64	0		.00			3/12
					03/28/2012		No			001-004-5024		
2652-162707	1	Inv	PARTS		03/09/2012	2.30	0		.00			3/12
					03/28/2012		No			001-031-5024		
2652-162634	1	Inv	PARTS		03/08/2012	119.44	0	03/28/2012	.00			3/12
					03/28/2012		No			001-004-5024		

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
2652-162596	1	Inv	PARTS		03/08/2012	76.81	0		.00			3/12
					03/28/2012		No			001-084-5024		
2652-163445	1	Inv	PARTS		03/14/2012	.28	0		.00			3/12
					03/28/2012		No			001-031-5024		
2652-163533	1	Inv	PARTS		03/15/2012	14.73	0		.00			3/12
					03/28/2012		No			001-085-5024		
Total 21622						527.74						
WELLS FARGO REMITTANCE CENTER				20946								
03062012	1	Inv	SUPPLIES		03/06/2012	2,468.64	0		.00			3/12
					03/28/2012		No			002-092-5026		
03062012	2	Inv	SUPPLIES		03/06/2012	2,988.34	0		.00			3/12
					03/28/2012		No			001-031-5026		
Total 03062012						5,456.98						
Total 20946						5,456.98						
QUALITY READY MIX-CEMEX				9955								
9423309148	1	Inv	CONCRETE		03/13/2012	7,424.06	8	03/28/2012	68.15			3/12
					03/21/2012		No			007-087-5026		
9423316909	1	Inv	CONCRETE		03/15/2012	8,410.08	8	03/30/2012	77.21			3/12
					03/21/2012		No			007-087-5026		
Total 9955						15,834.14						
BERG, KEVIN				21839								
207463	1	Inv	DELIVERY SERVICE		03/14/2012	111.00	0		.00			3/12
					03/21/2012		No			001-031-5026		
QUILL OFFICE PRODUCTS				9990								
42575872	1	Inv	Chairs		03/12/2012	263.50	0		.00			3/12
					03/28/2012		No			001-050-5021		
42575730	1	Inv	Chairs		03/12/2012	395.25	0		.00			3/12
					03/28/2012		No			001-004-5021		
Total 9990						658.75						
SIRSI CORPORATION				10871								
INVIS020553	1	Inv	SOFTWARE		02/17/2012	650.00	1		.00			3/12
					03/28/2012		No			001-020-5021		
Total 3/19/2012						29,277.16						

03/19/2012 GL Period Summary

GL Period	Amount
3/12	29,277.16

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<u>GL Period</u>	<u>Amount</u>
	<u>29,277.16</u>

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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
<b>3/20/2012</b>											
O'REILLY AUTO PARTS			21622								
2652-163751	1	Inv PARTS		03/16/2012	167.84	0		.00			3/12
				03/28/2012		No			001-084-5024		
2652-163677	1	Inv PARTS		03/16/2012	1.98	0		.00			3/12
				03/28/2012		No			001-050-5024		
Total 21622					169.82						
WILKINSON GRAPHICS			21095								
03192012	1	Inv REPARIS		03/19/2012	760.00	0		.00			3/12
				03/28/2012		No			001-050-5024		
SAM'S CLUB 6604			10530								
03082012	1	Inv SUPPLIES		03/08/2012	14.98	0		.00			3/12
				03/21/2012		No			001-031-5026		
AVESIS THIRD PARTY ADMIN INC			21412								
03202012	1	Inv INSURANCE PREMIUM		03/20/2012	439.38	0		.00			3/12
				03/21/2012		No			099-0002524		
SAM'S CLUB 6604			10530								
03022012	1	Inv SUPPLIES		03/02/2012	19.97	0		.00			3/12
				03/21/2012		No			002-090-5026		
03022012	2	Inv SUPPLIES		03/02/2012	19.97	0		.00			3/12
				03/21/2012		No			002-091-5026		
03022012	3	Inv SUPPLIES		03/02/2012	19.97	0		.00			3/12
				03/21/2012		No			002-092-5026		
03022012	4	Inv SUPPLIES		03/02/2012	19.97	0		.00			3/12
				03/21/2012		No			001-085-5026		
03022012	5	Inv SUPPLIES		03/02/2012	19.97	0		.00			3/12
				03/21/2012		No			001-004-5026		
Total 03022012					99.85						
Total 10530					99.85						
Total 3/20/2012					1,484.03						

03/20/2012 GL Period Summary

GL Period	Amount
3/12	1,484.03
	<u>1,484.03</u>

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
<b>3/21/2012</b>												
R&R PRODUCTS												
CD1536740	1	Inv	PARTS	10030	03/19/2012 03/28/2012	172.61	0 No		.00			3/12 001-040-5024
Total 3/21/2012						172.61						

03/21/2012 GL Period Summary

GL Period	Amount
3/12	172.61
	172.61
Grand Total:	47,472.76

Report GL Period Summary

GL Period	Amount
2/12	101.20 -
3/12	47,573.96
	47,472.76

Vendor Number Hash: 868794  
 Vendor Number Hash - Split: 1215996  
 Total Number of Invoices: 48  
 Total Number of Transactions: 67

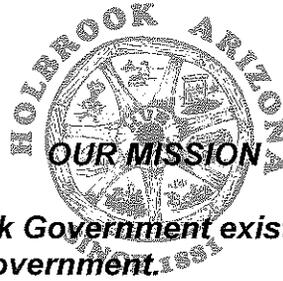
TC	Terms Description	Invoice Amt	Discount Amt	Net Inv Amt
0	Open Terms	26,613.17	.00	26,613.17
1	NET 20	650.00	.00	650.00
2	NET 7	3,006.19	.00	3,006.19
3	IMMEDIATELY	22.00	.00	22.00
8	1% 15TH, NET 30TH	17,181.40	157.71	17,023.69
		47,472.76	157.71	47,315.05

Report Criteria:  
 Invoice.Vendor No = 9701-99999

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



*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:

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.

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 truck-Manager Alley. (pg 42)
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, 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.

