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## AGENDA REGULAR SESSION MAYOR AND COUNCIL 473 S MAIN STREET, SUITE 106 WEDNESDAY, FEBRUARY 18, 2015 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

- 1. Call to Order
- 2. Roll Call
- 3. Pledge of Allegiance
- 4. **Consent Agenda** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
  - a) Approval of the Minutes:
    - 1) Council Hears Planning & Zoning Matters January 28, 2015
    - 2) Regular Session February 4, 2015
    - 3) Executive Session February 4, 2015 (recorded)
  - b) Set Next Meeting, Date and Time:
    - 1) Friday, February 20, 2015 at 8:30 a.m. Council/Manager/Department Heads Retreat
    - 2) Wednesday, February 25, 2015 at 5:00 p.m. Executive Session-Manager Review
    - 3) Wednesday, February 25, 2015 at 6:30 p.m. Council Hears Planning & Zoning
    - 4) Wednesday, March 4, 2015 at 6:30 p.m. Regular Session
    - 5) Wednesday, March 11, 2015 at 5:30 p.m. Work Session
    - 6) Wednesday, March 18, 2015 at 6:30 p.m. Regular Session
    - 7) Wednesday, March 25, 2015 at 6:30 p.m. Council Hears Planning & Zoning
    - 8) Friday, March 27, 2015 at 8:30 a.m. Council/Manager/Department Heads Retreat
  - c) Possible approval of Facilities Use Agreement for Salvation Army for a term expiring June 2018. Staff Resource: Michael Marshall
  - d) Possible approval of Facilities Use Agreement for Camp Verde Adult Reading Program for a term expiring June 2018. Staff Resource: Michael Marshall
  - e) Possible approval of proposed changes to the Town of Camp Verde Financial Operations Guide (FOG). Staff Resource: Michael Showers
  - f) Possible approval of proposed changes to the Camp Verde Library Policy and Procedures Manual. Staff Resource: Kathy Hellman
- 5. Special Announcements and presentations:
  - Yavapai Apache Nation presentation of a check to the Town from Gaming Funds pursuant to Section 12 (d) of the Nation's Gaming Compact.
- 6. Call to the Public for Items not on the Agenda.
- 7. Presentation, followed by discussion, by Clarkdale Community & Economic Development Director Jodie S Filardo regarding the results of the Verde Valley Gigabit Project Phase 1 Design Report commissioned by the Verde Valley Regional Economic Organization.

- Discussion, consideration, and possible authorization for Siemens Industry Inc. to provide and 8. install the non-budgeted Video Detection System at the intersection of Finnie Flat Road and Cliffs Parkway for an amount not to exceed \$25,000. Staff Resource: Ron Long.
- Discussion, consideration, and possible direction to staff relative to proposed legislation by the 9. 52nd State Legislature during its 1st Regular Session that convened on January 12, 2015. Staff Resource: Russ Martin
- 10. Call to the Public for items not on the agenda.
- Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The 11. Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
- 12. Manager/Staff Report Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

13.	Adjournment
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Posted by: Date/Time: Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town

Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

#### DRAFT MINUTES

## COUNCIL HEARS PLANNING & ZONING MATTERS MAYOR AND COUNCIL 473 S MAIN STREET, SUITE 106 WEDNESDAY, JANUARY 28, 2015 at 6:30 P.M.

1. Call to Order

Mayor German called the meeting to order at 6:30 pm.

2. Roll Call

Mayor German, Vice Mayor Baker, Councilors Whatley, George, Jones and German present.

Absent: Councilor Gordon.

**Also present**: Town Manager Russ Martin, Community Development Director Mike Jenkins, Assistant Planner Jenna Owens, and Recording Secretary Marie Moore.

3. Pledge of Allegiance

Mayor German led the pledge.

- 4. **Consent Agenda** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
  - a) Approval of the Minutes:
    - 1) Work Session January 14, 2015
  - b) Set Next Meeting, Date and Time:
    - 1) February 4, 2015 Regular Session
    - 2) February 11, 2015 Work Session
    - 3) February 18, 2015 Regular Session
    - 4) February 20, 2015 Council Retreat
    - 5) February 25, 2015 Council Hears Planning & Zoning Matters

On a motion by George, seconded by Baker, Council unanimously approved the consent agenda.

- 5. **Special Announcements and presentations:** There are no Special Announcements or Presentations.
- 6. Call to the Public for items not on the Agenda.

Warren Harris questioned Council regarding the construction of the library and what would happen in the chance that the Town bankrupted.

Public Hearing, discussion, consideration and possible approval of Resolution 2014-933 a Resolution of the Common Council of the Town of Camp Verde, Arizona, Yavapai County, on Use Permit 20140272, an application submitted by Steve & Marlys Parks, owners of parcels 403-19-009, 9.26 acres & 404-17-017B, 8.37 Acres for a total of 17.63 Acres. The following existing uses are: 36 RV spaces, 12 RV Storage spaces not to exceed 15 RV's located in row 4 only, with not electrical, propane, or sewer hook-ups allowed. Clubhouse with retail sales for RV Supplies, pool and laundry. Proposed new uses are: converting existing clubhouse into a residence, change existing storage building into an office/check-in and a future clubhouse. Use Permit requested with no time limit. This property is located at 2075 N. Arena Del Loma. Staff Resource: Michael Jenkins

On a motion by Baker, seconded by George, Council unanimously approved Resolution 2014-933 a Resolution of the Common Council of the Town of Camp Verde, Arizona, Yavapai County, on Use Permit 20140272, an application submitted by Steve & Marlys Parks, owners of parcels 403-19-009,

9.26 acres & 404-17-017B, 8.37 Acres for a total of 17.63 Acres. The following existing uses are: 36 RV spaces, 12 RV Storage spaces not to exceed 15 RV's located in row 4 only, with not electrical, propane, or sewer hook-ups allowed. Clubhouse with retail sales for RV Supplies, pool and laundry. Proposed new uses are: converting existing clubhouse into a residence, change existing storage building into an office/check-in and a future clubhouse. Use Permit requested with no time limit. This property is located at 2075 N. Arena Dei Loma.

Assistant Planner Jenna Owens requested a correction of the agenda item to read parcel number 404-17-027B. Owens gave a brief overview of the application submitted and history of the property, as well as provided a PowerPoint presentation of the location of the property. Property owners and applicants, Steve & Marlys Parks, addressed Council with a brief explanation to their request.

Baker commended the applicants regarding the improvements to the property and being a helpful business in the community.

German questioned the building of a new clubhouse. Owens explained that the applicants would not have to come back through the process if they so choose that option, but Yavapai County would be notified if building was to commence regarding septic issues.

#### Call to the Public for items not on the agenda. None

#### 9. Council Informational Reports.

George attended the Verde Valley Transportation Organization Meeting and stated that construction for the roundabout at Industrial Drive will be delayed until 2016 and the HWY 260 project is on the fast track for completion.

Mayor German reported he attended a meeting with ADOT and State Representatives Gosar and Kirkpatrick in Flagstaff regarding the flooding rainwater issues that affect the town and the sensitive subject regarding the archeological site in the Verde Lakes Area. The Mayor explained briefly about a process the Town can pursue in regards to receiving immediate relief from the County when flooding issues arise as well as a long-term correctional process.

Town Manager Russ Martin stated that the town will move forward to get the appropriate information needed from property owners to receive funding and help for damages incurred by the flooding from rain water.

#### 10. Manager/Staff Report

Martin reported on the Library and explained that there is a contract for just under \$3.8 million for a turn-key construction of the building. Martin explained that the term "Turn-key" only includes construction of the building itself. The road relocation, demolition of the current library, landscaping, the furnishings for the library and technical equipment are all in addition to the construction contract. Martin informed Council that It was important to note that there is usable equipment that will be transferred to the new library from the current library and the town will continue to pursue grants as it has in the past for equipment upgrades. Martin explained that the loan for the library is guaranteed by the sales tax collected from the town and could be intercepted by the bank before the money was received by the town if there was a chance of financial instability.

#### 11. Adjournment

On a motion by Mayor German, seconded by Bake	er, the meeting adjourned at 7:05pm.
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Charles German, Mayor	Marie Moore, Recording Secretary
CERTIFICATION I hereby certify that the foregoing Minutes are a true Mayor and Common Council of the Town of Camp Zoning Matters of the Town Council of Camp Verd certify that the meeting was duly called, held, and	Verde during the Council Hears Planning & le, Arizona, held on January 28, 2015. I further
Dated this day of	_, 2015.
Virginia Jones CMC Town Clerk	-

## DRAFT MINUTES REGULAR SESSION MAYOR AND COUNCIL 473 S MAIN STREET, SUITE 106 WEDNESDAY, FEBRUARY 4, 2015 at 6:30 P.M.

Minutes are a <u>summary</u> of the discussion. They are not verbatim.

Public input is placed after Council discussion to facilitate future research.

#### 1. Call to Order

Mayor German called the meeting to order at 6:30 p.m.

#### 2. Roll Call

Mayor Charles German, Vice Mayor Jackie Baker, Councilors Robin Whatley, Bruce George, Brad Gordon, Carol German, and Jessie Jones were present.

#### Also Present

Town Manager Russell Martin, Marshal Nancy Gardner, Finance Director Mike Showers, Fort Verde Park Manager Sheila Stubler, Town Clerk Virginia Jones, and Recording Secretary Saepyol Choe.

#### 3. Pledge of Allegiance

Mayor German led the pledge.

- 4. **Consent Agenda** All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
  - a) Approval of the Minutes:
    - 1) Regular Session January 21, 2015
    - 2) Council/Manager Retreat January 23, 2015
  - b) Set Next Meeting, Date and Time:
    - 1) Wednesday, February 11, 2015 at 5:30 p.m. Work Session Retreat
    - 2) Wednesday, February 18, 2015 at 5:00 p.m. Executive Session
    - 3) Wednesday, February 18, 2015 at 6:30 p.m. Regular Session
    - 4) Friday, February 20, 2015 at 8:00 a.m. Council/Manager/Department Heads Retreat
    - 5) Wednesday, February 25, 2015 at 6:30 p.m. Council Hears Planning & Zoning
  - c) Possible approval and authorization to execute the Arizona Department of Transportation (ADOT) IGA/JPA 14-0004471-I; To define access management on the crossroads along SR-260 from I-17 to Thousand Trails Road, responsibilities of ADOT, the Town for the completion, ongoing maintenance of the improvements and recital #6 addressing the project budget. Staff Resource: Ron Long

On a motion by George, seconded by Vice Mayor Baker, Council voted unanimously to approve the Consent Agenda as presented.

- 5. **Special Announcements and presentations:** There are no **Special Announcements** or Presentations.
- 6. Call to the Public for Items not on the Agenda.

Sheila Stubler, Fort Verde State Park Manager, announced that the park is now open 7 days a week. They already had the soft opening and there will be a ribbon cutting ceremony February 17 at 10:00 a.m. The hard

work gone into opening the park daily has finally paid off. The park earned \$300 on the two days they would normally be closed, even without any advertising. She thanked the two Rangers who have been helpful in the process and everyone who helped make this possible. She announced the Vintage baseball, Buffalo soldier, Dutch oven cooking events taking place on Valentine's Day 9 a.m. - 5 p.m.

<u>Tom Pitts</u> reported continued progress with reviving the Chamber, whose membership will include prominent businesses such as the Cliff Castle Casino and Out of Africa and businesses along Finnie Flat; which will help raise profile of Camp Verde. He reported a successful presentation at the monthly legislative lunch for the governor's association, at which he met all the local legislators. He hopes to share photos soon with Bob Thorpe, Brenda Barton. He invited Council to attend a seminar on February 19th that will feature great speakers.

Steve Goetting recommended that Council host an ADOT public discussion of what Hwy 260 will look like, to include: number of roundabouts, speed limits, lane widths, and address rumors, concerns, the construction timeline. He would appreciate a show and tell presentation from ADOT to educate the public.

Discussion, Consideration and Possible Approval of Liquor License Application for Denise Morago, Sutler's Steak House Located at 563 S. Main Street in Camp Verde. Staff Resource: Virginia Jones. On a motion by Vice Mayor Baker, seconded by George, Council voted unanimously to approve of the Liquor License Application for Denise Morago, Sutler's Steak House Located at 563 S. Main Street in Camp Verde.

Virginia Jones reported that the notice was posted for the 20 days required by law, and received no issues or comments.

8. Discussion, consideration, and possible direction to staff relative to proposed legislation by the 52nd State Legislature during its 1<sup>st</sup> Regular Session that convened on January 12, 2015. Staff Resource: Russ Martin

Council took no action on this item.

Russ Martin reported legislative updates concerning HURF funds and a sales tax proposal now in review. There is talk of deviating registration fees, which pay for the use of highways, to help offset the cost of State Patrol. The State would take revenues from the gas tax that would normally come to Camp Verde, increase the fee, and not increase what they take--"only" taking \$90 million. They would not raise taxes, only fees.

One hot topic issue is that the State is considering taking \$18 million off the top of sales tax revenues to hire more employees and pay for State government. It is true that the State shares its sales tax revenues with the cities, but the State, with this proposal could end up collecting \$100 million from local governments. In addition, they propose reducing the Residential Leasing Tax by 25% each year for 4 years until it disappears. Camp Verde has kept the Residential Leasing Tax at 2%. The States implies that with property tax and the lease tax, property owners are experiencing double taxation, but this is not applicable in Camp Verde where there is no property tax. The leasing tax applies mainly to commercial businesses.

Martin informed Council that they could formally log in and register for or against a particular bill through the legislative website; or directly contact legislators--such as, Steve Pierce, Karen Fann, or Bob Thorpe--to respond to these proposals. He recognized Rene Guillen from the Governor's staff for his effective legislative activity for last few years.

Vice Mayor Baker recalled that the League of Cities and Towns determined such tax proposals to be illegal, regardless of shared revenues from the State that benefit the Town, such as from the vehicle license tax.

The State cannot take money from the Town that is legally theirs to keep.

Martin shared an analogy given by one legislator that the rays of sunshine on the AZ flag should represent services that go out from the State government, not finances being funneled from cities to the State. Karen Fann has recommended putting a bill together, that would help the State appreciate how much it costs local governments to do business. For example, if the State is going to give the local government roads, then take away the resources necessary to maintain them, then the responsibility of maintenance should fall back on the State.

#### 9. Call to the Public for items not on the agenda.

Tom Pitts stated that the State is keeping tax cuts down and deciding instead to take money from its cities. He is working on a bill now, economic development House Bill 2591, which would legalize the use of crowdfunding to finance businesses—just as Alex Goetting did for the Verde Brewery Company. The bill would open the opportunity for small businesses to raise up to \$1 million a year, and larger business up to \$2 million. This is all private money and there are small fees required for quality control. At least eight states have passed similar bills, including TX and WA; and 14 states are working on a similar concept for intrastate funding. Crowdfunding can also fund state infrastructure. Millions have been raise for a ski park in Vermont through crowdfunding; and he has already spoken to many businesses in Camp Verde who are excited to leverage this platform. Many senators, attorneys and others have helped craft the bill and are sponsoring it. It is already on its second reading. Sixteen representatives are co-sponsoring bill. The feedback is positive from businesses across the country, and the legislative process is moving very quickly. His organization awarded Karen Fann and Senator Jeff Dial for their contribution to economic development.

Steve Goetting confirmed Councilor George's suggestion that the Town could use crowdfunding to raise money for a Town park. He invited Council to visit Ignacio Mesa's 9-acre Clear Creek Vineyard & Winery. Best in the Verde Valley--a must visit, along Hwy 260!

10. Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Vice Mayor Baker attended the Annual Four Chaplain Memorial Service at the American Legion and invited more Council members to participate next year.

Mayor German regretted not being able to attend the Legion's event due to recovering from a medical procedure.

Jones reported that Council attended the Library's Dirt Turning Ceremony.

Carol German announced that many key players and board members are working toward offering Yavapai College course in Camp Verde by this fall.

11. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Martin explained that the money budgeted for the Water Advisory Committee will more than cover their full scope of work; and invited Council to contact him for more details on their projects.

12.	Consultation with the Town Attorney for legal advice concerning the development agreement with Steve Coury: Note: Note: Council may vote to go into Executive Session pursuant to ARS §38-431.03.A3 for discussion or consultation for legal advice with the attorney concerning the development agreements and §38-431.03(A)(4) for discussion or consultation with the attorney in order to consider Council's position regarding contracts that are the subject of negotiation.
	On a motion by George, seconded by Vice Mayor Baker, Council voted unanimously to approve going into Executive Session pursuant to ARS §38-431.03.A3 for discussion or consultation for legal advice with the attorney concerning the development agreements and §38-431.03(A)(4) for discussion or consultation with the attorney in order to consider Council's position regarding contracts that are the subject of negotiation.
	Council went into Executive Session at 7:07P.m.
	Mayor German called the Regular Session back to order at 7:40 p.m.
13.	Adjournment On a motion by Jones, seconded by Baker, Council voted unanimously to adjourn the Regular Session at 7:07 p.m.
	Charles German, Mayor
	Saepyol Choe, Recording Secretary
	CERTIFICATION I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on February 4, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.
	Dated this day of, 2015.

Virginia Jones, Town Clerk



#### Town of Camp Verde

Agenda Item Su	omission Form – Section I		
Meeting Date: Feb	ruary 18, 2015		
Consent Agend	Decision Agenda Executive Session Requested		
Presentation Or	ly Action/Presentation Special Session		
Requesting Depar	ment: Public Works – Parks & Recreation		
Staff Resource/Co	ntact Person: Michael Marshall		
Agenda Title (be exact): Facilities Use Agreement – The Salvation Army			
List Attached Doc	ments: Facilities Use Agreement between Town of Camp Verde and The Salvation Army		
Estimated Present	ntion Time: 5 minutes		
Estimated Discuss	on Time: 5 minutes		
Reviews Complete	f by:		
☑ Department Head: ☑ Town Attorney Comments: Template form has been reviewed and approved and this has no substantive changes.			
Finance Review:	Budgeted Unbudgeted N/A		
Finance Director Cor Fiscal imp			
Budget Co	de: Amount Remaining:		
Comments			

**Background Information:** The Salvation Army has been utilizing Town facilities to assist the needy in the community by crisis assistance with utilities and rent for many years. This agreement continues this arrangement without substantive changes. The term on this agreement will continue until June of 2018.

**Recommended Action (Motion):** Motion to accept the Facilities Use Agreement between the Town of Camp Verde and The Salvation Army

Instructions to the Clerk: Obtain Mayor's signature if passed by Council and update "S" Drive records.