1  
2 MINUTES OF THE REGULAR MEETING OF THE  
3 HOLBROOK CITY COUNCIL HELD ON MARCH 13, 2012  
4

5 CALL TO ORDER:  
6

7 Mayor Hill called the meeting to order at 6:02 p.m.

8 ROLL CALL:

9 Mayor Jeff Hill, Vice-Mayor Charles Haussman, Councilmember's Richard Peterson,  
10 Myron Maxwell, Wade Carlisle and Phil Cobb. Councilmember Tyler arrived before Old  
11 Business.

12 PLEDGE OF ALLEGIANCE/INVOCATION:

13 Finance Director Sullivan led the pledge of allegiance and Councilmember Carlisle gave  
14 the invocation.

15 CITY STAFF:

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

18 CEREMONIALS/ANNOUNCEMENTS/PRESENTATION: Moved before old business.

19 PETITIONS FROM THE PUBLIC:

20 CONSENT AGENDA

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

- 22 A. Claims/payment approval for February 23, 2012 thru March 8, 2012.  
23 B. Minutes of the regular meeting held on February 28, 2012.

24 Councilmember Carlisle seconded and the motion carried unanimously.  
25

26 CLAIMS/PAYMENT APPROVAL FOR: Walt's Hardware:

1 Mayor Hill and Councilmember Carlisle recused themselves from this item as they are the  
2 owner's of Walt's Hardware and left the Council Chambers. Councilmember Maxwell made a  
3 motion to approve the claims for Walt's Hardware in the amount of \$3010.15. Councilmember  
4 Cobb seconded and the motion carried unanimously.

5 SUMMARY OF CURRENT EVENTS:

6 Mayor:

7 Councilmembers:

8 A. Vice-Mayor Haussman reported that City Clerk Reyes and he had attended the  
9 NPC Community Forum earlier in the day. Vice-Mayor Haussman reported that  
10 it was announced in the forum that the Skill Center will be built in Holbrook and  
11 should open the fall of 2013.

12 B. Councilmember Maxwell reported that he had attended the Community Forum  
13 on Potash and was very impressed. Councilmember Maxwell stated that the  
14 auditorium was 80% full.

15 C. Councilmember Cobb thanked all the individuals who were involved in all the  
16 fund raisers this weekend.

17 D. Councilmember Cobb reported that DARE is looking for donations for the  
18 program. Anyone wishing to do so may send funds to Holbrook Police  
19 Department.

20 Manager's Report:

21 A. Manager Alley reported that the new well is up and running. Manager Alley  
22 reported that Staff is still installing equipment and doing some electrical work.  
23 Manager Alley reported that the well has been tested and has passed ADEQ

1 requirements.

2 B. Manager Alley reported that the Street Department is concreting W. Delaware.

3 Manager Alley reported that E. Florida will be completed after school is out for  
4 summer.

5 C. Manager Alley reported that pool repairs are ongoing and invited Council to  
6 come see what has been accomplished.

7 D. Manager Alley reported that Staff will be bidding for a backhoe/loader which is <sup>in</sup>  
8 the budget for this year. Manager Alley stated that he hopes to pay for ½ of the  
9 backhoe this year and the other half next fiscal year.

10 E. Manager Alley reported that Staff has bid 4 police cars. Manager Alley explained  
11 that enough funds have been saved on the jail contract and professional services  
12 that the cars should be able to be purchased this fiscal year. Councilmember  
13 Maxwell thanked Manager Alley for saving money and using it to buy something  
14 physical.

15 CEREMONIALS/ANNOUNCEMENTS/PRESENTATION:

16 Kristi Hillebert gave a presentation to the Council for Women's Day in May. Ms.  
17 Hillebert stated that this day is to recognize and bring awareness to the public about  
18 resources and information for victims/survivors of sexual assault and domestic violence.

19 Women's' Day in May will be held on May 12, 2012 from 10-2 at Martinez Hall, Navajo  
20 County Fairgrounds and admission is free.

21 OLD BUSINESS:

22 NEW BUSINESS:

1 A. Chief of Police Mark Jackson requested permission from the Council to  
2 submit a grant application to the USDA Rural Development Department  
3 for the purchase of police cars. Chief Jackson explained that if the grant  
4 is awarded it will pay 15% towards the cars and the City will be  
5 responsible for the remaining 85%. Chief Jackson stated that he did not  
6 know if this grant will award in time to pay for the 4 cars that have been  
7 bid. Councilmember Carlisle made a motion to allow Chief Jackson to  
8 submit a grant application to the USDA. Councilmember Tyler seconded  
9 and the motion carried unanimously.

10 B. Manager Alley requested to be allowed to expend funds to Auto Safety  
11 House in the amount of \$1823.30 for repairs to the Vac-Con. Manager  
12 Alley stated that three quotes were not obtained because the vehicle  
13 could not be driven anywhere to be checked out by someone else.  
14 Manager Alley stated that the truck was derating (shutting itself down)  
15 and had to be towed. Manager Alley stated that Auto Safety House  
16 towed the vehicle to Flagstaff for repairs. Manager Alley stated that  
17 when the repairs were complete and the truck was returned it still was  
18 not operating properly so Staff took it to Auto Safety House to have it  
19 worked on and it has been working fine ever since. Councilmember  
20 Cobb made a motion to spend funds not to exceed \$1823.30 to Auto  
21 Safety House for repairs to the Vac-Con.

22 C. Manager Alley requested to be allowed to expend funds to Auto Safety  
23 House in the amount of \$4921.38 for repairs to the Street's Department

1 dump truck. Manager Alley stated that three quotes were not obtained  
2 because the vehicle could not be driven anywhere to be checked out by  
3 someone else. Manager Alley stated that the dump truck was shutting  
4 itself down and could not be driven to Flagstaff for repairs and would've  
5 had to be towed as a substantial cost to the City. Manager Alley  
6 stated that due to this the truck was taken to Auto Safety House.  
7 Manager Alley stated that 6 injectors were replaced as a part of the  
8 repairs. Councilmember Carlisle asked what caused the injectors to  
9 have to be replaced. Manager Alley stated that he did not know but  
10 would ask and get back to Council. Councilmember Carlisle made a  
11 motion to expend funds to Auto Safety House in the amount not to  
12 exceed \$4921.38. Councilmember Cobb seconded and the motion  
13 carried unanimously.

14 D. Manager Alley requested that the Council name Auto Safety House a  
15 sole source provider for heavy duty truck repairs. Manager Alley stated  
16 that if one of the heavy duty vehicles breaks down it would have to be  
17 towed to Flagstaff which will cost at least \$1000.00 per tow. Manager  
18 Alley stated that this would not only save costs but also time as Auto  
19 Safety House is a local vendor. City Clerk Reyes pointed out that Auto  
20 Safety House is on State Contract. Vice-Mayor Haussman made a  
21 motion to declare Auto Safety House a sole source provider for heavy  
22 duty truck service. Councilmember Cobb seconded and the motion  
23 carried unanimously.

1 E. Manager Alley requested to be allowed to expend funds to Authorized  
2 Pump Systems for repairs to the wet well at the Golf Course. Finance  
3 Director Sullivan stated that this is the original installer of the pump and  
4 control panel. Manager Alley stated that he attempted to obtain quotes  
5 on this repair work but due to the intricacy of the control panel operation  
6 no one was able to provide a quote. Finance Director Sullivan stated  
7 that the pump hasn't worked properly for over 1 year and this pump is  
8 used to water the greens. Councilmember Cobb made a motion to  
9 expend funds not to exceed \$8282.50 to Authorized Pump Systems.  
10 Councilmember Tyler seconded and the motion carried unanimously.

11 F. Mayor Hill presented Resolution 12-01 captioned as follows:

12 **A RESOLUTION OF THE CITY OF HOLBROOK APPROVING THE**  
13 **AMENDMENTS TO THE RURAL ARIZONA GROUP HEALTH TRUST**  
14 **AGREEMENT AND DECLARATION OF TRUST DATED JULY 01, 2012**  
15

16 Manager Alley informed the Council that this resolution is to accept  
17 changes to the City's Health Insurance Trust and is mainly a  
18 housekeeping item. Manager Alley stated that if we do not accept the  
19 amendments the City could be excluded from the Trust for the next year.

20 Councilmember Carlisle made a motion to adopt Resolution 12-01 as  
21 presented. Vice-Mayor Haussman seconded and the motion carried  
22 unanimously.  
23

24 EXECUTIVE SESSION:

25 POST EXECUTIVE SESSION:

1 CALL TO THE AUDIENCE:

2 ADJOURNMENT:

3 There being no further business to come before the Council at this time, adjourned the  
4 meeting by unanimous consent at 6:44 p.m.

5

6

\_\_\_\_\_  
Jeff Hill, Mayor

7 CERTIFICATION:

8 I hereby certify that the foregoing minutes are a true and correct copy of the minutes of  
9 the regular meeting of the Holbrook City Council held on the March 13, 2012. I further  
10 certify that the meeting was duly called and held and that a quorum was present.

11

12

13

\_\_\_\_\_  
Cher Reyes, CMC, CPM, City Clerk

**CITY OF HOLBROOK**

**INVOICE APPROVAL REPORT**

**BY GL NUMBER WALT'S  
HARDWARE**

03/09/2012 THRU 03/21/2012

**TOTAL** **\$2,390.77**

Report Criteria:  
 Invoice.Vendor No = 9700

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
<b>3/20/2012</b>											
WALT'S HARDWARE			9700								
03152011	1	Inv	SUPPLIES	03/15/2012	119.92	0		.00			3/12
				03/28/2012		No			001-085-5026		
03152012	1	Inv	SUPPLIES	03/15/2012	7.41	0		.00			3/12
				03/28/2012		No			002-090-5026		
03152012	2	Inv	SUPPLIES	03/15/2012	64.36	0		.00			3/12
				03/28/2012		No			007-087-5026		
03152012	3	Inv	SUPPLIES	03/15/2012	14.13	0		.00			3/12
				03/28/2012		No			001-050-5026		
03152012	4	Inv	SUPPLIES	03/15/2012	113.48	0		.00			3/12
				03/28/2012		No			001-085-5026		
03152012	5	Inv	SUPPLIES	03/15/2012	49.10	0		.00			3/12
				03/28/2012		No			001-084-5026		
03152012	6	Inv	SUPPLIES	03/15/2012	2.55	0		.00			3/12
				03/28/2012		No			001-014-5026		
03152012	7	Inv	SUPPLIES	03/15/2012	123.24	0		.00			3/12
				03/28/2012		No			001-040-5026		
03152012	8	Inv	SUPPLIES	03/15/2012	125.24	0		.00			3/12
				03/28/2012		No			002-092-5026		
03152012	9	Inv	SUPPLIES	03/15/2012	188.81	0		.00			3/12
				03/28/2012		No			002-091-5026		
03152012	10	Inv	SUPPLIES	03/15/2012	2.79	0		.00			3/12
				03/28/2012		No			001-031-5026		
03152012	11	Inv	SUPPLIES	03/15/2012	132.73	0		.00			3/12
				03/28/2012		No			001-020-5026		
03152012	12	Inv	SUPPLIES	03/15/2012	1,258.29	0		.00			3/12
				03/28/2012		No			001-031-5026		
Total 03152012					2,082.13						
02182012B	1	Inv	SUPPLIES	02/18/2012	28.17	0		.00			3/12
				03/28/2012		No			002-091-5026		
02182012B	2	Inv	SUPPLIES	02/18/2012	45.42	0		.00			3/12
				03/28/2012		No			001-050-5026		
02182012B	3	Inv	SUPPLIES	02/18/2012	43.59	0		.00			3/12
				03/28/2012		No			002-091-5026		
02182012B	4	Inv	SUPPLIES	02/18/2012	2.17	0		.00			3/12
				03/28/2012		No			001-004-5026		
02182012B	5	Inv	SUPPLIES	02/18/2012	69.37	0		.00			3/12
				03/28/2012		No			001-031-5026		
Total 02182012B					188.72						
Total 9700					2,390.77						
Total 3/20/2012					2,390.77						

**HOLBROOK CITY COUNCIL**  
**AGENDA ITEM REQUEST**

**ISSUE/ITEM:** WIFA re-financing

**DATE OF MEETING:** March 27, 2012

**ACTION REQUESTED:** *Approving and authorizing the sale and refinancing of the WIFA and GADA loans.*

**BACKGROUND:** In October, staff looked at the possibility of refinancing the City's WIFA and GADA loans for the treatment plant. Stone and Youngberg helped facilitate the refinancing and went out to bid in February. Zion National Bank of Arizona won that bid. The refinancing will save the City around \$60,000 with the rates going from 3.7% to 2.8%.