#### Agenda Item Submission Form - Section II (Staff Report)

Town of Camp Verde

Agenda Item Submission Form - Section II (Staff Report)

**Department:** Public Works – Parks & Recreation

Staff Resource/Contact Person: Michael Marshall

Contact Information: (928)554-0828 michael.marshall@campverde.az.gov

**Background**: The Salvation Army has assisted the needy in the community of Camp Verde by crisis assistance with utilities and rent. They have utilized the conveniently located and accessible facilities provided by the Town of Camp Verde for this purpose under a similar previous Facilities Use Agreement as part of the Town's commitment to serve our **residents**.

Statement of the Problem or Opportunity: The Town has the opportunity to assist its residents in need by providing local access to this program without a lengthy commute to another area. This Agreement allows us to continue this support.

#### Alternatives/Options/Solutions:

- 1) Refuse the Facilities Use Agreement The Salvation Army would need to discontinue current operations at Town facilities and vacate the premises.
- 2) Adopt the proposed Facilities Use Agreement this will allow continuation of an important long term program benefitting the low income residents of Camp Verde.

#### Comparative Analysis:

Option 1 deprives Town residents of local access to this important and beneficial assistance program for low income residents in crisis.

Option 2 allows continuation of this important and beneficial assistance program for Town residents.

**Fiscal impact to the Town:** This program has minimal impact to the Town budget. The Town provides building space, maintenance, lighting, heat and cooling for a few hours per week. The cost associated with this particular space is a tiny portion of the overall costs for the building as a whole and unchanged by any appreciable amount whether the space is utilized by this program or not.

#### Other Impacts:

**Conclusion**: A timely adoption of the proposed Facilities Use Agreement will allow continuation of a worthwhile and beneficial program while having little direct impact on the budget.

Recommendation: The council should adopt the Facilities Use Agreement with The Salvation Army.



#### **Town of Camp Verde Facilities Use AGREEMENT**

## Between The Town of Camp Verde And The Salvation Army

The Parties to this Facilities Use AGREEMENT (herein referred to as "AGREEMENT") are The Salvation Army, a California corporation (herein referred to as the "Army") and the Town of Camp Verde, Yavapai County, Arizona, a municipal corporation of the State of Arizona (herein referred to as the "Town").

The parties agree that the point of contact for the respective parties are as follows:

#### For the Town:

Michael Marshall, Parks & Recreation Coordinator

Town of Camp Verde, 395 South Main Street

Camp Verde, AZ 86322

#### For the Army:

Major Raewyn Aspeitia, Div. Secretary for Business

The Salvation Army, 2707 E. Van Buren St.

Phoenix, AZ 85008

**Purpose of this AGREEMENT**: To facilitate certain uses of Town property, to support and promote the Army, and opportunities that benefit the public, the Army and the Town.

This Agreement is made with reference to the following factors:

1. **Property and Use:** The Town agrees that the Army is authorized to utilize certain Town-owned properties and facilities within the corporate limits of the Town, for the Army to benefit the public.

The authorized Town facilities that the Army may utilize for their program include: The room, referred to as Room 302, located to the left of the main entrance to the Town's Community Center Gym, CXT bathrooms, and related parking lots. This use is not exclusive and other groups or agencies may also utilize this space when available. The Army will generally have priority to continue using the space according to the current schedule. The Army may store materials in the space but it should be secured when unattended and the Town is not liable for any damage or loss from other users to property which the Army chooses to store in the space.

The Army may also intermittently use other Town facilities as available and subject to standard Town scheduling and use requirements as an extension of this AGREEMENT. Such use shall be requested and coordinated through the Parks & Recreation division and subject to their approval.

The Army agrees to conduct all activities associated with this AGREEMENT in a professional, careful and safe manner. When using any Town-assigned facility, or any portion thereof, the Army agrees to comply with all applicable State, Federal or Town ordinances and regulations. It is further understood that the Army will adhere to all written Town policies concerning the use and occupancy of any particular Town-assigned facility. Upon the completion of any use related herein, the Army agrees to leave any Town-assigned facility in as good order and condition as existed prior to the Army use thereof.

- 2. Relocation of Use: The parties agree that under certain circumstances i.e. an emergency or an event beyond the Town's control that may necessitate the relocation of any of the Army use herein provided that such use can be relocated. This decision shall be so determined at the sole discretion of the Town concerning which particular Town-owned properties and facilities can be utilized under certain circumstances for the Army use.
- 3. Cancellation of use: The Town reserves its right to cancel the use of any preset time and place of usage for Town-assigned facility if the facility becomes unavailable for any reason, including emergencies. The Town will timely notify the Army by verbal notification (as well as in writing to the Army, if time allows) of any changes affecting the times, dates or places of use of said Town-assigned facility; based upon the prevailing facts and circumstances, as soon as the Town is made aware that the requested facility is no longer available to the Army for the preset time and place of said Town-assigned facility.

The Army also reserves its right to cancel the use of any preset time and place of usage of Town-assigned facility if the Army cannot hold their activities for any reason, including emergencies. The Army will timely notify the Town by verbal notification (as well as in writing to the Town, if time allows) of any changes affecting the times, dates or places of use of said Town-assigned facility; based upon the prevailing facts and circumstances, as soon as the Army is made aware that they will not meet at the pre-set time and place of said Town-assigned facility.

**4. Term**: The term of the AGREEMENT shall be for a period of three (3) years commencing on this 18<sup>th</sup> day of February, 2015, and end on this 30th day of June 2018, This AGREEMENT may be renewed upon the mutual agreement of both parties, under the same terms and conditions or renegotiated. The Army shall participate in this process through the Parks & Recreation Division of

the Town of Camp Verde.

- **5. Facility User Fees**: The Town of Camp Verde agrees that in consideration for the Army's contribution and service with respect to assisting the needy in the community by crisis assistance with utilities and rent that facility user fees will be waived for this AGREEMENT except for damage repair fees mentioned elsewhere in this AGREEMENT.
- **6. Improvements:** The Army shall <u>not</u> make any modifications or improvements to Town facilities without prior consent of the Town. Any office equipment, supplies or religious symbols brought to Town facilities by the Army shall remain the property of the Army. Storage of items on Town property by the Army shall be those appropriate for the conduct of its programs.
- 7. General Maintenance: The Town will be responsible for general maintenance of the structure including walls, ceiling, windows, doors, electrical and plumbing. The Army is responsible for maintenance of items brought into the building such as furniture, cubicles and infrastructure improvements such as computer and internet access.
- 8. Insurance: In connection to the Army use of Town-assigned facilities the Army will:

Procure at their own expense and maintain during the term hereof, a property insurance policy of General Liability Insurance of at least \$1,000,000.00 per occurrence and \$2,000,000.00 against claims for the bodily injury, death and property damage. Insurance provided by the Army shall be primary and insurance provided by the Town shall not contribute to liability covered by the Army insurance coverage.

The Army's Certificate of Insurance/Description of Operations Box must: 1) name the Town as Additional Insured; and 2) include a description of operations.

The Army shall provide, simultaneously, to the Town: 1) a Certificate of Insurance evidencing such insurance coverage; and 2) the Corresponding Endorsement relative to the Town being named as additionally insured; and 3) the fully executed facilities AGREEMENT.

The receipt of any Certificate of Insurance and Endorsement does not constitute an agreement by the Town of Camp Verde that insurance requirements have been met.

The Army shall keep said policy in force for the duration of this AGREEMENT, and for any extension thereof. Additionally, the Certificate of Insurance and corresponding endorsements relative to the Town being named as additionally insured shall be provided to the Town, annually, when The Army insurance policies are renewed. These documents shall be mailed or delivered to the Risk Manager at 473 S. Main St., Ste 102, Camp Verde, AZ 86322

- 9. Indemnification: The Army agrees to conduct its activities in any Town-assigned facilities in a careful and safe manner. The Army shall indemnity, defend and hold harmless the Town and its officials, officers and employees from and against any and all claims, losses, liability, costs and expenses, including reasonable attorneys' fees (collectively, "Claims") arising out of this AGREEMENT but only to the extent that such Claims result in vicarious liability to the Town and its officials, officers and employees arising out of any act, omission, negligence, misconduct or other fault of the Army or its officials, officers, agents, employees or invitees. In the event both Parties, including but not limited to employees, agents, students or invitees, participate in a liability-causing event, each Party shall contribute to the common liability at a pro rata share based upon its relative degree of fault as established by compromise, arbitration, or litigation. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, any agreement by a Party to defend, hold harmless or indemnify the other Party shall be limited to, and payable only from, available insurance or self-insurance coverage for liability assumed by contract, if any, available as part of its general liability insurance program.
- **10. Damage to Facility**: If any damage occurs to the facilities by the Army, the Army must compensate the Town in order to repair the facilities.
- 11. Entire Understanding: This AGREEMENT embodies the entire understanding and obligations between the Army and the Town for all uses of Town-assigned facilities pursuant to this AGREEMENT. The parties shall not be bound by, nor is either Party liable for, any statement or representations, of any nature, not set forth in this AGREEMENT. Changes of any of the provisions of this AGREEMENT shall not be valid unless completed in writing and signed by both parties.
- **12. Suspension and Termination**: A non-breaching Party may terminate this AGREEMENT for the failure of the other Party to comply with the provisions of this AGREEMENT by giving the other Party a thirty (30) day written notice of the failure to comply. Either Party may terminate this AGREEMENT immediately if the other Party files for bankruptcy or receivership, or takes any actions relating to insolvency, such as assignment for the benefit of creditors.
- 13. Assignment and Subletting: The Army shall not have the right to assign this AGREEMENT, nor shall it allow any other person or entity to use or occupy a Town-assigned facility that has been authorized to be used by the Army pursuant to this AGREEMENT.
- **14. Arbitration:** In the event of a dispute hereunder, either Party may exercise its right to cancel this AGREEMENT in writing. At the Town's sole discretion, it may choose to resolve any dispute pursuant to A.R.S. § 12-1518, utilizing the services of the American Arbitration Association.
- **15. Conflict of Interest:** The parties understand that this AGREEMENT is subject to cancellation pursuant to A.R.S. § 38-511, without penalty or further obligation on the part of the Army or the Town, if any person significantly involved in initiating, negotiating, securing, drafting or creating this AGREEMENT on behalf of the Army or Town, and said employee or agent of the Town in any capacity, or a consultant to the Town or the Army , with respect to the subject matter of this AGREEMENT, and such association creates a conflict of interest or presents an appearance of impropriety at any time while this AGREEMENT, or any extension hereof, is in effect.

- **16. Governing Law:** The laws of the State of Arizona shall govern this AGREEMENT, the courts of which shall have jurisdiction of the subject matter hereof. If any portion of this AGREEMENT is found by a court of record to be invalid, the remaining portions shall remain in full force and effect.
- 17. Authority: The individual signing below on behalf of the Town hereby represents and warrants that he/she is duly authorized to execute and deliver this AGREEMENT on behalf of the Town and avows that this AGREEMENT is binding upon the Town in accordance with its terms. The individual signing below on behalf of the Army hereby represents and warrants that he/she is duly authorized to execute and deliver this AGREEMENT on behalf of the Army and avows that this AGREEMENT is binding upon the Army in accordance with its terms.

Tor the lown.			
Charlie German, Mayor	Attest:		
Town of Camp Verde, 473 S. Main Camp Verde, AZ 86322		Virginia Jones, Town Clerk	
APPROVED AS TO FORM:			
William J. Sims, Town Attorney			
For The Salvation Army			
Printed Name: Major Raewyn Aspe	eitia		
Signature:			

For the Town.



#### Town of Camp Verde

Agenda Item Submissi	on Form – Section I	
Meeting Date: February 18	3, 2015	
☑ Consent Agenda [	Decision Agenda	Executive Session Requested
Presentation Only	Action/Presentation	Special Session
Requesting Department: F	<sup>2</sup> ublic Works – Parks & R	Recreation
Staff Resource/Contact Pe	erson: Michael Marshall	
Agenda Title (be exact): Fa	acilities Use Agreement -	Camp Verde Adult Reading Program
List Attached Documents: Reading Program	Facilities Use Agreeme	nt between Town of Camp Verde and Camp Verde Adult
Estimated Presentation Til	me: 5 minutes	
Estimated Discussion Tim	e: 5 minutes	
Reviews Completed by:		
☑ Department Head: ☑ Town Attorney Comments: Template form has been reviewed and approved and this has no substantive changes.		
Finance Review:	ted 🗌 Unbudgeted 🗀	] N/A
Finance Director Comments/l Fiscal impact:	Fund:	
Budget Code:		Amount Remaining:
Comments:		

**Background Information:** The Camp Verde Adult Reading Program has been utilizing Town facilities and providing free educational opportunities to residents for many years. This agreement continues this arrangement without substantive changes. The term on this agreement will continue until June of 2018.

**Recommended Action (Motion):** Motion to accept the Facilities Use Agreement between the Town of Camp Verde and the Camp Verde Adult Reading Program.

Instructions to the Clerk: Obtain Mayor's signature if passed by Council and update "S" Drive records.

#### Agenda Item Submission Form – Section II (Staff Report)

Town of Camp Verde

Agenda Item Submission Form - Section II (Staff Report)

Department: Public Works - Parks & Recreation

Staff Resource/Contact Person: Michael Marshall

Contact Information: (928)554-0828 michael.marshall@campverde.az.gov

**Background:** The Camp Verde Adult Reading Program has for many years provided adult literacy programs and other positive and educational classes free of charge to residents of Camp Verde. They have utilized the conveniently located and accessible facilities provided by the Town of Camp Verde for this purpose under a similar previous Facilities Use Agreement as part of the Town's commitment to serve our residents.

**Statement of the Problem or Opportunity:** It is the mission of Parks & Recreation to provide"...quality recreational, educational, cultural, fitness ... opportunities..." to its citizens. This Agreement allows us to continue to meet this mission.

#### Alternatives/Options/Solutions:

- 1) Refuse the Facilities Use Agreement The Camp Verde Adult Reading Program would need to discontinue current operations at Town facilities and vacate the premises.
- 2) Adopt the proposed Facilities Use Agreement this will allow continuation of an important long term free educational program benefitting the residents of Camp Verde.

#### Comparative Analysis:

Option 1 deprives Town residents of access to this important and beneficial educational program.

Option 2 allows continuation of this important and beneficial educational program for Town residents.

**Fiscal impact to the Town:** This program has minimal impact to the Town budget considering the benefit provided to residents. The Town provides building space, maintenance, lighting, heat and cooling. The cost associated with this particular space is a small portion of the overall costs for the building as a whole.

#### Other Impacts:

**Conclusion:** A timely adoption of the proposed Facilities Use Agreement will allow continuation of a worthwhile and beneficial program while having little direct impact on the budget.

Recommendation: The council should adopt the Facilities Use Agreement with the Camp Verde Adult Reading Program.



#### **Town of Camp Verde Facilities Use AGREEMENT**

## Between The Town of Camp Verde And Camp Verde Adult Reading Program

The Parties to this Facilities Use AGREEMENT (herein referred to as "AGREEMENT") are the Camp Verde Adult Reading Program (herein referred to as the "Adult Reading Program") and the Town of Camp Verde, Yavapai County, Arizona, a municipal corporation of the State of Arizona (herein referred to as the "Town").

The parties agree that the point of contact for the respective parties are as follows:

#### For the Town:

Michael Marshall, Parks & Recreation Coordinator

Town of Camp Verde, 395 South Main Street

Camp Verde, AZ 86322

#### For the Program:

Twyla Hough, Board President

Camp Verde Adult Reading Program

P.O Box 733

Camp Verde, AZ 86322

**Purpose of this AGREEMENT**: To facilitate certain uses of Town property, to support and promote the Adult Reading Program, and opportunities that benefit the public, the Adult Reading Program and the Town.

#### This Agreement is made with reference to the following factors:

1. **Property and Use**: The Town agrees that the Adult Reading Program is authorized to utilize certain Town-owned properties and facilities within the corporate limits of the Town, for the Adult Reading Program to benefit the public.

The authorized Town facilities that the Adult Reading Program may utilize for their program include: The room, referred to as Room 305 and its associated work & storage areas, located at the rear of the Town's Community Center Gym, CXT bathrooms, and related parking lots. Room 305 is dedicated to their exclusive use and control subject to stipulations below during the duration of the AGREEMENT and other spaces shall be shared and on an as available basis.

The Adult Reading Program may also intermittently use other Town facilities as available and subject to standard Town scheduling and use requirements as an extension of this AGREEMENT. Such use shall be requested and coordinated through the Parks & Recreation division and subject to their approval.

The Adult Reading Program agrees to conduct all activities associated with this AGREEMENT in a professional, careful and safe manner. When using any Town-assigned facility, or any portion thereof, the Adult Reading Program agrees to comply with all applicable State, Federal or Town ordinances and regulations. It is further understood that the Adult Reading Program will adhere to all written Town policies concerning the use and occupancy of any particular Town-assigned facility. Upon the completion of any use related herein, the Adult Reading Program agrees to leave any Town-assigned facility in as good order and condition as existed prior to the Adult Reading Program use thereof.

- 2. Relocation of Use: The parties agree that under certain circumstances i.e. an emergency or an event beyond the Town's control that may necessitate the relocation of any of the Adult Reading Program use herein provided that such use can be relocated. This decision shall be so determined at the sole discretion of the Town concerning which particular Town-owned properties and facilities can be utilized under certain circumstances for the Adult Reading Program use.
- 3. Cancellation of use: The Town reserves its right to cancel the use of any preset time and place of usage for Town-assigned facility if the facility becomes unavailable for any reason, including emergencies. The Town will timely notify the Adult Reading Program by verbal notification (as well as in writing to the Adult Reading Program, if time allows) of any changes affecting the times, dates or places of use of said Town-assigned facility; based upon the prevailing facts and circumstances, as soon as the Town is made aware that the requested facility is no longer available to the Adult Reading Program for the preset time and place of said Town-assigned facility.

The Adult Reading Program also reserves its right to cancel the use of any preset time and place of usage of Town-assigned facility if the Adult Reading Program cannot hold their activities for any reason, including emergencies. The Adult Reading Program will timely notify the Town by verbal notification (as well as in writing to the Town, if time allows) of any changes affecting the times, dates or places of use of said Town-assigned facility; based upon the prevailing facts and circumstances, as soon as the Adult Reading Program is made aware that they will not meet at the pre-set time and place of said Town-assigned facility.