**GENERAL PLAN:** This meets the general plan of public facilities and services by reinvesting in the City's infrastructure and maintenance for the benefit of Holbrook residents. Cost-effective improvements contribute to excellence in services to citizens.

**IF A BID, LIST VENDORS BID SENT TO:** N/A

**BUDGET LINE:** Waste Water Debt Service 12/13 budget

**FUNDS AVAILABLE:**

**Approvals (as required)** City Manager \_\_\_\_\_

Finance Director \_\_\_\_\_

DRAFT  
02/23/12  
03/05/12

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**FIRST PURCHASE AGREEMENT**

by and between

**U.S. BANK NATIONAL ASSOCIATION,**  
as Seller

and

**CITY OF HOLBROOK, ARIZONA,**  
as Purchaser

Dated as of March 1, 2012

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## FIRST PURCHASE AGREEMENT

THIS FIRST PURCHASE AGREEMENT, dated as of March 1, 2012 (this "Agreement"), by and between CITY OF HOLBROOK, ARIZONA, a municipal corporation under the laws of the State of Arizona ("City"), as purchaser hereunder, and U.S. BANK NATIONAL ASSOCIATION, a national banking association ("Trustee"), in its capacity as trustee under the First Trust Agreement, dated as of even date herewith (the "Trust Agreement"), by and between Trustee and City and seller hereunder,

### W I T N E S S E T H:

WHEREAS, the Council (as such term, and all other terms used herein and needing to be so, are defined in the Trust Agreement) has determined that it will be beneficial to the citizens of City to refinance the remaining costs of the Project; and

WHEREAS, for such purpose, the Council requested that Trustee sell and execute and deliver the Obligations, and the Trustee has, as described in the Trust Agreement, caused certain deposits as provided therein to be made; and

WHEREAS, City is a municipal corporation duly organized and validly existing under the laws of the State; the Constitution and the laws of the State authorize City to enter into this Agreement and the transactions contemplated by this Agreement; City has duly authorized and executed this Agreement; this Agreement is a lawful, valid and binding obligation of City, enforceable against City in accordance with its terms; all required procedures for execution and performance of this Agreement, including publication of notice, public hearing or competitive bidding, if applicable, have been or will be complied with in a timely manner; there are no legal or governmental proceedings or litigation pending or overtly threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of this Agreement, or the Trust Agreement; the Payments will be paid when due out of funds which are legally available for such purposes; neither the execution and delivery of this Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which City is now a party or by which City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of City; City has disclosed in writing to Trustee all facts that do or will materially adversely affect the properties, operations or financial condition of City and that any financial statements, notices or other written statements provided by City to Trustee pursuant hereto will not contain any untrue statement of a material fact or omit any material fact necessary to make such statements or information not misleading and the Project comply with all applicable environmental laws, rules and regulations (including, without limitation, all federal, state and local laws) and with Title III of the Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities if and to the extent such Act and regulations apply to the Project; and

WHEREAS, Trustee has full legal authority and is duly empowered to enter into this Agreement and has taken all actions necessary to the execution and delivery hereof;

NOW THEREFORE, PURSUANT TO LAW AND FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Term and Payments.

(a) Trustee hereby sells and conveys to City, and City hereby buys and accepts from Trustee, the portion of the Project, the costs of financing for which remains unpaid. (In order to evidence such sale, Trustee has executed and delivered to City a bill of sale on the date of original execution and delivery of the Obligations.) Trustee shall have no further obligation to provide funds for the Project, and City shall be entitled to sole and exclusive possession of the Project.

(b) As the purchase price, City shall make the Payments to Trustee. (The Interest Portion is interest for purposes of the Code.) City shall also pay to Trustee its fees and expenses in accordance with the provisions of the Trust Agreement. If the balance available in the Payment Fund after a Payment is insufficient to make the next required payments of principal and interest represented by the Obligations on the next date for payment thereof, City shall pay any such deficiency in sufficient time to prevent default in the payment of principal or interest represented by the Obligations falling due on such date. This Agreement shall be deemed and construed to be a “*net purchase agreement*,” and the Payments shall be an absolute net return to Trustee, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein.

(c) The obligation of City to pay the amounts described in paragraph (b) hereof from the sources described herein and to comply with the other provisions hereof shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach by Trustee of any obligation to City or otherwise, or out of indebtedness or liability at any time owing to City by Trustee. Until such time as all of the payments described in paragraph (b) hereof shall have been fully paid or provided for, City (i) shall not suspend or discontinue the same, (ii) shall comply with the other provisions hereof and (iii) shall not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by *eminent domain* of title to or temporary use of any or all of the Project, commercial frustration of purpose, abandonment of the Project by City, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this Agreement. Nothing contained in this Section shall be construed to release Trustee from the performance of any of the agreements on its part herein or in the Trust Agreement contained and in the event Trustee shall fail to perform any such agreements on its part, City may institute such action against Trustee as City may deem necessary to compel

performance so long as such action does not abrogate the obligations of City contained in the first sentence of this paragraph.

(d) Any of the payments described in paragraph (c) hereof due on a day which is not a Business Day may be made on the next Business Day and will be deemed to have been made on the date due.

(e) Amounts payable to Trustee shall be paid by the means specified in writing to City.

Section 2. Pledge; Limited Obligations; City Control Over Revenues.

(a) Excise Tax Revenues are hereby pledged by City to the payment of all amounts described in Section 1(b) hereof, and such amounts shall be secured by a paramount and first lien on and pledge of Excise Tax Revenues. City shall make said payments from Excise Tax Revenues (first making the Payments and thereafter making the other required payments). All of such payments are coequal as to the pledge of and lien on Excise Tax Revenues and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Tax Revenues or security therefor.