- **4. Term**: The term of the AGREEMENT shall be for a period commencing on this 18<sup>th</sup> day of February, 2015, and end on this 30th day of June 2018, This AGREEMENT may be renewed upon the mutual agreement of both parties, under the same terms and conditions or re-negotiated. The Adult Reading Program shall participate in this process through the Parks & Recreation Division of the Town of Camp Verde.
- **Facility User Fees**: The Town of Camp Verde agrees that in consideration for the adult literacy programs and other positive and educational classes provided by the Adult Reading Program free of charge to residents of Camp Verde that facility user fees will be waived for this AGREEMENT except for damage repair fees mentioned elsewhere in this AGREEMENT.
- **6. Improvements**: The Adult Reading Program shall <u>not</u> make any modifications or improvements to Town facilities without prior consent of the Town. Any office equipment, supplies or religious symbols brought to Town facilities by the Adult Reading Program shall remain the property of the Adult Reading Program. Storage of items on Town property by the Adult Reading Program shall be those appropriate for the conduct of its programs.
- 7. General Maintenance: The Town will be responsible for general maintenance of the structure including walls, ceiling, windows, doors, electrical and plumbing. The Adult Reading Program is responsible for maintenance of items brought into the building such as furniture, cubicles and infrastructure improvements such as computer and internet access.
- **8. Insurance:** In connection to the Adult Reading Program use of Town-assigned facilities the Adult Reading Program will:

Procure at their own expense and maintain during the term hereof, a property insurance policy of General Liability Insurance of at least \$1,000,000.00 per occurrence and \$2,000,000.00 against claims for the bodily injury, death and property damage. Insurance provided by the Adult Reading Program shall be primary and insurance provided by the Town shall not contribute to liability covered by the Adult Reading Program insurance coverage.

The Adult Reading Program's Certificate of Insurance/Description of Operations Box must: 1) name the Town as Additional Insured; and 2) include a description of operations.

The Adult Reading Program shall provide, simultaneously, to the Town: 1) a Certificate of Insurance evidencing such insurance coverage; and 2) the Corresponding Endorsement relative to the Town being named as additionally insured; and 3) the fully executed facilities AGREEMENT.

The receipt of any Certificate of Insurance and Endorsement does not constitute an agreement by the Town of Camp Verde that insurance requirements have been met.

The Adult Reading Program shall keep said policy in force for the duration of this AGREEMENT, and for any extension thereof. Additionally, the Certificate of Insurance and corresponding endorsements relative to the Town being named as additionally insured shall be provided to the Town, annually, when the Adult Reading Program insurance policies are renewed. These documents shall be mailed or delivered to the Risk Manager at 473 S. Main St., Ste 102, Camp Verde, AZ 86322

- 9. Indemnification: The Adult Reading Program agrees to conduct its activities in any Town-assigned facilities in a careful and safe manner. The Adult Reading Program shall indemnity, defend and hold harmless the Town and its officials, officers and employees from and against any and all claims, losses, liability, costs and expenses, including reasonable attorneys' fees (collectively, "Claims") arising out of this AGREEMENT but only to the extent that such Claims result in vicarious liability to the Town and its officials, officers and employees arising out of any act, omission, negligence, misconduct or other fault of the Adult Reading Program or its officials, officers, agents, employees or invitees. In the event both Parties, including but not limited to employees, agents, students or invitees, participate in a liability-causing event, each Party shall contribute to the common liability at a pro rata share based upon its relative degree of fault as established by compromise, arbitration, or litigation. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, any agreement by a Party to defend, hold harmless or indemnify the other Party shall be limited to, and payable only from, available insurance or self-insurance coverage for liability assumed by contract, if any, available as part of its general liability insurance program.
- **10. Damage to Facility**: If any damage occurs to the facilities by the Adult Reading Program, the Adult Reading Program must compensate the Town in order to repair the facilities.
- 11. Entire Understanding: This AGREEMENT embodies the entire understanding and obligations between the Adult Reading Program and the Town for all uses of Town-assigned facilities pursuant to this AGREEMENT. The parties shall not be bound by, nor is either Party liable for, any statement or representations, of any nature, not set forth in this AGREEMENT. Changes of any of the provisions of this AGREEMENT shall not be valid unless completed in writing and signed by both parties.
- **12. Suspension and Termination**: A non-breaching Party may terminate this AGREEMENT for the failure of the other Party to comply with the provisions of this AGREEMENT by giving the other Party a thirty (30) day written notice of the failure to comply. Either Party may terminate this AGREEMENT immediately if the other Party files for bankruptcy or receivership, or takes any actions relating to insolvency, such as assignment for the benefit of creditors.
- **13. Assignment and Subletting:** The Adult Reading Program shall not have the right to assign this AGREEMENT, nor shall it allow any other person or entity to use or occupy a Town-assigned facility that has been authorized to be used by the Adult Reading Program pursuant to this AGREEMENT.
- **14. Arbitration:** In the event of a dispute hereunder, either Party may exercise its right to cancel this AGREEMENT in writing. At the Town's sole discretion, it may choose to resolve any dispute pursuant to A.R.S. § 12-1518, utilizing the services of the American Arbitration Association.
- **15. Conflict of Interest:** The parties understand that this AGREEMENT is subject to cancellation pursuant to A.R.S. § 38-511, without penalty or further obligation on the part of the Adult Reading Program or the Town, if any person significantly involved in initiating, negotiating, securing, drafting or creating this AGREEMENT on behalf of the Adult Reading Program or Town, and said employee or agent of the Town in any capacity, or a consultant to the Town or the Adult Reading Program , with respect to the subject matter of this AGREEMENT, and such association creates a

conflict of interest or presents an appearance of impropriety at any time while this AGREEMENT, or any extension hereof, is in effect.

- **16. Governing Law:** The laws of the State of Arizona shall govern this AGREEMENT, the courts of which shall have jurisdiction of the subject matter hereof. If any portion of this AGREEMENT is found by a court of record to be invalid, the remaining portions shall remain in full force and effect.
- 17. Authority: The individual signing below on behalf of the Town hereby represents and warrants that he/she is duly authorized to execute and deliver this AGREEMENT on behalf of the Town and avows that this AGREEMENT is binding upon the Town in accordance with its terms. The individual signing below on behalf of the Adult Reading Program hereby represents and warrants that he/she is duly authorized to execute and deliver this AGREEMENT on behalf of the Adult Reading Program and avows that this AGREEMENT is binding upon the Adult Reading Program in accordance with its terms.

For the Town:			
Charlie German, Mayor Town of Camp Verde, 473 S. Main S Camp Verde, AZ 86322		Virginia Jones, Town Clerk	_
APPROVED AS TO FORM:			
William J. Sims, Town Attorney			
For the Camp Verde Adult Read	ling Program		
Printed Name:			
Signature:			



#### Town of Camp Verde

Agenda Item Submission Form – Section I		
Meeting Date: February 18, 2015		
☑ Consent Agenda ☐ Decision Agenda ☐ Executive Session Requested		
☐ Presentation Only ☐ Action/Presentation		
Requesting Department: Finance Staff Resource/Contact Person: Mike Showers		
Agenda Title (be exact): Discussion, consideration, and possible approval of proposed changes to the Town of Camp Verde Financial Operations Guide.		
List Attached Documents: 1) Town of Camp Verde Financial Operations Guide with proposed changes		
Estimated Presentation Time: N/A		
Estimated Discussion Time: N/A		
Reviews Completed by:		
☐ Town Attorney Comments:		
Department Head:		
☐ Budgeted ☐ Unbudgeted ☑ N/A		
Fiscal Impact: N/A		
Comments: Cosmetic, functional and clarifying changes to the Financial Operations Guide.		
Background Information: Changes were last approved on December 4, 2012.		
<b>Recommended Action (Motion):</b> Approval of the proposed changes to the Town of Camp Verde Financial Operations Guide.		
Instructions to the Clerk: None.		

## Town of Camp Verde

### Financial Operations Guide



Amended & Approved February 18th, 2015 PREPARED BY TOWN FINANCE DEPARTMENT

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#### INTRODUCTION

<u>PURPOSE</u>: The purpose of this manual is to set forth those policies and procedures established to govern and to implement all aspects of fiscal policy and financial management related to the Town of Camp Verde. The general purpose of this document is to provide a working guide to established financial policies and procedures.

#### I. RESPONSIBILITIES

Camp Verde's Town Code charges the Town Finance Director with implementing the financial policies of the Town Council. In the event that the Finance Director's position is vacant, the duties of the Finance Director will be performed by a designee appointed by the Town Manager. In the absence of the Town Manager, the Acting Manager shall appoint the designee with Council approval, if the assignment is to exceed 20 days.

The Finance Director is responsible for the assignment of duties to appropriate Staff members, as necessary, to ensure proper segregation of duties.

All matters discussed in this operations guide shall be carried out within applicable laws and regulations, and with generally recognized principles of good financial management and accounting. Town employees not following the policies and procedures set forth in this manual may be subject to discipline, up to and including termination of employment.

#### II. <u>AMENDMENTS</u>

This guide is written in sections, by subject, with the flexibility to be revised as approved by Council. The revision number and the effective date of the revision are in the top right hand corner of each page.

#### III. COMMENTS/CLARIFICATION OF POLICY

All comments and requests for clarification of this guide shall be addressed to the Town's Finance Director.

Adopted: 2/18/2015

# ACCOUNTING, AUDIT & GENERAL FINANCIAL POLICIES SECTION

#### ACCOUNTING, AUDIT & GENERAL FINANCIAL

<u>PURPOSE</u>: To establish standard policies and procedures relating to the general overview and accountability of the Finance Department.

#### POLICIES/PROCEDURES:

#### A. ACCOUNTING

- 1. The Town's accounting and financial reporting systems will be maintained in conformance with Generally Accepted Accounting Principles and standards of the Government Accounting Standards Board.
- 2. A fixed asset system will be maintained to identify all Town assets, their condition, historical cost, replacement value and useful life.

#### B. AUDIT

1. An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion.

#### C. FINANCIAL

#### 1. STABILITY

- a. To maintain a financially viable Town that can maintain an adequate level of municipal services.
- To maintain financial flexibility in order to be able to continually adapt to local and regional economic changes.
- c. To maintain and enhance the sound fiscal condition of the Town.
- d. Maintain a positive municipal credit rating.

#### 2. REPORTING

- a. Quarterly financial, Capital Improvement Program and Investment reports will be submitted to the Town Council as soon as practicable following the close of the quarter, and will be made available to the public.
- b. Full and continuing disclosure will be provided in the general financial statements and bond representations.

#### 3. RESERVES

- a. The Town will maintain General Fund reserves of unrestricted monies in the amount of \$500,000. The Finance Director will alert the Council anytime Unrestricted General Fund reserves drop below \$1,000,000 and will continue to update Council members until unrestricted General Fund reserves reach the \$1,000,000 threshold or until directed by Council that the reporting is no longer necessary.
- b. The Town will maintain HURF Fund reserves in an amount equal to three (3) months of budgeted HURF expenditures. This reserve balance shall not be used without approval from the Council.

2 Adopted: 2/18/2015

# CAPITAL ASSET POLICIES SECTION

#### CAPITAL ASSETS

PURPOSE: To establish standard policies and procedures for the accurate tracking of capital assets.

<u>POLICIES</u>: Capital assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of \$5,000 or more. Stewardship assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of \$1,000 to \$4,999.

#### I. <u>ACQUISITION</u>

- A. Departments must notify the Finance Department when any item is acquired, disposed of, or transferred to another department when the item was purchased for or valued at \$1,000 or more.
- B. For items valued at \$1,000 or more, the department must complete and submit an Asset Acquisition Form to the Finance Department for inclusion on either the Capital Asset Listing or the Stewardship Asset Listing.
- C. Capital assets are depreciated on a straight-line basis.
- D. In consultation with department heads, the Finance Director assigns useful lives to individual assets based on asset category.
- E. When equipment items are acquired, departments shall request property tags from the Finance Department to be affixed to the assets, if feasible. Property tags should not be affixed to any item if this would seriously impair the item's value or usefulness. Engraving or other means of identification of such items is recommended to facilitate their possible return if they are lost or stolen.
  - Departments indicate the property tag number assigned on the vendor invoice before forwarding to the Finance Department. Staff provides copies of such invoices to the Finance Department for updating the Capital Asset/Stewardship Listings.
- F. If an asset has been donated to the Town, the receiving department shall complete the "Asset Acquisition Form" and submit to the Finance Department at the time of receipt of assets. The Finance Department will issue a property tag as applicable, and staff will update the Capital Asset/Stewardship Listings.
- G. For capital projects (assets acquired through construction or assets acquired through similar multiple payments), a separate account code shall be created to track the costs to be capitalized. For existing assets, projects should be identified as to whether they are improvement projects or repair/maintenance projects. Improvement projects significantly extend the useful life of an asset or increase the value of an asset. Repair/maintenance projects generally maintain the condition of an asset so that the expected useful life is attained.

#### II. MAINTENANCE

- A. Each year staff forwards an updated Capital Asset Listing and Stewardship Listing to the Risk Manager for insurance purposes.
- B. Once a year, the Finance Department distributes current equipment listings for verification and physical inventory by department heads or designees, along with instructions regarding how physical inventories are to

Adopted: 2/18/2015

be performed. If there are any discrepancies, the proper corrections to the listing are indicated noting the date of the change and any other needed information (price, useful life, etc.). In addition, during the physical inventory process, the department heads or designees examine assets for possible impairments and designate surplus assets available for auction/disposal. The listings are returned to the Finance Department. The Finance Director researches and resolves any discrepancies between the physical inventory and the Capital Asset Listing. Each year, the Finance Department will physically sample a random selection of the Capital Asset Listing for verification that the items are still in the possession of the Town and are in working condition. During this review, staff will also search for items not listed on the Capital Asset Listing.

C. Staff reviews and reconciles the Capital Asset Listing to the general ledger on an annual basis. The Finance Director reviews the reconciliation, initialing and dating as evidence of review.

#### III. DISPOSAL

- A. Departments shall complete a Request for Authorization to Dispose of/Transfer Equipment form and submit it to the Finance Department prior to the disposal or transfer of assets. The Finance Director reviews and approves all Requests for Authorization to Dispose of/Transfer Equipment forms.
- B. Departments shall report lost, stolen, or destroyed assets within ten working days of discovery to the Risk Manager and the Finance Department.
- C. The Town utilizes the Public Service website to dispose of surplus supplies and/or assets. This website adheres to the specific procurement requirements that public agencies must follow in disposing surplus supplies and/or assets. The website address is http://www.publicsurplus.com/sms/campverde.az.
- D. For smaller dollar items under the stewardship and capital asset thresholds, disposals must be in compliance with A.R.S. State statutes prohibit "gifts of public funds" which includes government property. Therefore, surplus supplies and/or assets cannot be donated to other organizations. The law does allow for donation to other governmental entities.
- E. The following steps shall be followed in the disposal of surplus supplies and/or assets:
  - 1. The department head must authorize the disposition of surplus supplies and/or assets.
  - 2. Send an email to "All Employees" describing the item (include a photo if available) available. Allow at least four (4) working days to allow requests for the item to be transferred to another Town department.
  - If no requests to transfer the item to another Town department are received, prepare the item for submission to the Public Service website as follows:
  - 4. Take a digital photo of the item.
  - 5. Complete the Vehicle Property or General Property description form.
  - 6. Email the description form, digital photo, and any suggestions for a start price or reserve (minimum amount for the item) if applicable to <a href="mailto:auctions@campverde.az.gov">auctions@campverde.az.gov</a>. Indicate whether the item has instruction manuals and/or accessories, as well as the working condition and general condition of the item. Provide as much information as possible.
  - 7. Indicate in the email who should be contacted to pick-up the item when sold and when it will be available for pick-up.
  - 8. At the end of the auction timeframe, if the item sells, a Closing Notification report is generated from the Public Surplus website detailing the item sold as well as the sales price and the purchaser. A copy of this report is to be given to the Finance Department. This report is used to update the assets listed on the Stewardship and Capital Asset listings.
  - 9. When the purchaser pays for the item, an "Auction Receipt" report is generated. A copy of this report is to be given to the Finance Department. Payment from the purchaser is received by Public Surplus and transmitted to the Town.

5 Adopted: 2/18/2015

# CASH POLICIES SECTION

#### BANK ACCOUNTS AND RECONCILIATION

<u>PURPOSE</u>: To ensure that all activity within the general ledger is complete and properly reconciled to the bank.

#### I. POLICIES

- A. In accordance with Arizona Revised Statutes (A.R.S.), each bank account that the Town maintains over the FDIC insured amount shall be collateralized by the bank for the amount over the FDIC insured amount.
- B. All bank accounts and related activity shall be properly recorded in the general ledger.
- C. Prior to opening or closing any Town bank accounts, Council authorization shall be obtained.
- D. Only the Mayor, Vice-Mayor, Finance Director, and Town Clerk are authorized check signers on the Town's accounts as established in Resolution 2008-744 and the individuals in all four positions shall be listed as signers on each Town checking accounts. Signature cards shall be updated when necessary to reflect any changes in those positions.
- E. Authorization is given by Council to the Finance director to initiate and approve direct transfers of funds between Town bank accounts to provide for the payment of accounts payable, payroll transactions, debt payments and investments. Authorization is further given to the Finance director to make transfers to outside agencies for the purposes of normal payroll functions and payments on Town approved debt.
- F. Each bank account shall be reconciled monthly and on a timely basis to resolve any discrepancy. Reconciliations shall be signed and dated by the preparer and forwarded to the designated person for review. Once reviewed and signed, the reconciliations are returned to the Finance Department.

#### II. INTERFUND BORROWING

- A. The General Account serves as the general operating bank account of the Town and represents the pooled cash of all funds, except those amounts retained in separate bank accounts for legal or operational purposes.
- B. Each fund's share of the pooled cash is recorded on the general ledger as Equity in Pooled Cash.
- C. Once all bank accounts have been reconciled for the month, the Finance Director reviews and reconciles the Equity in Pooled Cash balances to ensure the amounts agree to the offsetting entries in the General Fund.

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Adopted: 2/18/2015

# PETTY CASH ACCOUNTS

<u>PURPOSE</u>: To account for minor disbursements when immediate payment is required.

#### I. POLICIES

- A. The petty cash reimbursement and reconciliation shall be reviewed by someone other than the custodian or person who purchased the items.
- B. Petty cash shall be properly safeguarded at all times.
- C. At a minimum, the Petty Cash Custodians shall request replenishment when the petty cash balances are more than 50% below the established beginning balance and an immediate need for replenishment is anticipated.
- D. All petty cash receipts shall be submitted for reimbursement no later than the fiscal year-end in which the purchase is made, to ensure all amounts are recorded correctly.
- E. Petty cash funds may not be used for personal services/items.