(b) City shall remit to Trustee from Excise Tax Revenues all amounts due under this Agreement in the amounts and at the times and for the purposes as required herein. The obligation of City to make payments of any amounts due under this Agreement, including amounts due after default hereof, is limited to payment from Excise Tax Revenues and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of City, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

(c) City may, at the sole option of City, make payments due pursuant to Section 1 hereof from its other funds as permitted by law and as City shall determine from time to time, but Trustee acknowledges that it has no claim hereunder to such other funds. No part of the purchase price payable pursuant to this Agreement shall be payable out of any *ad valorem* property taxes imposed by City or from bonds or other obligations, the payment of which City's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by City according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

(d) To the extent permitted by applicable law, Excise Tax Revenues shall be retained and maintained so that the amounts received from Excise Tax Revenues all within and for the most recently completed Fiscal Year, shall have been equal to at least two (2) times the total of interest and principal requirements for the current Fiscal Year for this Agreement and any Additional Revenue Obligations. If the revenues from Excise Tax Revenues for any such Fiscal Year shall not have been equal to at least two (2) times the total of the interest and principal requirements for the current Fiscal Year for this Agreement and any Additional Revenue Obligations or if at any time it appears that Excise Tax Revenues will not be sufficient to meet such requirements, City shall, to the extent permitted by applicable law,

impose new exactions of the type of the excise taxes which will be part of the excise taxes or increase the rates for the excise taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year of City in order that (i) Excise Tax Revenues will be sufficient to meet all current requirements hereunder and (ii) Excise Tax Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

Section 3. Surplus and Deficiency of Excise Tax Revenues. Excise Tax Revenues in excess of amounts, if any, required to be deposited with or held by Trustee for payments due under this Agreement shall constitute surplus revenues and may be used by City for any lawful purpose for the benefit of City, including the payment of obligations to which Excise Tax Revenues may from time to time be pledged on a basis subordinate hereto. If at any time the moneys in the funds held for payment of amounts due under this Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of this Agreement and the transfer of any such sum or sums to said fund as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant hereto.

Section 4. Parity Lien Obligations. City shall not encumber Excise Tax Revenues on a basis prior and paramount to the lien and pledge provided for under Section 2(a) hereof and shall not further encumber Excise Tax Revenues on a basis equal to the lien and pledge provided for in Section 2(a) hereof (“Additional Parity Obligations”) unless (a) there is no Event of Default regarding the payment of the amounts described in Section 1(b) hereof (including the Payments) or similar event with respect to any Additional Parity Obligations in existence at the time of such encumbrance and (b) Excise Tax Revenues collected in the preceding Fiscal Year shall have amounted to at least two and one-half times (2.5) times the highest combined interest and principal payment requirements for any succeeding Fiscal Year for all of the Obligations then Outstanding and any Additional Parity Obligations secured or so proposed to be secured by a parity pledge of Excise Tax Revenues. Nothing in this Agreement shall place any restriction on the ability of City to issue or incur obligations that will be payable from and secured by a pledge of Excise Tax Revenues on a basis subordinate and junior to the pledge of such revenues securing the Obligations and any Additional Parity Obligations.

Section 5. City Control over Revenue Collection. In order to secure payment of this Agreement and to create a separate and special fund which shall contain only Excise Taxes Revenues and shall not contain any other moneys of City, City shall maintain an Excise Tax Revenue Fund. Upon receipt by City, Excise Taxes Revenues shall be deposited in and to the Excise Tax Revenue Fund. The Excise Tax Revenue Fund shall be funded only from Excise Taxes Revenues received by City and from no other source. After paying therefrom amounts of Excise Taxes Revenues for the purposes described herein, the Excise Tax Revenue Fund may be reduced to zero each January 16 and July 16 after the amount required to be paid as described hereinabove has been paid, including by transferring any such balance to the General Fund of City.

Section 6. Certain Matters with Respect to Project.

(a) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, Trustee has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Project for any particular purpose or the conformity of the Project to any plans, specifications, construction contract, purchase order, model or sample, or as to their design, construction, delivery, installation, construction oversight and operation or their suitability for use by City after completion. All such risks shall be borne by City without in any way excusing City from its obligations under this Agreement, and Trustee shall not be liable to City for any damages on account of such risks. Except with respect to any acts by Trustee which are not undertaken at the request of City or with the prior approval of City, City waives all claims against Trustee growing out of the acquisition of the Project. Trustee shall have no liability to City for any failure of any contractor to perform any contract or other undertaking with respect to the Project in any respect. Trustee shall have no obligation to obtain or insure compliance with any required permits or approval procedures with respect to the Project. In the event of any defect in any item of the Project or other claim with respect to the Project, recourse of City shall be against the contractors, manufacturers, suppliers, etc. of the Project and, where applicable, the person selling the property to Trustee, and not against Trustee. For such purpose, Trustee hereby assigns and transfers to City the right, title and interest of Trustee in and to all representations, warranties, guarantees and service agreements relating to the Project made or entered into by Trustee and by any contractor, manufacturers, suppliers, etc. of the Project. Trustee further designates City as its attorney-in-fact granting to City the right to initiate and take all actions necessary to enforce any and all construction contracts and all such warranties and service agreements. Trustee is entering into this Agreement solely as Trustee, shall not be personally liable hereunder and shall be afforded the same rights, protections, immunities and indemnities acting hereunder as afforded to it as Trustee under the Trust Agreement. Notwithstanding anything to the contrary herein, at no time shall the Trustee be listed in the chain of title to the Project.

(b) City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Agreement, peaceably and quietly, have, hold and enjoy the Project, without suit, trouble or hindrance from Trustee. City hereby grants and conveys to Trustee, and all persons claiming by, through or under Trustee, including its successors and assigns under the Trust Agreement and the Owners for whom it acts, a nonexclusive easement upon, in and to the Project for the purpose of permitting the Project to be maintained upon the premises.

(c) Notwithstanding any other terms or provisions of this Agreement, the interest of Trustee in the Project is solely in its capacity as Trustee for the financing of the Project, and Trustee shall not have the power, authority or obligation to assume any responsibility for the overall management or maintenance of the Project, including, without limitation, any day-to-day decision-making or operational aspects of the Project. The elements of the Project and the sites therefor were selected by City, and all design and engineering criteria and specifications for the Project to be constructed or acquired were or will be determined by City.

Section 7. Providing for Payment. City may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying such Payment as provided herein as and when the same becomes due and payable at its scheduled due date pursuant to Section 1 hereof or on a date on which it can be prepaid;

(b) by depositing with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable, in such amount as shall be certified to Trustee and City, by a national firm of certified public accountants acceptable to both Trustee and City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with Trustee and available for such Payment, to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid.

Upon any partial prepayment of a Payment, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate or rates on the Obligations remaining outstanding after the partial prepayment or so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on such outstanding Obligations when due.

Section 8. Term of Agreement. This Agreement shall not terminate so long as any payments are due and owing pursuant to the Obligations. Subject to Section 7 hereof, upon full payment or provision for payment and in consideration of the timely payment of all of the amounts described in Section 1(b) hereof (including the Payments) and provided that City has performed all the covenants and agreements required by City to be performed, this Agreement shall cease and expire. The obligations of City under this Agreement, including, without limitation, its obligation to pay the Payments, shall survive any action brought as provided in the next Section hereof, and City shall continue to pay the Payments and perform all other obligations provided in this Agreement; provided, however, that City shall be credited with any amount received by Trustee pursuant to actions brought under the next Section hereof.

Section 9. Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts described in Section 1(b) hereof (including the Payments) at the time when the same are to be paid as provided herein or in the Trust Agreement or payment of debt service with respect to any Additional Parity Obligations, (B) the violation by City of any other covenant or provision of this Agreement or the Trust Agreement or with respect to any Additional Parity Obligations or (C) the insolvency or bankruptcy of City as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of City or others to take advantage of, or to

impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the amounts described in Section 1(b) hereof (including the Payments) as required hereunder or under the Trust Agreement or payment of debt service with respect to any Additional Parity Obligations on the due date or (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Agreement or with respect to any Additional Parity Obligations not cured within sixty (60) days after notice in writing from Trustee specifying such default,

(iii) subject to the limitations of the Trust Agreement, Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by City under the Trust Agreement or this Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of City under the Trust Agreement or this Agreement, and with respect to Excise Tax Revenues, without notice and without giving any bond or surety to City or anyone claiming under City, have a receiver appointed of Excise Tax Revenues which are pledged to the payment of amounts due hereunder, with such powers as the court making such appointment shall confer (and City does hereby irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

Each right, power and remedy of Trustee provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by Trustee of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies. The failure to insist upon strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the rights of Trustee to insist upon a strict compliance by Trustee with all the covenants and conditions hereof. City shall, upon not less than 10 days' prior request by Trustee, execute, acknowledge and deliver to Trustee a statement in writing certifying that this Agreement is unmodified and in full force and effect (or, if this Agreement has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the amounts payable hereunder have been paid in advance, if any.

(b) Trustee shall in no event be in default in the performance of any of its obligations hereunder unless and until Trustee shall have failed to perform such obligation within 30 days or such additional time as is reasonably required to correct any such default after notice by City properly specifying wherein Trustee has failed to perform any such obligation. No default by Trustee shall relieve City of its obligations to make the various payments herein

required, so long as any of the Obligations remain outstanding; however, City may exercise any other remedy available at law or in equity to require Trustee to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made by Trustee under the Trust Agreement.

Section 10. Assignment.

(a) Except as otherwise provided herein, City shall not assign, transfer, pledge or hypothecate or otherwise dispose of this Agreement or any interest therein and any assignment in contravention hereof shall be void.

(b) Subject to the terms of the Trust Agreement, all and every part of the right, title and interest of City in and to this Agreement and all payments of any kind due or which become due to Trustee hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement.

Section 11. Federal Law Provisions.

(a) (i) No direction for the making of any investment or other use of the proceeds of any of the Obligations shall be made which would cause the Obligations to be "arbitrage bonds" as that term is defined in section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in section 141 (or any successor provision thereto) of the Code, and the requirements of such sections and related regulations of the Code shall be complied with throughout the term of the Obligations. (Particularly, City shall be the owner of the Project for federal income tax purposes. City shall not enter into any management or service contract with any entity other than a governmental entity for the operation of any portion of the Project unless the management or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time or any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements or special economic benefits with respect to any portion of the Project). Also, the payment of principal and interest with respect to the Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Obligations, or amounts treated as proceeds of the Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds may be so invested for an initial temporary period until needed for the purpose for which the Obligations are being executed and delivered, may be so used in making investments in a *bona fide* debt service fund or may be invested in obligations issued by the United States Treasury. City shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the execution and delivery of the Obligations (initially those in subsection (b)) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In consideration of the purchase and acceptance of the Obligations by the owners from time to time thereof and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, City shall, and the appropriate officials of City are hereby directed, to take all action required to retain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(ii) (A) City shall take all necessary and desirable steps, as determined by the Council, to comply with the requirements hereunder in order to ensure that the Interest Portion is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event City receives a Special Counsel's Opinion (as such term is defined in the next subsection) that either compliance with such requirement is not required to maintain the exclusion from gross income of the Interest Portion or compliance with some other requirement will meet the requirements of the Code. In the event City receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(B) If for any reason any requirement hereunder is not complied with, City shall take all necessary and desirable steps, as determined by City, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and City shall pay any required interest or penalty under hereinafter described Regulations section 1.148-3(h) with respect to the Code.

(iii) City designates the Obligations as "qualified tax-exempt obligations" for purposes of section 265(b)(3) of the Code. In that connection, City, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, during the current calendar year have not issued and will not issue tax-exempt obligations designated as qualified tax-exempt obligations in an aggregate amount, including the Obligations, exceeding \$10,000,000.

(iv) It is hereby represented and warranted that (i) City has general taxing powers, (ii) the Obligations are not "private activity bonds" within the meaning of the Code, (iii) 95 percent or more of the net proceeds of the Obligations shall be used for local governmental activities of City and (iv) the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by City during the 2012 calendar year is not reasonable expected to exceed \$5,000,000.

(b) (i) Undefined terms used in this subsection shall have the meanings given to them in the Code and the Regulations.