#### II. PROCEDURES

# A. DISBURSEMENTS

- 1. The requesting employee shall obtain the department head approval before purchases are made.
- 2. The requesting employee completes the Petty Cash Withdrawal Request form.
- 3. The Petty Cash Custodian receives all Petty Cash Withdrawal Request forms and vendor receipts and ensures the form is complete and properly approved before any disbursement is made from the Petty Cash Account.
- 4. The Petty Cash Custodian maintains a Petty Cash Disbursement/Replenishment Log, either in hard copy form or in Excel, for all disbursements and replenishments.
- 5. The Petty Cash Custodian checks the amount requested for mathematical accuracy and notes any discrepancy.
- 6. Upon disbursement of cash to the employee, the employee signs the Petty Cash Withdrawal Request form for acknowledgement of receipt of cash.
- 7. If there is change from the purchase, the employee signs the form acknowledging his/her return of any monies and the Petty Cash Custodian verifies the amount of the vendor receipt against the amount of the original disbursement.

#### B. RECONCILIATION

- On a quarterly basis or as needed, using the Petty Cash Disbursement/Replenishment Log, the Petty Cash Custodian reconciles the disbursement and change returned amounts listed on the various Petty Cash Withdrawal Request forms.
- 2. The Petty Cash Custodian also reconciles the Petty Cash Fund comparing the established beginning balance to amounts disbursed and remaining cash.
- 3. The Petty Cash Custodian researches and resolves any discrepancies.
- 4. The department head reviews the reconciliation.

- 5. The Petty Cash Custodian prepares a check request to replenish petty cash funds, when necessary. All receipts and Petty Cash Withdrawal Request forms should be attached the check request.
- 6. The Petty Cash Custodian receives a petty cash fund reimbursement check made payable to the applicable petty cash custodian for the purposes of replenishing the petty cash fund.

# **CASH RECEIPTS**

<u>PURPOSE</u>: To describe the policies and procedures for obtaining and receipting all revenues received by the Town of Camp Verde.

# POLICIES/PROCEDURES

- A. All cash received must have a receipt generated either in a manual receipt book or the computer accounting system depending on the department setup. Any payments taken in person should be receipted with one copy going to the payer. All checks are stamped "For Deposit Only, Town of Camp Verde" immediately upon receipt. All receipts are immediately placed into a secure location, i.e. locked drawer or safe.
- B. For departments that accept credit cards, a batch report for all credit cards processed for the day shall be generated at the end of each day and reconciled to applicable receipts.
- C. Receipts are entered into a weekly batch in the computer accounting system by the receiving department. The batches are posted and closed at the end of each week. If cash on hand accumulates to over \$2,000.00, the batch should be closed that day and taken to Finance.
- D. Each batch report is initialed by the department director and taken to the Finance office by Thursday of each week. The money is counted by the Accountant in front of the department representative. Any discrepancies are noted at that time and are dealt with appropriately. After verifying the cash balances with the report, the Accountant initials the correct cash balance and places the report in a holding file for the actual deposit and places the money in the Finance Department safe. As much as practicable along with all monies received, the "Daily Cash Reconciliation Report", batch reports, receipts, and/or cash register tapes, should be remitted to the Finance Department.
- E. The Finance Department prepares bank deposits from all received batches weekly or once actual cash on hand is greater than \$10,000. A summary deposit report of all batches is created by the Finance Director through the accounting system and balanced to actual cash on hand as counted by the Accountant. The deposit it then taken to the bank. The deposit receipt and deposit slip are attached to the combined batch reports and summary report and filed.
- F. Funds deposited directly to Town bank accounts are entered into the computer accounting system during the bank reconciliation process.
- G. The Town Pool maintains a cash register for the receipt of funds. The cash register is opened with a \$100.00 change fund. Daily receipts are closed out each day by the Head Life Guard and the Cashier. The daily receipts along with the daily reconciliation report are put into a sealed bag and placed into a locked drop box. Pool revenues are picked up weekly by authorized personnel and entered into the weekly batch for the Pool department.
- H. All bank accounts are reconciled monthly by staff (initialing and dating upon completion), reviewed by a separate employee, (the Finance Director, the Town Manager or Clerk, initialing and dating as evidence of review), and filed. (See the Bank Reconciliations Section for further details.)

- I. <u>Customer Complaints.</u> Customer complaints regarding payments to the Town should not be handled by the same person who receives the monies in dispute. If the person receipting monies receives a customer complaint regarding such monies, the customer should be directed first to a supervisor. If the complaint is not resolved, it shall be forwarded as follows until resolution is achieved:
  - Finance Director
  - Town Manager
  - Town Council

Note: For non-finance related complaints, please reference the Complaint Policy.

# **ACCOUNTS RECEIVABLE**

<u>PURPOSE</u>: To establish procedures for proper management of accounts receivable.

# POLICIES/PROCEDURES

#### A. COURT RECEIVABLES

- 1. The Municipal Court maintains records of outstanding receivables.
- 2. On a monthly basis, the Court Supervisor identifies delinquent accounts and forwards the accounts to the collection agency.
- 3. Each quarter, the Court Supervisor forwards a listing to the Finance Department for recording of accounts receivable activity in the Town's general ledger.

#### B. REVOLVING LOAN FUND RECEIVABLES

- 1. Staff as assigned maintains subsidiary ledgers by payer for each Revolving Loan Fund loan receivable account identifying the loan amount, monthly payments, and remaining balance owed.
- 2. On a monthly basis, the staff reviews the subsidiary ledgers for any delinquencies.
- 3. On a monthly basis, staff updates the receivable balance based on monthly statements and payments made.
- 4. Staff maintains copies of the subsidiary ledgers for reconciliation to the master control account in the Town's general ledger.
- 5. The Finance Director reconciles the subsidiary ledgers to the general ledger, investigating and correcting any discrepancies.

# C. MISCELLANEOUS RECEIVABLES

- 1. Following each fiscal year end, the Finance Director reviews July and August cash receipts to identify any unrecorded receivables.
- 2. Any amounts collected by the Town prior to June 30 and remitted to the bank after June 30 are recorded as cash on hand.
- 3. Any amounts collected after June 30 for services provided prior to June 30 are recorded as accounts receivable.

# ALLOWANCE FOR DOUBTFUL ACCOUNTS

<u>PURPOSE</u>: To establish procedures regarding the amount of receivables that is annually estimated as "uncollectable" by the Finance Director. The establishment of an allowance account ensures that the Town's receivables are not overstated for financial reporting purposes.

# I. POLICIES/PROCEDURES

- A. The Finance Director (or designated staff) shall establish an allowance for doubtful accounts.
- B. The estimated allowance should be based upon historical data or other pertinent information relative to the receivables in question.
- C. Generally Accepted Accounting Principles allows for the allowance to be based on a percentage of "net charges" on an annual basis, or based on a percentage of aged receivables.
- D. Court fines are more unique and could be based on collection efforts.
- E. The estimated Allowance for Doubtful Accounts shall be updated on an annual basis.

# SPECIAL EVENT CASH HANDLING PROCEDURES

<u>PURPOSE</u>: To describe the policies and procedures for collecting and reporting amounts received during special event functions.

#### POLICIES/PROCEDURES

- A. The responsible department will need to turn in a check request for the required bank amount 10 days before the event. The amount of the starting bank is entered on the Special Event Start Bank Form and initialed by the Finance Department.
- B. A cash box or register will be used for all special events. Once the starting bank check is cashed, all money should be placed in the cash box or register.
- C. Cash registers and central ticket areas will be used for food, drink, and admission.
- D. Any overflow cash removed during the event must be documented and initialed on the Special Event Start Bank Form. The amount should be verified and initial by the person transporting the money. Removed cash shall immediately be moved to a locked and secure location. For transfers of \$1,000 or more, a deputy shall accompany the transporter.
- E. When making change, the exact amount must be returned to the cash box that was taken from the cash box. Example: four (4) fives for a twenty.
- F. At the end of the event, a Town employee (and Deputy if the amount is over \$1,000) will transport the money to a secure location, i.e. safe or locked drawer. No money is to be counted at this time.
- G. The first work day following the special event, a minimum of two (2) Town employees shall count and receipt in the funds, and in another department, two (2) Town employees shall count tickets. Amounts are to be recorded on the Special Event Cash Count Sheet. Funds and ticket counts will then be turned over to the Finance Department for verification.

# **DISHONORED CHECKS**

<u>PURPOSE</u>: To describe the policies and procedures for recording and collecting amounts due from dishonored checks.

# POLICIES/PROCEDURES

- A. Upon receipt of notice from the bank that a check has been dishonored, the Finance Department issues a letter to the Payer (the party that issued the check) demanding payment for the amount of the check plus a returned check fee as established by Council resolution. This notice allows the Payer five (5) days from the receipt of the letter to remit the total amount due to the Finance Department or face collection from the Yavapai County Attorney Bad Check Program. A copy of this letter, a copy of the notice from the bank, and the original dishonored check are placed in a file for follow up.
- B. The Finance Department notifies the department from which the check was collected of the dishonored check.
- C. The original notice from the bank is placed in a file for bank reconciliation as backup.
- D. An entry through the bank reconciliation process is made to record the reduction from the Town's bank account as well as record the amount of the check as an accounts receivable in the proper fund (General Fund, HURF Fund, etc.). Upon payment of the total amount due, the amount of the check is coded to accounts receivable, the returned check fee is coded to Miscellaneous Revenues, and the total is coded to the Town's bank account.
- E. If the Payer has not made payment in full, or payment arrangements, within the allowed timeframe, the check is forwarded to the Yavapai County Attorney Bad Check Program for collection. A copy of the Yavapai County Attorney's form as well as all of the backup is retained in the file for future reference.
- F. Upon payment from the Yavapai County Attorney Bad Check Program, the backup from the file is attached to the receipt for reference.
- G. All payments on dishonored checks must be collected by the Finance Department directly. Other departments are not authorized to collect payments or make payment arrangements.

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# **GRANTS**

<u>PURPOSE</u>: To ensure grants are properly approved and accounted for.

#### I. POLICIES

- A. All grant applications must be approved by the Town Manager prior to the application being submitted.
- B. Grants larger than \$50,000 require approval from the Town Council prior to application.
- C. The Department administering the grant shall be responsible for the submission of any required quarterly and annual financial reports required by the granting agencies. They are also responsible for verifying that all expenditures are reviewed for reasonableness for compliance with the grant requirements.

# II. <u>PROCEDURES</u>

# A. REIMBURSEMENT GRANTS

- 1. Monthly, quarterly or as required by the granting agency, the department representative shall obtain a listing of all applicable grant expenditures from the accounting system. Employee wages allocated to the grant must be documented and listed on a per day basis for allocated hours with relevant and allowable wage and ERE costs totaled.
- 2. After the reimbursement claim is prepared, it is forwarded to the Finance Department for approval before it is submitted. Any discrepancy between the expenditures incurred and the reimbursement claim prepared shall be documented and returned to the department representative for adjustment. Once approved by the Finance Director, the claim is submitted to the granting agency for reimbursement.
- 3. Finance staff prepares journal entries to record related receivables, transfer of monies for any matching requirements, or adjustment of expenditures as needed.
- 4. Finance staff maintains a file of pending reimbursement claims. Upon receipt of grant monies, staff ensures that the reimbursement received reflects the amount requested. If not, staff researches and resolves the discrepancy.
- 5. Finance staff periodically reviews the file of pending reimbursement claims to determine if any outstanding claims have not been received in a timely manner.

#### B. ADVANCE-TYPE GRANTS

- 1. Monthly or quarterly as required by the granting agency, the department representative shall obtain a total listing of all applicable grant expenditures along with the grant amounts advanced from the granting agency from the Finance Department.
- 2. All expenditures are reviewed for reasonableness for compliance with the grant requirements by the Department administering the grant.
- 3. Once verified, any required financial status reports are prepared, reviewed by someone other than the preparer, and submitted to the granting agency. Copies of the reports are forwarded to the Finance Department. Any discrepancy between the expenditures incurred and the financial status reports prepared shall be documented by the department representative and submitted to the Finance Department with the copy of the reports.
- 4. The Finance Director prepares journal entries to transfer monies for any matching requirements, or adjustment of expenditures as needed.

# DONATIONS

<u>PURPOSE</u>: To ensure that donations received by the Town and are properly reviewed, accepted, accounted for and reported.

# POLICIES/PROCEDURES:

#### I. GENERAL DONATIONS

Donations without direct guidance from the donor will be received into the General Fund as unrestricted monies.

# II. RESTRICTED DONATIONS

- A. Donations that are restricted in form by the donor as to use or timing of use or any further conditions open the use of such monies must be approved by the Finance Director. Restricted Donations may be returned if it is determined by the Finance Director to be in the Town's best interest to do so. Donations of a de minimis amount (less than \$100.00) and for established designated functions do not need the Finance Director's approval.
- B. Employees of the Town may not impose their own restrictions on received donations. Only direct communication from the donor may restrict the use of a donation.
- C. The Finance Director shall be notified as soon as any restricted donations are received, pledged or expected.
- D. Restricted donations are not officially received and accepted until they are deposited by the Town.
- E. Restricted donations must be received with the following information in writing:
  - 1. Donor's Name
  - 2. Donor contact information
  - 3. Conditions of use
- F. Restricted donations shall be identified and tracked in the general ledger and reconciled on a quarterly basis.

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# PURCHASING POLICIES SECTION

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# **PROCUREMENT**

<u>PURPOSE</u>: To establish standard policies and procedures for the procurement of goods and services for the Town of Camp Verde to ensure that all goods and services received are properly authorized.

# POLICIES/PROCEDURES:

#### I. <u>APPROVAL LEVELS</u>

# A. Specified Budgeted Purchases

- 1. Department Head approval required for all purchases.
- 2. Finance Director approval required for purchases over \$20,000.
- 3. Town Manager and Finance Director approval required for purchases over \$30,000.
- Council approval required with Town Manager or Finance Director recommendation for purchases over \$50,000.

#### B. Non-Budgeted Purchases or Specified Budget Line Changes

- 1. Town Manager approval for non-budgeted purchases or specified budget line changes under \$5,000.
- 2. Council approval with Town Manager recommendation for non-budgeted purchases or specified budget line changes over \$5,000.

# C. Contingency Budget Use

- 1. Town Manager approval for use of Contingency line items up to \$15,000.
- 2. Council approval with Town Manager recommendation for use of Contingency line items over \$15,000 with the exception of normal employee termination payouts.

#### D. Contracts & Agreements

- 1. Contracts and agreements entered into by the Town must be reviewed by the Risk Management Department and must be approved and signed by the Town Manager. .
- 2. Contracts or Agreements over \$30,000 need Council approval and the Mayor's signature.

#### II. APPROVAL PROCESS

#### A. Support Requirements

- 1. Department Director sign-off for all purchases.
- 2. 3 comparative quotes (see item B. Quotes below) required for construction/materials related purchases over \$10,000 up to \$50,000 and for all non-Bid purchases over \$50,000.
- 3. Bid Process (see item C Bids below) required for construction/materials related purchases over \$50,000.
- 4. Bids and comparative quotes are not required when purchasing from a vendor on the State Procurement List
- 5. Purchase Orders/Requisitions (see item D. Purchase Orders / Requisitions below) must be completed for purchases/contracts over \$20,000.

#### B. Quotes

1. Quotes or current pricing information from reasonable competitors. Information must be printed and attached to the purchase request. Pricing comparisons should be based on best available price information with only reasonable competitor prices used.

- 2. Where 3 quotes cannot be obtained, a vendor's refusal to quote or simply the lack of vendors must be documented.
- 3. The Town reserves the right to select a higher quote if circumstances can be documented that the more expensive choice is in the Town's best interest.

#### C. Bids

- 1. Obtain a project/bid number from the Town Clerk's Office.
- 2. <u>Publication of a notice of solicitation</u>. Per A.R.S. § 41-2533, an invitation for bids shall be issued and shall include a purchase description and all contractual terms and conditions applicable to the procurement. The notice may include publication one or more times in a newspaper of general circulation within a reasonable time before bid opening. The publication shall be not less than two weeks before bid opening and shall be circulated within the affected governmental jurisdiction. Notice shall also be sent to the League of Arizona Cities and Towns, plan rooms and all vendors who have requested to be placed on the bid list.
- 3. A notice of solicitation for bids shall state the date, time and place of opening, and the place and time period within which bids shall be submitted. The time of bid opening should be not more than 15 minutes after the deadline to submit bids.
- 4. The notice shall state with particularity the goods or services required and shall state the place where specifications may be examined.
- 5. Bids shall be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not received within the time period allowed shall be rejected.
- 6. All bids shall be date and time stamped upon receipt.
- 7. All bids shall be opened in public at the time and place specified, and a tabulation of all bids shall be posted at Town Hall for public inspection.
- 8. All bidders shall be notified in writing of the award or rejection of any and all bids.
- 9. Proposals shall be requested and evaluated pursuant to procedures consistent with the State Procurement Code (A.R.S. § 41-2534, as may be amended).
- 10. Original bid documents are maintained on file in the Town Clerk's Office in accordance with the Town of Camp Verde Records Management Manual.
- 11. Unless the bids are rejected, the following shall be considered in determining the lowest responsible bidder:
  - a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
  - b. Whether the bidder can perform the contract or provide the services promptly or within the specified period of time without delay or interference.
  - c. The quality of performance of previous contracts.
  - d. The previous and existing compliance by the bidder with the laws and ordinances of the Town.
  - e. The financial resources and ability of the bidder to perform the contract.
  - f. The quality, availability, and adaptability of the supplies or service.
  - g. The reasons for selecting other than the lowest bidder shall be documented and filed with the bid documents.

#### D. Purchase Orders / Requisitions

- 1. The computerized requisition process must be used for any purchases or projects that in total accumulate to more than \$20,000 for each individual vendor or contract (excluding normal recurring operating expenditures such as utility expenses, rental payments, payroll taxes, etc.).
- 2. Requisitions will be completed by each department for projects, contracts or purchases as soon as agreements or contracts are accepted or the intent to move forward with the project/purchase has been initiated.
- 3. Purchase Orders will be initiated at the department level and are used to draw down monies on each individual requisition.