(ii) If the exception because of the representations and warranties provided in Section 11(a)(iv) is not available, within 60 days after the end of each Bond Year, City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(A) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous Rebate Payments with respect to the Obligations (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous Rebate Payments with respect to the Obligations (determined as of the last day of such Bond Year); and

(B) not later than 60 days after the retirement of the last Obligation, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Obligation).

Each Rebate Payment required to be made under this Section shall be filed on or before the date such payment is due, with the Internal Revenue Service at the appropriate location and with required forms and other materials, currently by addressing it to IRS Service Center, Ogden, Utah 84201, and accompanying it with IRS Form 8038-T.

(iii) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(iv) For purposes of paragraph (iii), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(A) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing purchaser would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(B) Except as provided in Subsection (v) or (vi), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(v) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(A) the yield on reasonably comparable direct obligations of the United States; and

(B) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(iv) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(A) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with City or any other person (whether or not in connection with the Obligations), and that the bid is not being submitted solely as a courtesy to City or any other person for purposes of satisfying the requirements in the Regulations that City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligations.

(B) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(C) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligations (e.g., a lead underwriter within 15 days of the issue date of the Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If City uses an agent to conduct the bidding, the agent may not bid.

(D) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(E) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(F) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(G) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(H) City retains until three years after the last outstanding Obligation is retired, (1) a copy of the guaranteed investment contract, (2) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by City and a copy of the provider's certification described in (G) above, (3) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (4) the bid solicitation form and, if the terms of the guaranteed investment contract deviate from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(vii) Such experts and consultants shall be employed by City to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Obligations.

Section 12. Covenant as to Conflict of Interest; Other Statutory Restrictions.

(a) To the extent applicable by provision of law, Trustee acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein and which provides that City may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Trustee within three years from the execution of this Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by City. No basis exists for City to cancel this Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by Trustee of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of Trustee by City. City retains the legal right to randomly inspect the papers and records of Trustee to ensure that Trustee is complying with the above-mentioned warranty. Trustee shall keep such papers and records open for random inspection during normal business hours by City. Trustee shall cooperate with the random inspections by City including granting City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Sections 35-391.06 and 35-393.06, Arizona Revised Statutes, Trustee does not have a scrutinized business operation in Sudan or Iran. For the purpose of this subsection, the term "scrutinized business operations" shall have the meanings set forth in Section 35-391 and 35-393, Arizona Revised Statutes, as applicable. If City determines that Trustee submitted a false certification, City may impose remedies as provided by law including terminating the services of Trustee.

Section 13. Miscellaneous.

(a) No covenant or obligation herein to be performed by City may be waived except by the written consent of Trustee, and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a

waiver of such covenant or obligation as to any other occasion and shall not preclude Trustee from invoking such remedy at any later time prior to the cure by City of the condition giving rise to such remedy.

(b) This Agreement shall be construed and governed in accordance with the laws of the State in effect from time to time.

(c) The recitals set forth at the beginning of this Agreement are incorporated in this Agreement by this reference. This Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, supplemented, altered or changed in any respect except by a written document signed by both Trustee and City, subject to the restrictions with regard thereto provided by the Trust Agreement.

(d) Any term or provision of this Agreement found to be prohibited by law or unenforceable or which would cause this Agreement to be invalid, prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, causing the remainder of this Agreement to be invalid, prohibited by law or unenforceable.

(e) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(f) Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, assigns and personal representatives, as the case may be. Any person or entity acquiring any interest in or to the right, title or interest of Trustee herein shall be and have the rights of a third party beneficiary hereunder.

(g) This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first day of November, 2012.

Trustee:

U.S. BANK NATIONAL ASSOCIATION, as seller

By .....

Printed Name: .....

Title: .....

City:

CITY OF HOLBROOK, ARIZONA, a municipal corporation under the laws of the State of Arizona, as purchaser

By .....

Mayor

ATTEST:

By .....

City Clerk

## SCHEDULE

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
07/01/2012	\$302,000	\$20,067.15	\$322,067.15
01/01/2013		36,876.65	36,876.65
07/01/2013	362,000	36,876.65	398,876.65
01/01/2014		34,161.65	34,161.65
07/01/2014	342,000	34,161.65	376,161.65
01/01/2015		31,254.65	31,254.65
07/01/2015	347,000	31,254.65	378,254.65
01/01/2016		27,645.85	27,645.85
07/01/2016	355,000	27,645.85	382,645.85
01/01/2017		23,403.60	23,403.60
07/01/2017	363,000	23,403.60	386,403.60
01/01/2018		18,575.70	18,575.70
07/01/2018	373,000	18,575.70	391,575.70
01/01/2019		13,092.60	13,092.60
07/01/2019	384,000	13,092.60	397,092.60
01/01/2020		6,910.20	6,910.20
07/01/2020	396,000	6,910.20	402,910.20

## RESOLUTION NO. 12-03

RESOLUTION OF THE MAYOR AND COUNCIL OF CITY OF HOLBROOK, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST PURCHASE AGREEMENT, A FIRST TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE SALE AND EXECUTION AND DELIVERY OF \$3,224,000 AGGREGATE PRINCIPAL AMOUNT OF PLEDGED REVENUE OBLIGATIONS, SERIES 2012, EVIDENCING THE INTEREST OF THE OWNER THEREOF IN THE PURCHASE AGREEMENT; DELEGATING AUTHORITY TO THE MAYOR, MANAGER AND FINANCE DIRECTOR OF THE CITY TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY

**WHEREAS**, the Mayor and Council of the City of Holbrook, Arizona (the "City"), have determined to refinance the remaining costs of the wastewater treatment plant of the City by entering into a First Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations established as provided herein (the "Purchase Agreement"), with U.S. Bank National Association, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

**WHEREAS**, in connection with the Purchase Agreement, the Mayor and Council of the City deemed it necessary and desirable to provide for the sale and execution and delivery of pledged revenue obligations, provided for by this Resolution (the "Obligations"), evidencing the interest of the owners of the Obligations in payments to be made by the City to the Trustee pursuant to a First Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Trust Agreement"), between the Trustee and the City, such payments to be made pursuant to the Purchase Agreement; and

**WHEREAS**, the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge Excise Tax Revenues (as such term is defined in the Purchase Agreement); and

**WHEREAS**, the Mayor and Council of the City have received a proposal for the purchase of the Obligations from Zions First National Bank (the "Purchaser"); and

**WHEREAS**, there have been presented to the Mayor and Council of the City at the meeting at which this Resolution is being adopted (1) the proposed form of the Purchase Agreement and (2) the proposed form of the Trust Agreement; and

**WHEREAS**, refinancing such costs pursuant to the Purchase Agreement is in furtherance of the purposes of the City and in the public interest;

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF HOLBROOK, ARIZONA, THAT:**

Section 1. (a) The execution and delivery of the Obligations by the Trustee is approved.