#### E. Other Items

1. <u>Performance and Payment Bonds</u>. The Finance Director shall have the authority to require a performance bond, in such amount as the Finance Director may deem sufficient for contracts other than contracts for

- construction, and the Finance Director shall require performance and payment bonds for contracts for construction as required by law (in excess of \$20,000). In all cases of construction to which state law applies, any requirement for a bond shall be incorporated into the contract.
- Exclusive Service. In the event that there is only one person or entity capable of providing a particular commodity or service, the requirement of the Town Code concerning bidding procedures shall not be applicable. However, for auditing purposes, sole-source proof shall be maintained.
- 3. Professional and Technical Services
  - a. The provisions of the Town Code shall not apply to professional or technical services.
  - b. No person or firm practicing in a professional or technical field for which a license is required by state law shall be engaged by the Town unless possessing a current license in good standing.
  - c. Upon engagement, the Town shall enter into a written agreement or memorandum of understanding for the performance of the services for which engaged, setting forth the scope of services and the unit or total price therefore.
- 4. <u>Job Order Contract</u>. Under ARS 6-34-601, the Finance Director may authorize the solicitation for Request of Qualifications (RFQ) and/or Request for Proposals (RFP), for the selection of a qualified firm/individual with whom the Town may enter into a Job Order Contract (JOC). The method of solicitation and selection may include the consideration of contractors approved under the Mohave Contract. Multiple contracts for Job-Order-Contracting construction services may be awarded to separate persons or firms on a final list with whom the Town may negotiate fair and reasonable contract terms. Multiple year contracts will be executed for three years, performance reviews and fixed or unit prices may be updated annually.
- 5. <u>Cooperative Purchasing</u>. The Town Code shall not apply to purchases made by, though or with the State of Arizona or its political subdivisions. The Town may make purchases or award contracts for services without a formal bidding or proposal process whenever other governmental units have done so for the same item or service, if, in the opinion of the Finance Director, a separate bidding process is not likely to result in a significantly lower price for such items or services.
- 6. <u>Grants</u>. The provisions set forth in the Town Code or the Town of Camp Verde Financial Operations Guide may be superseded by bidding, proposal, or qualification requirements in federal and state grants.
- 7. Purchases from Mayor or Council Members. Pursuant to ARS § 38-503(C), as may be amended, the Town, through its common Council, may purchase supplies, materials, and equipment not to exceed three hundred dollars in cost in any single transaction or a total of one thousand dollars annually, or as may be adjusted by law from the Mayor or any member of the common Council without using competitive public bidding procedures according to an annually adopted Town policy.

# RECEIVING

<u>PURPOSE</u>: To establish standard policies and procedures for the accurate receipting of all purchases or services received by the Town of Camp Verde.

# POLICIES/PROCEDURES

- A. All items purchased by the Town require a written receipt of the items at the time of delivery.
- B. A title or deed acts as the receiving document for the purchase of vehicles, land or buildings. The sales contract acts as the invoice.
- C. Items purchased with petty cash are documented by the purchaser as being received by the purchaser's signature on the detailed receipt or with a signed, written description of the items purchased if a detailed receipt is not available. It is then placed in the petty cash drawer and marked "PAID" as proof of the use of funds.
- D. Items purchased and paid for at the time of receipt with a Town check or a Town credit card must include an itemized receipt that is signed by the purchaser. The proper account code is identified, and the receipt is forwarded to the Finance Department for payment.
- E. All other items received are documented on a packing slip, bill of lading or a vendor invoice.
  - 1. Items received are signed for and dated by the department head or their designee upon inspection by that person that all items on the receiving document are indeed delivered to the Town in good condition.
  - 2. Receiving documents for items purchased with a Purchase Order include the Purchase Order number.
  - 3. Items received via a parcel shipping company are signed for at the time of receipt from the delivery company as receipt of a number of boxes or envelopes. Upon delivery of the parcel(s) to the appropriate department, the department head or his/her designee inspects the contents of the delivery, sign and date the accompanying packing slip or invoice and note the amount and the condition (if necessary) of the items received.
  - 4. After completing the above procedure(s), all receiving documents are forwarded to the Finance Department and attached to the invoice.
  - 5. If any item purchased exceeds \$5,000, notification shall be made to the Finance Department to flag the item for potential entry on the Capital Asset Listing. See the "Capital Asset" policy in the Town of Camp Verde Policies and Procedures Guide, Financial Operations Guide for proper reporting procedures.

# **CONTRACTED SERVICES**

<u>PURPOSE</u>: To establish standard policies and procedures for the accurate handling of contracted services.

# POLICES/PROCEDURES:

- A. Definition Contracted Services refers to all Vendors the town hires to perform a service-type activity while on Town property or working on Town equipment.
- B. Before a contract service provider is allowed to begin working, the department utilizing the contract service provider must verify the following:
  - 1. The vendor has completed a Form W-9. This form must be submitted to the Finance Department by the department that the vendor is contracted with. If payment is due and the required Form W-9 has not been received, the payment is subject to backup withholding of 28% pursuant to IRS requirements.
  - 2. The vendor has provided the Risk Manager with a copy of the required liability and worker's compensation insurance policies.
  - 3. The vendor has a current business license on file with the Town Clerk's Office.
  - 4. The vendor's trade licenses/certifications are current and valid.
  - 5. Budget appropriation exists to fund the transaction.
- C. The department utilizing the contract services provider, in conjunction with the Finance Department, is responsible for ensuring that the amounts paid do not exceed the total approved amount.

# DISBURSEMENT POLICIES SECTION

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# CASH DISBURSEMENTS

<u>PURPOSE</u>: To establish standard policies and procedures for the disbursement of funds to vendors for items or services purchased by the Town of Camp Verde, for ensuring that all services and items delivered were authorized and accounted for properly, and for maintaining accurate vendor files.

#### POLICIES/PROCEDURES

# I. INVOICES

- A. The Cash Disbursement/AP process begins with the received invoice. Original invoices should be used for payment.
- B. Each department is responsible for receiving and verifying each invoice along with entry into the computer accounting system. Exceptions to the actual computer entry includes bills paid by statement and a few other invoices as specified by the Finance Department. The Finance Department will enter those invoices into the computer system.
- C. Each invoice should be verified as: 1) not previously paid and 2) a valid expense, with materials received or services rendered by the receiving department. The Department Director will initial each invoice as approved and include the proper coding on the invoice as well. Backup materials and the receiving document(s) are attached to the invoice.
- D. Staff enters the invoices into a bi-weekly batch file in the computer accounting system. When the batch is ready for payment, staff will print a summary batch report that is to be verified and initialed by the Department Director as valid for payment. The summary report along with the invoice detail is then forwarded to the Finance Department.
- E. Batches are paid bi-weekly by the Finance Department. Received batches are reviewed by the Finance Department with any discrepancies noted and/or adjusted. All individual batches are compiled into a final batch in the computer software for payment by the Accountant. If an emergency check is required, the Finance Director may approve processing of a check outside the normal batch timelines.

#### II. CHECKS

- A. Blank check stock shall be kept in a locked storage cabinet in the Finance Department.
- B. Check signers include the Mayor, Vice Mayor, Finance Director, and Town Clerk (per Resolution 2008-744).
- C. Check signers may have a signature stamp. Signature stamps shall be placed in a secure location in the check signer's department, but not in the same location as the blank checks. Each check signer is responsible for the safekeeping and authorized usage of the stamp. Each department shall have a designated employee(s) authorized to use the signature stamp in the check signer's absence, and this authorization shall be made in writing.
- D. Signatures may be printed by the accounting software program as long as the signatory is reviewing each check run and approving such by initialing and dating each review.

- E. Printed checks and the check register are documented and reviewed against the invoice detail by the Finance director. The checks, invoices and check register are then forwarded to the Mayor for review and signature. If the Mayor is not available, the Vice-Mayor or Town Clerk is also approved to review and sign. The check register is to be initialed by both signatories verifying that all checks on the register have been reviewed.
- F. A check log shall be maintained by both the Finance Director and the Town Clerk to record all check runs signed and approved at each location. The check log will document the date reviewed/signed, the beginning and ending check numbers of each reviewed run and the name and initials of the person signing, stamping or reviewing. Check logs will be reviewed for discrepancies and initialed by the Town Manager at least twice per year, in January and July, and attached to the December and June Bank Reconciliations respectively.
- G. Signed checks are returned to the Accountant for processing and mailing. Invoices are filed by Vendor name and fiscal year in the Finance Office.
- H. Any voided checks are marked void over the Payee and signature section and filed in a reconciliation file after being reconciled with the bank reconciliation for the same period.
- I. Departments shall submit all prior year invoices to the Finance Department no later than August 31. Any invoices submitted after August 31st may be included in the next fiscal year.
- J. Each January, staff compiles and reconciles a preliminary list of 1099s to be issued in accordance with IRS regulations. The Finance Director reviews and approves the preliminary determination of 1099s to be issued. Once approved, staff prints the final 1099s for distribution to vendors and the IRS.

# CREDIT CARD / BUSINESS CHARGE CARD POLICY

<u>PURPOSE</u>: To establish standard procedures for the use of Town credit cards and business charge cards.

<u>POLICIES/PROCEDURES</u>: The purpose of the credit card is principally for use in making travel arrangements or other purchases where the vendor requires such use. Credit card purchases are intended to be small in scope and of a 'non-capital' nature. All purchasing of budgeted capital items must have the proper approval of the Finance Director and must be purchased via the Purchase Order process. Business charge cards are also available for certain frequently used vendors.

# I. RESTRICTIONS

- A. Credit cards/business charge cards are to be signed out at the Finance Department and returned promptly after use. In addition, the employee must sign the credit card log to acknowledge return of the credit card. A fully completed Credit Card Use Form with all receipts and other supporting documentation attached must be submitted to the Finance Department for each separate purchase.
- B. Town employees and officials may sign out credit cards/business charge cards in accordance with this policy. If an individual needs a card to keep in his/her possession, they should notify the Finance Department as much ahead of time as possible. Cards are signed out per the above policy.
- C. Any approved credit card or business charge card accounts shall be opened by the Finance Director, or his or her designee. No other individuals are authorized to open credit card or business charge card accounts.
- D. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle are as follows:
  - 1. Single Purchase Limit Not to exceed \$5,000
  - 2. Billing Cycle Limit Not to exceed \$20,000

Single purchase limit exceptions must be obtained in writing, in advance, from the Finance Director or Town Manager. There is no exception for the Billing Cycle Limit.

#### II. USE OF CARD

- A. The credit card/business charge card is to be used for Town purchases only.
- B. No person other than the one who signed out the card is authorized to use it. <u>Employees must not retain credit</u> card numbers for future use when not signed out.
- C. The employee shall take all necessary precautions to keep the card and card number in a secure location. The Finance Department is to be notified immediately if card is lost or stolen.
- D. The department is responsible for all charges incurred on department issued cards including any annual service fees and finance charges.
- E. NO backorders are allowed.

#### III. DOCUMENTATION

- A. An invoice and any relevant backup information for all purchases must be obtained any time a purchase is made using the card, including phone and internet purchases. These documents are to be used to verify the purchases on the monthly statement of account. Invoices should be in detail to allow clear understanding of the purchased items or service. If the purchaser is unable to provide such documentation, the charges will be the responsibility of the purchaser.
- B. The Town shall not be responsible for any charges incurred if the criteria listed in (A) if supporting documentation is not received in a timely manner by the Finance Department.
- C. All purchases are to be recorded on Credit Card Use Form. This form must be maintained as charges occur.
- D. For telephone/facsimile orders, the employee shall request that the vendor send, via facsimile, a copy of the invoice. *The original invoice is still necessary by the Finance Department for reconciliation purposes.*
- E. For internet orders, employees must print a copy of the receipt/order confirmation and attach to the Credit Card Use Form. Any originals mailed after the purchase should be attached as well.
- F. If, for any reason, the employee does not have documentation for a transaction, the employee must attach a Credit Card Use Form, providing: a description of the item, vendor's name, reason for missing documentation, and the action that will be taken to ensure proper documentation in the future. In addition, the employee and the department head's signature are required on the form.
- G. If receipts are related to travel, it is the employee's responsibility to photocopy the receipts to attach to their Training/Travel Authorization and Expense Form. The originals must be forwarded to the Finance Department for reconciliation with the monthly statement.

#### IV. PROHIBITED CHARGES

- A. The following uses of a credit card are **prohibited**:
  - 1. Cash advances.
  - 2. Personal purchases. Employees may not charge any personal items on the Town credit cards/business charge cards.
  - 3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation shall be required.
  - 4. Alcoholic beverage purchases.

Any prohibited use of cards shall be reported to the applicable department head and/or the Town Manager.

- B. <u>Per Diem.</u> Per diem requests are processed through Accounts Payable prior to travel. Refer to the Travel and Training Section.
- C. Employees shall also comply with any applicable departmental restrictions on usage.
- D. Employees may not violate any procurement requirements, as it pertains to obtaining quotes, when using the Town credit card.

# V. RECONCILIATION AND PAYMENT

- A. All invoices are reconciled to the monthly statement by the Finance Office.
- B. Payment shall be made promptly and before the due date to avoid any service or finance charges.
- C. Any department not responding promptly to the request for information from the Finance Department or in any way delaying the timely monthly payment of the credit card account shall be assessed the finance charges imposed by the issuing financial institution.

# VI. POLICY VIOLATIONS

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

# TRAVEL AND TRAINING

<u>PURPOSE</u>: The policy of the Town of Camp Verde is to encourage training opportunities for employees and supervisors so their services rendered to the Town can be made more effective, and that employees may become, at the same time, qualified for promotion to higher-level positions. The department head, consistent with the budget and this policy, may authorize attendance at conferences, seminars, meetings, conventions and other courses that directly benefit the Town of Camp Verde.

# POLICIES/PROCEDURES:

#### I. ELIGIBLE INDIVIDUALS

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

#### B. GENERAL PRINCIPLES

- A. All out-of-state travel shall be approved by the Town Manager prior to scheduling.
- B. Employees may attend educational or training seminars if funds for that purpose are available and such training is directly job related or beneficial to the Town.
- C. The most economical method of transportation shall be selected in terms of expense to the Town (or grantor agency) and the employee's time away from the office. If the employee chooses an alternate method of transportation, reimbursement shall be capped at the cost of the least expensive option.
- D. Employee travel, in-state and out-of-state, is conducted according to the Town Travel and Training Policy regardless of funding source (i.e. Grant requirements do not supersede the Town requirements; however, any grant requirements that are more restrictive must be followed.).
- E. Shared lodging is encouraged, wherever possible. Non-shared lodging requires approval of the department head.
- F. Any travel reimbursement claims shall be submitted to the Finance Department using the Training/Travel Reimbursement Form within five (5) business days after the end of the trip.
- G. Any expenses incurred for items such as alcohol, telephone calls (except when business related), in room movies, etc. shall not be covered by the Town and are the employee's responsibility.

#### C. PROCEDURES

A. Employees desiring to attend schools, conferences, conventions, seminars, and other official meetings shall complete a Training/Travel Authorization and Expense Advance Form and submit to their department head for approval. If the travel is out-of-state, it shall first be approved by the Town Manager prior to scheduling.

- B. Upon approval of the training/travel request, the department designee makes the necessary travel arrangements and prepays lodging and other travel costs as appropriate. All travel/training arrangements are recorded on the Training/Travel Authorization and Expense Advance Form.
- C. For advances of per diem allowances, employees must submit a complete and approved Training/Travel Authorization and Expense Advance Form to the Finance Department not later than ten (10) working days prior to the date that travel for such schooling or training is to commence.

#### D. TRAVEL COMPENSATION GUIDELINES

- A. Tips and other gratuities for all meals are included in the per diem.
- B. The Town shall compensate expenses only when the expenses are incurred during the performance of official duties of the Town employee and for the Town's benefit.
- C. Subsistence shall not be permitted when the training received is for the direct benefit of the employee and not required by the job.
- D. An employee on Town travel status who extends the travel for his/her own convenience or enjoyment when such is not required by the Town, is not entitled to the allowance for that meal or if applicable, lodging.
- E. Employees shall be responsible for any fines or traffic violations incurred while traveling on Town business in either a Town vehicle or personal vehicle.

# E. LODGING

#### A. Eligibility

- 1. Employee must be on authorized travel status.
- 2. Travel must be outside a 75-mile radius of the corporate Town limits and a multi-day event or an early morning meeting.
- 3. Early morning meeting requirement is having to leave the Town prior to 6:00 am to arrive on time.
- 4. Events starting at or after 8:00 a.m. are not eligible for lodging and per diem for the day before the event begins unless the event is located in an area outside the traveling distance of the greater Phoenix, Flagstaff, Prescott or Payson areas.
- 5. Lodging must be at a commercial establishment to be eligible for reimbursement.
- 6. Lodging is covered at the single room rate unless sharing a room with another Town employee.

# B. Documentation

- 1. The commercial establishment's original receipt is required.
- 2. Lodging receipts must be itemized.
- 3. If original lodging receipt is lost or destroyed:
  - a. A photocopy may be submitted with the statement. Treat as the Original.
  - b. The employee and the department head must sign the photocopy.
  - c. If a photocopy is not available and cannot be obtained from the commercial establishment, then a canceled check or credit card receipt showing the payment of the lodging may be used. This situation may cause the employee to receive disciplinary action.

#### F. MEALS

#### A. Receipt Reimbursement

- 1. Meal expenses incurred while on Town business will be reimbursed based on the time and amount eligibility guidelines listed in sections C & D below.
- 2. Meals must be at a commercial establishment.
- 3. A receipt is required or reimbursement will be denied. Receipts must be signed and submitted with the proper request form.

#### B. Per Diem

- 1. Requires an overnight stay. Single day travel does not qualify for per diem.
- 2. Meals must be at a commercial establishment.
- 3. Documentation Compensation is based on the schedules listed in Sections C & D below. Since the meal reimbursement has been established as a per diem, receipts are not required to be submitted.
- 4. Traveler is not entitled to a per diem allowance for meals provided at the conference, seminar or lodging site.
- 5. Per Diem for breakfast and dinner will not be allowed when staying in non-commercial lodging, i.e. with family. Reimbursement will be based on receipt only.

# C. Meal Rate Caps\* & Per Diem Rates

Breakfast \$ 7.00 Lunch \$ 12.00 Dinner \$ 18.00

#### D. Allowable Meal Times

- 1. Breakfast When travel commences on or before 6:00 a.m. or returns after 10:00 a.m.
- 2. Lunch When travel commences prior to 11:30 a.m. or returns after 1:30 p.m.
- 3. Dinner When travel commences prior to 6:00 p.m. or returns after 7:00 p.m.