(b) The form and terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are approved.

Section 2. The Obligations are to be sold to the Purchaser or its designee at par.

Section 3. The form, terms and provisions of the Purchase Agreement and the Trust Agreement, in substantially the forms of such documents (including the form of the Obligations and other exhibits thereto) presented at the meeting of the Mayor and Council of the City at which this Resolution is being adopted are approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove and shall be approved by the Mayor of the City, any other member of the Council, the execution of each such document being conclusive evidence of such approval, and the Mayor of the City or any other member of the Council or the Clerk of the City, where applicable, are authorized and directed, for and on behalf of the City, to execute and deliver and attest or approve the Purchase Agreement and the Trust Agreement and to take all action to carry out and comply with the terms of such documents.

Section 4. The Trustee (including in its capacity as Seller) is requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement and the Trust Agreement and the sale and execution and delivery of the Obligations and is further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by it.

Section 5. The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on Excise Tax Revenues and the restriction on the issuance of further parity obligations secured by Excise Tax Revenues are approved and confirmed.

Section 6. The Mayor, the Manager, the Finance Director and other officers of the City, on behalf of the City, are authorized and directed, without further order of the Mayor and Council of the City, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the City, to evidence compliance with, or further the purposes of, all the terms and conditions of, and the consummation of the transactions contemplated by and as may be necessary to carry out the terms and intent of, this Resolution.

Section 7. All actions of the officers and agents of the City which conform to the purposes and intent of this Resolution and which further the sale and execution and delivery of

the Obligations as contemplated by this Resolution, whether heretofore or hereafter taken, are ratified, confirmed and approved.

Section 8. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 9. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, particularly to immediately sell the Obligations to secure the best, available economic terms therefor, and an emergency is hereby declared to exist, and this Resolution will be in full force and effect from and after its passage by the Mayor and Council of the City and it is hereby excepted from the referendum provisions of the Constitution and laws of the State of Arizona. After the Obligations are delivered by the Trustee and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Holbrook, Arizona, this 27th day of March, 2012.

.....  
Mayor

ATTEST:

.....  
City Clerk

APPROVED AS TO FORM:

.....  
City Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution No. .... was duly passed and adopted by the Mayor and Council of the City of Holbrook, Arizona, at a regular meeting held on the 27th day of March, 2012, and the vote was ..... ayes and ..... nays.

.....  
City Clerk

## FAIR HOUSING RESOLUTION

### RESOLUTION 12-04

A RESOLUTION OF MAYOR HILL AND COUNCIL MEMBERS OF THE CITY OF HOLBROOK ADOPTING A FAIR HOUSING POLICY, MAKING KNOWN ITS COMMITMENT TO THE PRINCIPLE OF FAIR HOUSING, AND DESCRIBING ACTIONS IT SHALL UNDERTAKE TO AFFIRMATIVELY FURTHER FAIR HOUSING.

Whereas, the Housing and Community Development Act of 1974 as amended requires that all applicants for Community Development Block Grant funds certify that they shall affirmatively further fair housing; and

Whereas, the Civil Rights Act of 1968 (commonly known as the Federal Fair Housing Act) and the Fair Housing Amendments Act of 1988 declare a national policy to prohibit discrimination in the sale, rental, leasing and financing of housing or land to be used for the construction of housing or in the provision of brokerage services, on the basis of race, color, religion, sex, disability, familial status or national origin; and

Whereas, fairness in the foundation of the American system and reflects traditional American values; and

Whereas, discriminatory housing practices undermine the strength and vitality of America and its people;

Now, therefore, be it resolved that Mayor Hill and Members of the Council of the City of Holbrook hereby wish all persons living, working, doing business in or traveling through his City to know that:

Discrimination in the sale, rental, leasing and financing of housing or land to be used for construction of housing, or in the provision of brokerage services on the basis of race, color, religion, sex, handicap, familial status or national origin is prohibited by Title VIII of the Fair Housing Act Amendments of 1988; and that it is the policy of the City of Holbrook to implement programs, within the constraints of its resources, to ensure equal opportunity in housing for all persons regardless of race, color, religion, sex, handicap, familial status or national origin; and within available resources the City of Holbrook will assist all persons who feel they have been discriminated against in housing issues on the basis of race color, religion, sex, handicap, familial status or national origin to seek equity under existing federal and state laws to file a complaint with the Arizona Attorney General's Office or the U.S. Department of Housing and Urban Development; and

That the City of Holbrook shall publicize this Resolution and thereby encourage owners of rental properties, developers, builders and others involved with housing to become aware of their respective responsibilities and rights under the Fair Housing Amendments Act of 1988 and any applicable state or local laws or ordinances; and that the City of Holbrook shall undertake the following actions to additionally "affirmatively further fair housing:"

Mail the resolution to the following entities in the real estate, banking, and development communities: Wells Fargo Bank, Bank of the West and local realtors.

Mail this resolution to the Holbrook Tribune making the media aware of issues relating to Fair Housing: Holbrook Tribune

Mail this resolution to community organizations: NACOG

Post copies of this Resolution in the following locations: City of Holbrook website: [www.ci.holbrook.az.us](http://www.ci.holbrook.az.us), City Hall, Holbrook Police Department and Library.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF  
HOLBROOK ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_

***Jeff Hill, Mayor***

ATTEST:

\_\_\_\_\_

Cher Reyes, CMC, CPM, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_

Sterling Solomon, City Attorney