#### G. TRANSPORTATION

- A. Compensation shall be made only for the method of transportation, which is in the best interest of the Town considering travel expense, vehicle condition, as well as the employee's time. When more than one employee uses the same motor vehicle, only one claim for mileage compensation shall be allowed.
- B. Requirements for Using Town Owned Vehicle
  - 1. Authorization by the department head prior to use of Town owned vehicle.
  - 2. <u>Driver's license</u> a valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit on Town business.
  - 3. <u>Vehicle Reservation</u> Each department shall reserve a pool vehicle with the Town Clerk's Office at least 24 hours before needed.
  - 4. <u>Reporting</u> Pool vehicles require that all pertinent information be provided in the vehicle log, including name of user, beginning and ending mileage, total miles traveled, destination, purpose of travel, and fuel level.

<sup>\*</sup>Special one-time overrides to the meal rate caps may be allowed for conferences which place the employee in a situation where meal costs are high and travel is prohibitive. Overrides should be approved ahead of time by the department head and the Finance Director.

- 6. Return of Pool Vehicle Fuel level must be full upon return from an out-of-town trip and any problems or incidents with the vehicle must be reported to the Fleet Manager. The vehicle shall be returned in a clean state (all soda cans, paper and trash shall be removed).
- 7. There is no smoking or alcohol allowed in Town vehicles.
- 8. <u>Passengers & Drivers</u> No unauthorized passengers or drivers will be allowed to either operate or ride in Town vehicles. Transporting family members in Town vehicles shall be allowed only when the family member is accompanying an employee to a business meeting or official function. No additional expenses to the Town should be incurred as a result of the family member traveling in a Town vehicle. The driver of a Town vehicle MUST be a Town employee or official.

# C. Requirements for using personal vehicle

- 1. <u>Authorization</u> By the department head prior to use of personal vehicle.
- 2. <u>Driver's License</u> A valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.
- 3. Condition of Vehicle Employees are responsible for ensuring personal vehicles are safe for travel.
- 4. <u>Current Vehicle Insurance</u> Liability insurance coverage with a minimum coverage of \$15,000 per person and \$30,000 per accident.
  - a. If a traveler using a privately owned vehicle is involved in an accident and found to be at fault, his/her liability insurance carrier is responsible to the limits of the policy, including any deductibles. If the amount exceeds that coverage, the Town's insurance, at the time, covers the amount over the policy limits if the traveler was acting within the course and scope of their employment.
  - b. If a traveler driving a privately owned vehicle on Town business is involved in an accident, regardless of fault, the Town shall not reimburse for any physical damage to the motor vehicle.

# 5. Compensation Basis

- a. Compensation is based on <u>map mileage</u> using official state highway maps or mapping programs. Odometer mileage may be submitted for travel to dining or multiple event locations within reason (extraveling long distances to eat at a certain restaurant rather than those within close proximity to the event is excessive and will not be reimbursed).
- b. Beginning address and ending location address must be submitted for compensation.
- c. Compensation is based on using the most direct route.
- d. Mileage compensation shall be at the lower of the Arizona Department of Administration approved rate or the IRS standard mileage rate. When the Arizona Department of Administration and/or the IRS standard mileage rate adjust, the Town automatically adjusts its mileage rate. The mileage rate includes all travel and maintenance expenses of the vehicle.

# H. MISCELLANEOUS TRAVEL ISSUES

# A. Communication Expense

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

#### B. Extending Business Trips with Vacation Time

- 1. With the department head's approval, traveler may extend a business trip using vacation time.
- 2. The Town covers the lodging, map mileage and per-diem for the period that the traveler is conducting Town business. Additional costs to extend the trip shall be borne by the traveler.

# C. Local Transportation, Tolls and Parking

- 1. Taxi, bus, and streetcar use is classified as local transportation and can be claimed with receipts. Whenever possible, hotel-provided shuttles should be used.
- Claims for local transportation shall not be allowed where the Town provides for other transportation (Town, personal or rental vehicle) unless it can be documented that local transportation was necessary or reasonable.
- 3. Bridge and road tolls are reimbursable with receipts.
- 4. Travelers must use the free or discounted parking, when available, when traveling on Town business.
- 5. Receipts are required for reimbursement of allowable parking fees.

#### D. Rental Cars

- 1. If travel necessitates the use of a rental car, Department Head authorization must be obtained prior to booking the rental car.
- 2. The rental car must be a mid-size or smaller vehicle unless a group traveling together requires a larger vehicle or no other vehicle is available.
- Insurance shall not be purchased from the rental car agency as the Town's insurance policy covers rental cars.

#### E. Airline Travel

- 1. Department Head authorization must be obtained if airline travel is requested.
- 2. The Town will only fund coach seating in airline traveling. If the employee wants to upgrade the seating type, the employee is responsible for the difference in cost.

# UNCLAIMED PROPERTY

<u>PURPOSE</u>: To establish standard policies and procedures for recording and handling unclaimed property.

# POLICIES/PROCEDURES

- A. On a monthly basis, review all checks that are still outstanding on all bank reconciliations.
- B. If checks have not cleared after 90 days, the Finance Department will attempt to contact the individual or vendor. Checks held for pickup will be mailed after 14 days if not picked up.
- C. If the individual/vendor cannot be reached or a mailed check is returned, the Finance Department staff shall void the check and place a copy of it in the individual, vendor or employee's file.
- D. Record the voided check amount in the Unclaimed Property liability account.
- E. If the vendor, or employee, contacts Finance after the check has been voided, reissue another check and remove the amount from the Unclaimed Property liability account. Place a copy of the reissued check in the vendor or employee's file.
- F. On an annual basis (on July 1), review all amounts in the Unclaimed Property liability account and identify those that have reached the period when payment must be turned over to the state. The dates used on the "Unclaimed Property Report" are July 1 through June 30. The report is due November 1.
- G. Send the completed Unclaimed Property Report to Accounts Payable for payment.

# GENERAL LEDGER POLICIES SECTION

# **JOURNAL ENTRIES**

<u>PURPOSE</u>: To maintain balanced accounts and to make necessary adjustments to resolve unbalanced accounts.

# I. POLICIES/PROCEDURES

- A. A Journal Entry form is completed detailing the adjustments needing to be made. Any supporting schedules or other documentation are attached. The employee preparing the journal entry shall sign and date the Journal Entry form.
- B. Journal entries shall be approved by the Finance Director prior to entry into the accounting system.
- C. Approved journal entries are entered into the accounting system monthly. Only the Finance Director shall be able to post entries into the system.

# II. <u>AUDIT ADJUSTING JOURNAL ENTRIES</u>

- A. The Finance Director shall review to determine the validity of any audit adjusting journal entry.
- B. Upon consensus, the audit adjusting journal entry is input into accounting system and posted by the Finance Director.

# TOWN FUNDS

<u>PURPOSE</u>: To establish policies related to the operation of Town funds.

## POLICIES/PROCEDURES

#### I. CREATING / REMOVING FUNDS

- A. All requests to add or remove funds must be approved by the Town Council.
- B. New funds generally are requested and approved as part of the annual budget process; however, if the need arises during the year, a request for creation of a new fund should be submitted to the Town Council for approval. Funds shall only be considered for removal during the budgeting process each year.
- C. Once approved, the Finance Director will create the new fund or remove the old fund in the accounting system.
- D. The Finance Director notifies applicable employee(s) of the uses and non-uses of the new fund or of the disuse of the old fund.

#### II. OPERATING TRANSFERS

- A. Operating Transfers are authorized by the Town Council during the annual budget process.
- B. If an unbudgeted operating transfer becomes necessary or if the amount budgeted was insufficient by more than 5%, approval for the transfer or the increase in amount must be obtained from the Town Council. Budgeted Operating Transfers needing to be increased by less than 5% can be authorized by the Finance Director.
- C. Operating transfers are recorded through a journal entry (refer to the Journal Entries Section).
- D. Operating transfers shall be recorded in a timely manner. Depending upon the nature and purpose, operating transfers shall be recorded quarterly.

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# PAYROLL POLICY SECTION

# **PAYROLL**

<u>PURPOSE</u>: To establish standard policies and procedures for the disbursement of funds to employees of the Town of Camp Verde to ensure that all work performed is authorized and accounted for properly and to maintain payroll files.

# POLICIES/PROCEDURES:

# I. INITIATION, STATUS CHANGES and PAYROLL WITHHOLDINGS

Original authority for placing an employee on the payroll, authority to execute any change of employee status, or authority to remove an employee from the payroll is recorded on a properly executed and approved Personnel Action Form. Personnel Action Forms shall be signed by duly authorized Town officials. Authority for initial federal and state income tax withholdings and subsequent changes is recorded on a properly executed W-4 form and A-4 form. The original authority for court ordered withholdings shall be a copy of the court order. Deductions from an employees' check must be supported in writing by the employee.

### II. RECORDS

### A. Employee Payroll Files

An Employee Payroll File is maintained for each employee in the Finance Office which includes the following information: Personnel File Information Form, W-4, A-4, copies of Personnel Action Forms, copy of Retirement Enrollment Form, payroll deduction forms, court orders, and any miscellaneous payroll information regarding the employee.

# B. Employee Personnel Files

The originals of the following forms are kept in the Employee's Personnel File located in the Human Resources Department: Employment Verification Form, I-9, Personnel Action Forms, Application and Evaluations, retirement information, Personnel Manual Acknowledgement forms, Oath of Office, disciplinary information, training certifications, and other personnel related documents.

# C. Employee Time Records

Employee time and pay records are maintained electronically within the accounting system.

#### III. PAY PERIODS

All employees are paid bi-weekly, 26 times per year on the Wednesday following the end of each pay period. Each bi-weekly pay period shall be defined as from 12:01 a.m. Sunday of one week through 12:00 a.m. Saturday of the following week.

## IV. TIME ENTRY & APPROVAL

Time entry is completed electronically through the accounting system. Each employee has their own login name and individually selected password. Employees are responsible for entering their time for each pay period. Once employee time is entered and submitted, it must be approved electronically by the authorized supervisor. Exempt employees are not required to enter time on a bi-weekly basis.

### V. VACATION, SICK OR COMP TIME

Any employee requesting time off must first get approval from their supervisor in advance for the requested time. Time off requests for all employees (including exempt) are submitted electronically through the time entry system and are then approved or denied by the employee's supervisor electronically as well. If an employee will be gone due to illness, injury or worker's compensation for 3 or more days, the Human Resources Department must be notified promptly.

# VI. CHECK RUN, SIGNING AND DISBURSEMENT

- A. Staff generates, from the computer, the payroll checks and check register.
- B. Manual checks are approved by the Finance Director and then forwarded to the Town Clerk (or Mayor or Vice Mayor if the Clerk is unavailable) for review and signature. The checks are then returned to the Finance office for distribution to employees.
- C. Check stubs and a copy of direct deposit checks along with all other relevant information used for the check run are placed in a folder for each separate pay run. Payroll checks are available for pickup on Wednesday morning. Department heads or their designated employee can pick up checks for their entire department. The employee picking up the checks must sign the Payroll Check Sign-out Log

# VII. FISCAL YEAR END PROCEDURES

- A. When the final fiscal year end payroll crosses both fiscal years, the expenditures are allocated to each fiscal year based on the number of days in each period.
- B. Required reports are reconciled and filed each quarter and at year-end.

# VIII. PAYROLL LIABILITY ACCOUNTS

The payroll liability accounts will be reconciled at least quarterly and any necessary adjustments will be made. The Finance Director reviews these reconciliations.

# BUDGET POLICY SECTION

# **BUDGET POLICY**

<u>PURPOSE</u>: To establish policies and procedures to carefully account for public funds, manage the finances wisely and plan for adequate funding of services that are desired by the public. The following budget policy provides guidance for preparing the Town of Camp Verde's annual budget (all funds) as well as adoption, implementation, and monitoring of the budget.

### I. POLICIES

- A. <u>BUDGET PHILOSOPHY</u>. The Town of Camp Verde's budget philosophy includes funding the service delivery system using the resources provided through current revenue collection while planning for future needs through capital funding and maintenance.
- B. <u>BALANCED BUDGET</u>. Arizona law (Title 42 Arizona Revised Statutes) requires the Town Council to annually adopt a balanced budget. The Town of Camp Verde will develop a balanced budget by June 30<sup>th</sup> each year, where projected revenues meet or exceed projected expenditures. In the event that projected revenues are not adequate to sustain the service delivery system desired by the Town's citizens, a draw on fund balance may be authorized by the Town Council in accordance with Town Code Section 3-4-5 Fund Balance Policy. In addition, the Town will not use one-time (non-recurring) revenues to fund continuing (recurring) expenditures.
- C. <u>CONSERVATIVE PROJECTIONS</u>. Revenues and Expenditures will be determined through conservative projections. Current revenues will be sufficient to support current operating expenditures allowing the Town to maintain a positive operating position.
- D. <u>USER FEES</u>. User Fees will be adjusted as necessary to recover the full cost of services provided, except when the Town Council determines that a subsidy from the General Fund is in the public interest.
- E. <u>BUDGETARY LEVEL OF CONTROL</u>. The Council's level of budgetary control is at the functional department level as described in section B. Budget Amendment Policy, item 3.

# II. PROCEDURES

# A. **BUDGET PROCESS**

- 1. The Town Manager will meet with all Department Directors to discuss his/her outlook for the coming year and give staff direction as to the financial direction of the New Year's budget.
- 2. Department Heads will develop the budgets for their departments based on the recommended direction of the Town Manager.
- 3. Department Heads will enter their completed budget requests into the computer accounting system with appropriate notes for review by the Town Manager. Individual meetings are held with each of the Department Heads to discuss their budget requests and to assure that the Departments' narratives are complete.
- 4. The compiled preliminary draft budget is distributed to Council Members and Department Heads. Budget Work Sessions are scheduled to present each budgetary unit to Council, answer questions that may arise, make adjustments as directed, and obtain Council's preliminary approval of the requests. The Finance Department, with the Town Manager's direction, makes final adjustments to the budget and verifies that all information is properly included in the budget document.

- 5. In June, the Tentative Budget is approved by Council and the budget is advertised in the local newspapers for two consecutive weeks.
- 6. In July, Public Hearings on the Tentative Budget are held. If no changes have been directed, the Final Budget is adopted and implemented.

# B. BUDGET AMENDMENT POLICY

- 1. Once the tentative budget is adopted, the expenditure limitation amount is set for the fiscal year. The Town Council may not approve additional appropriations above that amount.
- 2. Throughout the fiscal year, amendments may be made to the adopted budget. All budget amendments must be approved by the Town Council. Budget amendments include, but are not limited to, transfers of appropriations between departments, transfers of appropriations from the Contingency to departments and/or funds, and transfers of appropriations between funds.
- 3. The Town Manager may approve budget reallocations within functional department areas as follows:
  - a. General Government All "100 & 900" department account numbers
  - b. Magistrate Court All "300" department account numbers
  - c. Public Works All "400" department account numbers
  - d. Community Development All "500" department account numbers
  - e. Marshal's Office All "600" department account numbers
  - f. Library All "700" department account numbers
  - g. Parks & Rec All "800" department account numbers
- 4. A budget adjustment is requested with the Budget Change/Re-Appropriation Form. The form is submitted to the Finance Director for review.
- 5. The Finance Director shall submit the completed Budget Change/Re-Appropriation Form to Council for approval.
- 6. Approved changes to the budget shall be documented, signed and entered by the Finance Director and filed in an annual budget adjustment file.

# C. BUDGET MONITORING

- 1. The Finance Department, along with each Department Head, monitors the budget continuously throughout the fiscal year. The Town focuses on the object level (total salary expenditures, total operational expenditures, etc.) of tracking rather than focusing on the sub-object level (each specific line item). This means that instead of tracking each line item to ensure that it remains within the budget appropriation, the focus is on whether the Department as a whole operates within its total budget appropriation.
- 2. Revenue projections are monitored monthly and statistically projected throughout the remainder of the fiscal year to determine the need to decrease expenditure appropriations in order to maintain a balanced budget.
- 3. Financial reports are given to the Town Council and Department Heads quarterly detailing the status of each department and the Town as a whole. Along with these reports, the Finance Department also presents a report to Council detailing the revenue projections through the end of the fiscal year and makes recommendations as needed to decrease appropriated expenditures, as a result of any shortfall in our revenue base, which may materialize.

# D. BUDGET CALENDAR

1. In February of each year, the Finance Director shall obtain approval of the budget calendar for the following fiscal year.

# E. CAPITAL IMPROVEMENTS

- 1. The Town will make all capital improvements in accordance with an adopted and funded capital improvement program (CIP). The CIP will provide for adequate design, construction, maintenance and replacement of the Town's capital assets over a five-year period.
- 2. The Town will use intergovernmental assistance to finance only those capital improvements that is consistent with the Capital Improvement Plan and Town priorities, and who's operating and maintenance costs have been included in the budget.
- 3. The Town will coordinate development of the capital improvement budget with the development of the operating budget.
- 4. If funding new facilities, the Parks Fund and other special development impact funds may only be used if those new facilities are included in the Town's master plans.

# F. FUND ACCOUNTING

1. The Town utilizes fund accounting, which is a method of tracking revenues and expenditures based on restrictions being placed on the revenues requiring that they be used for specific purposes only. Each fund is considered a separate accounting entity. All funds except agency funds are included in the budget document. Agency funds are not required to be included in the budget document as they are monies belonging to separate entities, which the Town holds in trust for them.

# G. GOVERNMENTAL FUNDS

- 1. <u>General Fund</u> The General Fund is the main operating fund of the Town of Camp Verde; it accounts for the majority of the departments within the Town.
- 2. <u>Special Revenue Funds</u> Special Revenue Funds are separate accounting records used to track revenues (and the related expenditures) that are legally restricted for specific purposes.
- 3. <u>Debt Service Fund</u> Debt Service Fund is used to account for the funding allocations and the payments of general long-term debt principal, interest and related costs.
- Capital Project Funds Capital Project Funds are used to track the financial resources to be used for the
  acquisition or construction of capital assets and for larger 1-time projects that may not ultimately be
  capitalized.
- 5. All Governmental Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means that the amount of the transaction can be determined. Available means that the funds are collectible within the current period or soon thereafter to pay liabilities of the current period. Expenditures are recognized when the related liability is incurred.

#### H. PROPRIETARY FUNDS

1. <u>Enterprise Fund</u> – Enterprise Funds are used to account for business-type activities where a fee is charged to external users for goods or services and use the full accrual basis of accounting for reporting but use the modified accrual basis of accounting for budgeting purposes.

# I. FIDUCIARY FUNDS

- 1. <u>Agency Fund</u> The Agency Fund is used to account for monies belonging to other agencies that the Town holds in a trustee capacity.
- 2. <u>Fiduciary Funds</u> Fiduciary Funds are accounted for using the accrual basis of accounting. This method of accounting recognizes the financial effects of transactions and other events and circumstances that have cash consequences in the periods in which transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

# J. **BUDGET BASIS**

1. The Town maintains its financial records in accordance with Generally Accepted Accounting Principles (GAAP) for government entities. The budgets of General Government Funds are prepared on a modified accrual basis. This includes all fund types managed by the Town of Camp Verde.

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# DEBT POLICY SECTION

# **DEBT POLICY**

<u>PURPOSE</u>: To establish policies and procedures to provide for the preservation and eventual enhancement of the Town's bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument covenants and provisions and required disclosures to investors, underwriters, and rating agencies. These policy guidelines will also be used when evaluating the purpose, necessity, and condition under which debt will be issued. These polices are meant to supplement the legal framework of public debt laws provided by the Arizona Constitution, State Statutes, City Charter, federal tax laws, and the Town's current bond resolutions and covenants.

The Town utilizes long-term debt to finance capital projects with long useful lives. Financing capital projects with debt provides for an "intergenerational equity", as the actual users of the capital asset pay for its cost over time, rather than one group of users paying in advance for the cost of the asset.

All projects funded with General Obligation Bonds or Revenue Bonds can only be undertaken after voter approval through a town-wide bond election.

# I. POLICIES/PROCEDURES

- A. The overall debt management policy of the Town is to ensure that financial resources of Town are adequate in any general economic situation to not preclude the Town's ability to pay its debt when due.
- B. The Town will not use long-term debt to fund current operations or projects that can be financed from current revenues or resources. The Town will first attempt "pay as you go" capital financing.
- C. The Town does not intend to issue commercial paper (CP) or bond anticipation notes (BANs) for periods longer than two years or for the term of a construction project. If CP or a BAN is issued for a capital project, it will be converted to a long-term bond or redeemed at its maturity.
- D. Whenever the Town finds it necessary to issue revenue bonds, the following guidelines will be adhered to:
  - 1. Revenue Bonds are defined as bonds in which the debt service is payable from the revenue generated from the operation of the project being financed or a category of facilities, from other non-tax sources of the Town, or from other designated taxes such as Highway User's Revenues, excise tax, or special fees or taxes. For any bonds or lease-purchase obligations in which the debt service is paid from revenue generated by the project, that debt service is deemed to be revenue bonds and are excluded from the calculation of the annual debt service limitation.
  - 2. Revenue Bonds of the Town will be analyzed carefully by the Finance Department for fiscal soundness. The issuance of Revenue Bonds will be subject to the most careful review and must be secured by covenants sufficient to protect the bondholders and the name of the Town.
  - 3. Revenue Bonds should be structured to provide level annual debt service over the life of the issue.
  - 4. Debt Service Reserve Funds should be provided when required by rating agencies, bond insurers, or existing bond covenants.
  - 5. Interest earnings on the reserve fund balances will be used to pay debt service on the bonds unless otherwise committed for other uses or purposes of the project.
  - 6. The term of any revenue bond or lease obligation issue will not exceed the useful life of the capital project, facility or equipment for which the borrowing is intended.

- 7. The target for the term of Revenue Bonds will typically be between twenty and thirty years. The target for the "average weighted maturities" for Revenue Bonds of the Town (except for those issued through the Arizona Water Infrastructure Finance Authority) will be twelve and one half (12 1/2) years.
- E. Improvement District (ID) and Community Facility District (CFD) Bonds shall be issued only when the formation of the district demonstrates a clear and significant purpose for the Town. It is intended that Improvement District and Community Facility District Bonds will be primarily issued for neighborhoods and business districts desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage. The District must provide a specific benefit to the property owner(s). The Town will review each project through active involvement of Town staff and/or selected consultants to prepare projections, review pro-forma information and business plans, perform engineering studies, and analyze minimum debt coverage and value to debt ratios, and other analyses necessary to consider the proposal against specific criteria. Both ID and CFD Bonds will be utilized only when it is expected that they will be outstanding for their full term.
- F. Refunding Bonds will be measured against a standard of the net present value debt service savings exceeding 5% of the debt service amount of the bonds being refunded, or if savings exceed \$750,000, or for the purpose of modifying restrictive covenants or to modify the existing debt structure to the benefit of the Town.
- G. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.
- H. The Town shall comply with all requirements of Title 15.1 <u>Arizona Revised Statutes</u> and other legal requirements regarding the issuance of bonds and certificates of the Town or its debt issuing authority.
- I. The Town will maintain regular contact with rating agencies through meetings and visits on and off-site. The Town will secure ratings on all bonds issued if economically feasible.

# II. SHORT-TERM DEBT

- A. The Town may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Council approval by ordinance or resolution.
- B. The Town may issue inter-fund loans, rather than outside debt instruments to meet short-term cash flow needs. Inter-fund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations.

# III. LONG-TERM DEBT

- A. The Town will confine long-term borrowing to capital improvements that cannot be funded from current revenues.
- B. Where possible, the Town will use special assessment revenue or other self-supporting bonds instead of general obligation bonds.

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# INVESTMENT POLICIES SECTION

# **INVESTMENT POLICIES**

<u>PURPOSE</u>: To establish policies and procedures to create a guide for the investment of Town funds. The Town also desires to take advantage of resources not available to the Town through the Local Government Investment Pool.

Therefore, it is the investment policy of the Town and its designee, the Finance Director, to maintain the safety of principal, maintain liquidity to meet cash flow needs and provide competitive investment returns as identified below. The Finance Director will strive to invest with the judgment and care that prudent individuals would exercise in their own affairs.

# I. POLICIES/PROCEDURES

#### A. GOVERNING AUTHORITY

1. The investment program of the Town shall be operated in conformance with Federal, State and other legal requirements, primarily outlined in A.R.S. §35–323.

# B. APPROVAL OF THE INVESTMENT POLICY

1. The investment policy shall be formally approved and adopted by the Town Council and reviewed on or about July 1 of every odd numbered year by the Town Council or their designee.

# C. SCOPE

- The Town will consolidate cash and reserve balances from all funds in order to maximize investment
  earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs and
  administration costs, except for cash in certain restricted and/or special funds, which are exempted from
  this policy.
- 2. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- 3. The Finance Director will follow A.R.S. §35–323 and other investment guidelines mandated by statute. Investments that need to restrict yield for purposes of the Internal Revenue Service's Arbitrage Bond Regulations (Treasury Regulation Section 1.148-1 *et seq.*) will be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

#### D. INVESTMENT POLICY OBJECTIVES

- 1. The primary investment objectives of the Town in order of priority are:
  - a. Safety
  - b. Liquidity
  - c. Optimal yield
  - d. Collateralization
- 2. These objectives are defined below:
  - a. <u>Safety</u> Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to prudently mitigate credit risk and interest rate risk. It is understood by the Town that no investment is completely free of risk.
    - 1) <u>Credit Risk</u> The Town will seek to mitigate credit risk, which is defined as the risk of loss due to the failure of the security issuer or backer. Mitigating credit risk is to be accomplished by:
      - a) Limiting investments in the portfolio to the asset classes designated as acceptable in A.R.S. §35-323:

- b) Diversifying the investment portfolio so that the impact of potential losses from any one individual issuer held in the portfolio will be limited. Specific diversification parameters will be noted in Section VIII. Portfolio Criteria;
- c) Utilizing external research and advice regarding the current global economic condition and its impact on the outlook for domestic corporate credit quality.
- 2) <u>Interest Rate Risk</u> The Town will seek to mitigate interest rate risk, which is defined as the risk that the market value of securities held in the portfolio will decline due to increases in market interest rates subsequent to their purchase. This mitigation will be accomplished by:
  - Structuring the investment portfolio so that securities mature concurrent with the anticipated cash requirements for ongoing operations, thereby avoiding, as much as possible, the need to sell securities in an adverse market environment prior to maturity;
  - b) Investing funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio in accordance with the needs of the Town;
  - c) Utilizing external research and advice regarding the current interest rate outlook and global economic condition to optimize portfolio duration strategy.
- b. <u>Liquidity</u> The investment portfolio shall remain sufficiently liquid to meet anticipated cash flow requirements. This is to be accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash flow needs (static liquidity). Furthermore, because all possible cash demands cannot be anticipated, the portfolio should consist of securities for which there exist active secondary markets (dynamic liquidity). Alternately, a portion of the portfolio may be placed in money market mutual funds or the Local Government Investment Pool, which offers same-day liquidity for short-term funds.
- c. Optimal Yield Return on investment is of lesser importance compared to the safety and liquidity objectives described above. The investment portfolio shall be designed to optimize the yield the Town obtains from the portfolio taking into account the criteria of the investment policy, the dynamic liquidity needs of the Town and the current interest rate outlook/economic condition.
- d. <u>Collateralization</u> Securities will be registered in the name of the Town of Camp Verde.

# E. INVESTMENT MANAGEMENT AUTHORITY

- 1. Authority to manage internally or to delegate the management of the investment program of the Town to an external manager is granted to the Finance Director. If authority to manage all or a part of the investment program of the Town is delegated to an external manager, the Finance Director is responsible for:
  - a. Periodic investment portfolio reporting;
  - b. Evaluating the performance of the externally managed portfolio;
  - c. Monitoring manager compliance with the investment policy;
  - d. Conveying the investment needs of the Town to the external manager;
  - e. Developing investment strategy with the external manager.

#### F. BROKERS/DEALERS

- 1. When the Town is investing directly with Brokers/Dealers, investment transactions shall only be conducted with financial institutions that are licensed, as may be required by law, to do business in Arizona. Primary government securities dealers or broker-dealers, engaged in the business of selling government securities, shall be registered in compliance with section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to A.R.S. §44-3101, as amended. In addition, investment transactions shall be conducted only with those direct issuers who meet both credit and capital requirements established by the Finance Director. It shall be the responsibility of the broker-dealer to provide the following:
  - a. Audited, most recent annual financial statements within six months of the close of the fiscal year;
  - b. Unaudited, most recent quarterly financial statements;
  - c. Proof of National Association of Security Dealers certification;
  - d. Proof of Arizona registration (as needed);
  - e. A signed letter acknowledging that they have read and agree to abide by the investment policy.

### G. PORTFOLIO CRITERIA

1. Acceptable Asset Classes

As of 4/16/2007, A.R.S. §35-323A defines the acceptable asset classes available for the Town to invest in as follows:

- a. Certificates of deposit in eligible depositories.
- b. Certificates of deposit in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in Section 35-323.01.
- c. Interest-bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under this article.
- d. Repurchase agreements with a maximum maturity of one hundred eighty days.
- e. The pooled investment funds established by the state treasurer pursuant to § 35-326.
- f. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
- g. Bonds or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns or school districts.
- h. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district within this state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.
- i. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district in this state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:
  - The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
  - A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
- j. Commercial paper of prime quality that is rated "P1" by Moody's Investor Service or rated "A1" or better by Standard and Poor's rating service or their successors. All commercial paper must be issued by corporations organized and doing business in the United States.
- k. Bonds, debentures and notes that are issued by corporations organized and doing business in the United States and that are rated "A" or better by Moody's Investor Service or Standard and Poor's rating service or their successors.
- I. All other investments are thereby prohibited from consideration for investment. Furthermore, the Town may desire to be more conservative in its investment portfolio and restrict or prohibit certain of the investments listed above.

# H. BENCHMARK

- 1. The performance of an actively managed portfolio on behalf of the Town will be expected to at least match the performance of the Local Government Investment Pool during any one-year period.
- Occasionally, based on the liquidity needs and the portfolio strategy of the Town it may be reasonable and desirable to measure portfolio performance against a total return benchmark. The Finance Director shall define such a benchmark after consultation with professionals in the field of financial management and the Town Council.

# I. MATURITY PARAMETERS

Funds Maximum Maturity: 5 Years Maximum Maturity for Repurchase Agreements: 180 Days

Portfolio Duration Target: To be defined by the Finance Director in

consultation with the Town Council.

Portfolio Duration Range: + / – 20% of the Portfolio

**Duration Target** 

# J. CONCENTRATION AND DIVERSIFICATION

1. At the time of purchase a maximum of 5% of the market value of the portfolio may be invested in debt issued by any single entity. Debt backed by the United States Treasury or GSE's are exempt from this concentration criterion.

# K. MINIMUM ACCEPTABLE CREDIT QUALITY

1. As indicated in the table below, all corporate portfolio holdings at the time of purchase must have a minimum rating (\*) by at least one of the Nationally Recognized Statistical Rating Organizations (NRSRO's).

	3 & P	ivioody'S
Short	Not lower than the Town of Camp	Not lower than the Town of Camp
Term	Verde current G.O. Bond Rating or	Verde current G.O. Bond Rating or
Rating	its commensurate short term rating	its commensurate short term rating *
-	* (see exhibit 1)	(see exhibit 1)
Long	One grade higher than the Town of	One grade higher than the Town of
Term	Camp Verde current G.O. Bond	Camp Verde current G.O. Bond
Rating	Rating *	Rating *

<sup>\*</sup>In no case shall the rating be lower than that required by A.R.S. §35-323, as amended.

# L. SAFEKEEPING AND CUSTODY

- 1. <u>Delivery vs. Payment</u> All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
- 2. <u>Safekeeping</u> Securities will be held by a custodian selected by the Town and evidenced by custodial reports. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

# M. REPORTING

1. The Finance Director shall produce for the governing body of the Town or their designee a quarterly investment report.

# N. CUSTODIAN RECONCILIATION

1. The report of investment holdings shall be reconciled within 30 days of the close of each month to the Finance Director's custodian bank. Discrepancies shall be reported to the Finance Director.

### O. ETHICS AND CONFLICTS OF INTEREST

1. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose, within ten (10) days, any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the Town.

# P. POLICY CONSIDERATIONS

1. <u>Exemption</u> – Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy. Any deviation from the preceding policy shall require the prior specific written authority of the Town Council.

# Q. INVESTMENT TRAINING

- Investment officials shall have a finance, accounting or related degree and knowledge of treasury functions.
   Investment training must take place not less than once in a two-year period and receive no less than ten
   hours of instruction relating to investment responsibilities from an independent source such as Government
   Finance Officers Association, Municipal Treasurers Association, American Institute of Certified Public
   Accountants, Government Finance Officers Association-Arizona, Arizona Society of Public Accounting or
   other professional organizations.
- 2. The Chief Financial Officer and all investment officials of the Town shall attend at least one training session relating to their cash management and investment responsibilities within 12 months of assuming these duties for the Town. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state investment statutes.
- 3. A report of the training(s) attended shall be submitted to Council at the time of the bi-annual review of the Investment Policy subject to Section 3-4-4.3.

# MISCELLANEOUS POLICIES SECTION

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# FRAUD POLICY

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

# POLICIES/PROCEDURES

- A. The Town of Camp Verde recognizes the importance of protecting the organization, its taxpayers, its employees, and its assets against financial risks, operational breaches and unethical activities. Therefore, the management must clearly communicate the fraud prevention policy to both internal and external customers, vendors and employees.
- B. The impact of misconduct and dishonesty may include:
  - 1. The actual financial loss incurred
  - 2. Damage to the reputation of the Town and our employees
  - 3. Negative publicity
  - 4. The cost of investigation
  - 5. Loss of employees
  - 6. Loss of public confidence
  - 7. Damaged relationships with our contractors and suppliers
  - 8. Litigation
  - 9. Damaged employee morale
- C. The Town of Camp Verde's goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.
- D. The Town of Camp Verde is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.
- E. <u>Definitions</u> As used in this policy, the terms listed below shall have the following definitions:
  - 1) <u>Assets</u> the entire property of the Town of Camp Verde. Assets include, but are not limited to, all Town vehicles, building properties, office equipment, software, cash receivables, wages and benefits, equipment, and tools.
  - 2) <u>Corruption</u> the offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity.
  - 3) Embezzlement any loss resulting from the misappropriation of the Town of Camp Verde's assets.
  - 4) <u>Employee(s)</u> all Town of Camp Verde employees, independent contractors, consultants, temporary workers, and volunteers.

- 5) <u>Fraud</u> the intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity.
- 6) <u>Loss</u> the Town of Camp Verde losing possession or control of any type of asset through fraudulent activities.
- 7) <u>Misappropriate</u> to take or make use of any item without authority or right.
- 8) <u>Misapplication</u> illegal or improper use of lawfully held funds or property.
- F. Zero Tolerance Policy The Town of Camp Verde has adopted a zero tolerance policy regarding fraud. No employee of the Town shall remove any Town of Camp Verde asset from the property, misuse any Town asset for one's personal gain, or willfully misappropriate any Town of Camp Verde asset. Any evidence supporting fraud, theft, or embezzlement of the Town of Camp Verde's assets and equipment may be subject to the following actions including, but not limited to: suspension, termination, restitution, and criminal charges. Any Town of Camp Verde employee who is aware of fraud being committed against the Town of Camp Verde by anyone shall report such activity to the Town Manager or the Ethics Hotline (aka Whistle-Blower Hotline).

#### G. Prohibited Acts

- 1. Fraud is defined as an intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include:
  - a. Falsification of expenses and invoices.
  - b. Authorizing or receiving compensation for goods not received or services not performed.
  - c. Theft of cash or any assets.
  - d. Forgery, unauthorized alteration or falsification of records.
  - e. Improprieties in the handling or reporting of money transactions.
  - f. Knowingly providing false information on job applications.
  - g. Authorizing or receiving compensation for hours not worked.
  - h. Embezzlement, bribery or conspiracy.
  - i. Misappropriation, misapplication, destruction, removal, or concealment of Town of Camp Verde property.
  - j. Misrepresentation of fact.
  - k. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Town-owned software.
  - I. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

# H. <u>Deterring Fraud and Corruption</u>

- 1. The Town has established internal controls and policies and procedures in an effort to deter, prevent, and detect fraud and corruption. All new full time employees are subject to background investigations including a criminal background check(s). All temporary, part-time, and seasonal employees may be subject to a criminal background check based on position and possible duration or employment. The Town may also verify all applicants' employment history, education and personal references prior to making an offer of employment.
- 2. All vendors, contractors, and suppliers must be in good standing and be authorized to transact business in the Town of Camp Verde. Vendors, contractors, and suppliers may be subject to screening, including verification of the individual or company's status as a debarred party.
- 3. When necessary, contractual agreements with the Town may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.
- 4. Town employees will receive annual fraud and corruption awareness training (ethics training). New employees will receive this policy as part of their training at orientation. Employees will be required to sign an acknowledgement verifying that they received a copy of the fraud policy and attended the awareness training.

5. Each department is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

# I. Reporting of Fraud or Corruption

- 1. Allegations and concerns about fraudulent or corrupt activity may come from various sources including employees, vendors, members of the public, results of internal and external audit reviews, or from any other interested parties.
- 2. All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor, or any other party with any association with the Town. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.
- 3. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Town nor any person acting on behalf of the Town shall:
  - a. Dismiss or threaten to dismiss the employee,
  - b. Discipline, suspend, or threaten to discipline or suspend the employee,
  - c. Impose any penalty upon the employee, or
  - d. Intimidate or coerce the employee.

Violations of the whistle-blower protection will result in discipline up to and including termination.

- 4. Concerns should be reported to any of the following:
  - a. Town Manager
  - b. Town Council
  - c. Human Resources Director
  - d. The employee's immediate supervisor
  - e. Anonymous Ethics Hotline (aka Whistle-Blower Hotline)

# 5. Reporting Procedures

# a. Mayor and Town Council Responsibilities

- 1) If the Mayor or a Town Councilmember has reason to suspect that a fraud has occurred, he or she shall immediately contact the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
- 2) The Mayor or Town Councilmember shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the Town Manager (Town Attorney or Human Resources Director if the Town Manager is involved).
- 3) The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the Town Manager in consultation with the Town Attorney and the Human Resources Director.

#### b. Management Responsibilities

- 1) Management is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.
- 2) Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is, or was, in existence in his or her area.
- 3) When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
- 4) If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor (or contact the Town Manager or Human Resources Director if the supervisor is involved).
- 5) Department Heads should inform the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).

- 6) Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
- 7) Management should support the Town's responsibilities and cooperate fully with the Human Resources Department, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
- 8) Management must give full and unrestricted access to all necessary records and personnel. All Town furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
- 9) In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:
  - a) Incorrect accusations.
  - b) Alerting suspected individuals that an investigation is underway.
  - c) Treating employees unfairly.
  - d) Making statements that could lead to claims of false accusations or other offenses.
- 10) In handling dishonest or fraudulent activities, management has the responsibility to:
  - a) Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc.
  - b) Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Town, unless specifically directed to do so by the Town Attorney.
  - c) Avoid discussing the case with anyone inside the Town other than employees who have a need to know such as the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.
  - d) Direct all inquiries from the suspected individual, or his or her representative, to the Town Manager or Town Attorney. All inquiries by an attorney of the suspected individual should be directed to the Town Attorney. All inquiries from the media should be directed to the Town Manager.
  - e) Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Human Resources Director, in conformance with the Town's Personnel Policies and Procedures or the appropriate bargaining document.

# c. Employee Responsibilities

- 1) A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
- 2) When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or the Town Manager (or contact the Town Attorney or Human Resources Director if the next higher level of management and/or the Town Manager is involved).
- 3) If the employee is uncomfortable reporting the information directly to management, the employee may make an anonymous report through the Ethics Hotline (aka Whistle-Blower Hotline).
- 4) The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.

#### d. Human Resources Department Responsibilities

- 1) Upon assignment by the Town Manager, the Human Resources Director will promptly investigate the fraud.
- 2) In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Human Resources Director, in consultation with the Town Attorney, will contact the Marshal's Department.
- The Human Resources Director shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.

- 4) If evidence is uncovered showing possible dishonest or fraudulent activities, the Human Resources Director will proceed as follows:
  - a) Discuss the findings with the appropriate management/supervisor and the department director.
  - b) Advise management, if the case involves staff members, to meet with the Human Resources Director (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the Town Personnel Rules and any applicable Memorandums of Understanding.
  - Report to the External Auditor such activities in order to assess the effort of the illegal activity
    on the Town's financial statements.
  - d) Coordinate with the Town's Risk Management insurer regarding notifications to insurers and filing of insurance claims.
  - e) Take immediate action, in consultation with the Town Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
    - i. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
    - ii. Preventing the individual suspected of committing the fraud from having access to the records.
- 5) In consultation with the Town Attorney and the Marshal's Department, the Human Resources Department may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
- 6) If the Human Resources Department is contacted by the media regarding an alleged fraud or audit investigation, the Human Resources Department will consult with the Town Manager and the Town Attorney, as appropriate, before responding to a media request for information or interview.
- 7) At the conclusion of the investigation, the Human Resources Department will document the results in a confidential memorandum report to the Town Manager and the Town Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the Marshal's Department for subsequent transfer to the County Attorney for disposition.
- 8) Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Human Resources Department no later than seven calendar days after notice is received.
- 9) The Human Resources Department will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
- 10) Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Human Resources Department to that department.

### 6. False Allegations

a. False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

# 7. Corrective Action and Discipline

- a. Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the Town Manager (or Town Council if the Town Manager is involved).
- b. Offenders at all levels of the Town will be treated equally regardless of their position or years of service with the Town. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Town, cooperation by the offender and legal requirements.
- c. Appropriate and timely action will be taken against those proven to have committed fraudulent acts. These remedial actions may include, but are not limited to:
  - 1) Disciplinary action (up to and including immediate termination of employment).
  - 2) Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
  - 3) Forwarding information to the appropriate authorities for criminal prosecution.

- 4) Institution of civil action to recover losses.
- 5) Where the Town of Camp Verde elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
- 6) The Town of Camp Verde may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.

# 8. Confidentiality

a. All investigations will be conducted in confidence insofar as reasonably possible. The names or names of those communicating information about a fraudulent act or the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

# 9. Questions or Clarifications Related To This Policy

a. All questions or other clarifications of this policy and its related responsibilities should be addressed to the Town Manager, who shall be responsible for the administration, revision, interpretation, and application of this policy.

# **CELL PHONE POLICY**

<u>PURPOSE:</u> The purpose of this policy is to provide guidance and procedures governing the use of Town owned cellular telephones. This administrative guideline will also help ensure consistency among Town departments using cellular phones.

# I. POLICIES

- A. The Town of Camp Verde issues cellular phones to officials and employees who work in areas or on assignments where standard telephones or other forms of electronic communications equipment are not readily available and where such use will benefit the Town and its citizens.
- B. Cellular phones are intended for special applications such as safety purposes or to assist in the completion of an assigned task or official responsibility. They are not intended for personal convenience.

# II. <u>UNAUTHORIZED USES OF A TOWN OWNED CELLULAR TELEPHONE</u>

- A. Any call which could suitably be made from a standard Town telephone or other electronic communications.
- B. Any call made in relation to an official's or employee's personal affairs or personal business enterprise.
- C. Any call for the purpose of entertainment, such as 900 numbers, movie links, etc.
- D. Any usage while driving or operating machinery.

# III. PROCEDURES

- A. All requests for cellular telephones require completion of Request for Cellular Telephone Form, approved in advance by the department head and the Town Manager, and then forwarded to the Finance Department.
- B. The user of the cellular telephone shall be required to complete the Cellular Telephone User Agreement prior to being issued a cellular telephone.
- C. The Finance Department tracks all cellular phones issued on the Cell Sign In/Out Log.
- D. All purchases of Town cellular telephones shall be through State of Arizona contract, unless a more advantageous contract is negotiated through an outside provider.
- E. All cellular telephone bills shall be sent to the Finance Department and not to a home or business address.
- F. Cellular telephone bills shall be reviewed each month by the applicable department head and/or supervisor to ensure proper use of the phones.

# IV. POLICY VIOLATIONS

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

B. Excessive non-work usage of a Town owned cellular telephone is reviewed by the employee's supervisor to determine whether continued access to a cellular telephone is in the Town's interest.

# V. <u>TERMINATED EMPLOYEES</u>

- A. Any employee issued a Town owned cellular telephone must return it no later than the last day of employment. The employee shall be required to sign the Request for Cellular Telephone Form and the Cell Sign In/Out Log to indicate the phone was returned.
- B. Any employee not returning Town owned cellular telephone as of their last day of employment shall be billed for the cost of the phone and any minutes used subsequent to termination.

Agenda Item Submission Form – Section I						
Meeting Date: February 18, 2015 Regular Session						
☐ Consent Agenda ☐ Dec	cision Agenda	☐ Executive Session Requested				
☐ Presentation Only ☐ Acti	ion/Presentation	Pre-Session Agenda				
Requesting Department: Finance	Requesting Department: Finance					
Staff Resource/Contact Person:						
Agenda Title (be exact): Possible approval of Camp Verde Library Policy and Procedures Manual						
List Attached Documents: Cam	List Attached Documents: Camp Verde Library Policy and Procedures Manual					
Estimated Presentation Time: 1						
Estimated Discussion Time:						
Reviews Completed by:						
☐ Department Head: ☐ Town Attorney Comments: N/A						
Finance Department N/A						
Fiscal Impact: None Budget Code: <u>N/A</u>		Amount Remaining:				
Comments:  Background Information:  Council has reviewed the attached document during two previous work session						
Recommended Action (Motion): Approval Camp Verde Library Policy and Procedures Manual						
,		•				
Instructions to the Clerk: None						

# CAMP VERDE COMMUNITY LIBRARY POLICIES & PRACTICES

**ADOPTED JANUARY 1993** 

REVISED SEPTEMBER 1999 REVISED SEPTEMBER 2009 REVISED FEBRUARY 2015

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#### **GENERAL GUIDELINES**

#### STATEMENT

The <u>purpose</u> of the Camp Verde Community Library (LIBRARY) is to provide library services that satisfy the diverse needs of the citizens of Camp Verde and surrounding communities. It is vitally important that citizen have convenient and free access to the expanding world of ideas, information and creative experiences.

The <u>long-term goal</u> of the LIBRARY is the maximum use of its resources by the greatest number of people.

The LIBRARY'S <u>objectives</u> are to select, acquire, organize and preserve materials and resources that will aid individuals in the pursuit of information, education, and cultural/ recreational interests. The LIBRARY serves as a community resource and referral center by providing free access to comprehensive and quality print, media and online informational materials and resources.

In addition to meeting the needs of regular patrons, the LIBRARY employs methods of service that may attract members of the community who have not traditionally been library users.

The policies stated herein will serve as guidelines for the day-to-day operation and function of the LIBRARY. All Library staff and volunteers shall be informed of these policies. Library staff will render services relevant to these expressed objectives.

# **REVISIONS OF POLICIES**

The LIBRARY policies herein may be revised, as circumstances require, by the Library Director and enforced when adopted by the Town Council.

# **CELL PHONE USE POLICY**

# PRINCIPLE(S):

Cell phones and other mobile devices are an integral part of our lives and are therefore welcome in the LIBRARY.

# PRACTICE:

Patrons should use their cell phones, audible pagers and similar devices in a manner that will not disturb others.

- Turn the ringer to vibrate or off.
- Be considerate of others and keep the conversation short and low.
- Exit the building for extended or personal conversations.

If the noise level disturbs others, the patron may be asked to relocate.

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#### CIRCULATION POLICY

# PRINCIPLE(S):

Camp Verde Community Library (LIBRARY) supports access to library materials and resources in cooperation with other libraries in the Yavapai Library Network (YLN).

#### PRACTICE:

A patron must have a valid library card on an account in good standing to check out any library materials.

<u>Circulation</u>: Regular circulating LIBRARY materials have a 3-week checkout period. Materials designated "For Reference" do not circulate and cannot be checked out.

<u>Due Dates</u>: Some YLN Libraries have different loan periods. The loan period for materials may vary by agency. The due dates and circulation policies of the lending library superseded those of the LIBRARY.

<u>Payments</u>: Payments for fees and fines accrued at other YLN libraries may be resolved at Camp Verde Community Library. When paying by check, ask a library staff person to whom to make the check payable since some payments must be sent to other YLN libraries.

<u>Collections</u>: If the patron does not respond to overdue or final notices, the collection action will be referred to a collection agency. The patron shall be responsible for payment of all fees and costs associated with collection.

No Refunds: Patrons who have paid for lost materials will not receive a refund if the material(s) is/are located by the patron at a later date.

<u>Renewals</u>: LIBRARY materials may be renewed once unless another patron has requested the item or if the lending library does not permit renewals. A renewal request can be made in person, by telephone, or online.

<u>Overdues</u>: Overdue items must be returned or renewed before additional materials can be borrowed.

Overdue Fines: Overdue LIBRARY materials are assessed ten cents (\$ .10) per day per item against the patron's account. Some YLN libraries have different fine assessments. The fee schedule of the owning library supersedes that of Camp Verde Community Library.

LIBRARY materials are unavailable for checkout when a patron's overdue account reaches \$10.00. Once the balance is reduced to less than \$10.00, normal library privileges may be restored.

Holds: Items borrowed from other libraries are placed on the HOLDS shelf. Once an item is

# **CIRCULATION POLICY, continued**

available on the HOLDS shelf, the requesting patron has ten (10) days to pickup it up. After ten (10) days, the item is returned to the lending library, tagged to fill the next hold request, or reshelved. An occasional request to extend the Hold period beyond ten (10) days so the item is not sent back before the patron can pick it up may be considered.

<u>Damaged/Lost Materials</u>: When loaned library materials are lost or damaged beyond repair, the patron will be assessed a replacement charge for the cost of each item. Duplicate or donated items will not be accepted in lieu of payment. The cost of a lost or damaged media case will be assessed to the patron's account. The patron's Library privileges may be suspended until the matter is resolved.

Returns with Missing Pieces: Any library material borrowed at the LIBRARY and returned with any missing piece(s) will be set to LOST on the patron's account. A notice of fees and replacement costs for the material will be sent to the patron. When the missing piece(s) is/are returned, the lost status will be removed and charges dropped.

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#### COLLECTION DEVELOPMENT POLICY

# PRINCIPLE(S):

Authorized selectors add and remove material in a variety of formats (print, electronic, etc.) to and from the LIBRARY collection. Choices about which additions and deletions to make are guided by the general principle that the collection should include materials that are of the greatest direct benefit or interest to the community. Within that broad principle, selectors choose materials that are of requisite and appropriate quality, within the constraints of likely demand, relative cost, available space and potential alternatives. The selection of resources shall be informed by the <u>Library Bill of Rights</u>, the <u>Freedom to Read Statement</u>, and the <u>Freedom to View Statement</u>, adopted by the council of the American Library Association (ALA).

#### PRACTICE:

Library materials are selected in part from competent media reviews and basic lists of standard works. Recommendations from the public are welcome.

The Selection of paper and electronic materials or resources and library programs included in the LIBRARY collection or calendar is delegated to the Librarian. That selection may be further delegated by the Librarian to professional staff as deemed appropriate. Authorized selectors exercise discretion in deciding which materials to add or remove from the LIBRARY collection. With the goals of purpose, quality and economy, the collection of the LIBRARY will be built to meet the needs and interests of the community following specific guidelines. In particular, selectors are guided by the following considerations:

- Preference should be given to material that is relevant and timely rather than archival.
- Although the LIBRARY does not provide basic school texts, consideration should be given to providing supplemental materials that enrich the resources available in local schools.
- Consideration should be given to requests made by patrons.
- Consideration should be given to donated items, so long as the items are new (current or
  previous year) and in excellent condition. The acceptance of donated materials will be
  governed by the same criteria applied to the selection of purchased materials. Donated
  materials not selected for inclusion in the collection will be transferred to an ongoing used
  book sale for fundraising purposes or passed on.
- Selectors work directly with vendors to choose material. Selectors are expected to be aware of purchasing arrangements developed from time to time (e.g. standing order plans, cooperative spending among YLN members, etc.). Selectors are encouraged to coordinate with each other to minimize the duplication of materials. This includes sharing information about visits from vendor sales representatives.
- Consideration should be given to official documents or records of the Town that may have a special historical interest, and other specific cultural, historical or biographical interest to the community.

# **COLLECTION DEVELOPMENT POLICY, continued**

Selection of materials will be made on the basis of the total effect of the materials as follows:

- Relation of work to existing collection
- Popular demand
- Authority of author
- Accuracy
- Topics of current interests
- · Standard works of permanent value
- Price, durability and ease of use
- Basic standard research and reference materials

LIBRARY staff shall evaluate the collection through inventory and maintenance, identifying current strengths, weaknesses, gaps and saturation categories. Generally materials will be removed from the collection that: (a) lack demand, (b) are obsolete, or (c) are in poor condition from use, age or abuse. Library staff shall determine whether such items will be replaced.

Patrons may provide input on the selection process by filling out the <u>Materials Request Form</u> and submitting it to the Librarian. Whether the item is purchased for inclusion in the collection, placed on hold for the patron or requested through Interlibrary loan shall be at the discretion of the Librarian.

### **CONFIDENTIALITY POLICY**

# PRINCIPLE(S):

It is the policy of the LIBRARY to ensure the privacy of any patron who uses the services of the LIBRARY. Information requested and selection of material must remain confidential.

Pursuant to Arizona law (<u>ARS § 41-151.22</u>), and except as provided by law, the Camp Verde Community Library shall not disclose any record or information that identities a user of library services as requesting or obtaining specific materials or services or as otherwise using the LIBRARY.

#### PRACTICE:

LIBRARY staff and volunteers will follow the State of Arizona Privacy of User Records law (ARS § 41-151.22) as stated below:

- A. Except as provided in subsection B of this section, a library or library system supported by public monies shall not allow disclosure of any record or other information, including e-books, that identifies a user of library services as requesting or obtaining specific materials or services or as otherwise using the library.
- B. Records may be disclosed:
  - 1. If necessary for the reasonable operation of the library.
  - 2. On written consent of the user.
  - 3. On receipt of a court order.
  - 4. If required by law.
- C. Any person who knowingly discloses any record or other information in violation of this section is guilty of a class 3 misdemeanor.
- D. For the purposes of this section, "e-book" means a book composed in or converted to digital format for display on a computer screen or handheld device.

All patron information records are confidential. Any staff member or volunteer can be dismissed for a violation of this confidentiality policy.

For the privacy and safety of patrons, staff and volunteers, personal information will not be given over the phone. A message will be taken or the call forwarded when requests are made for information regarding a person's presence in the LIBRARY building.

Records, which may be required in controlling the use of library materials, are for the sole purpose of protecting LIBRARY property. Such records are not to be used directly or indirectly to identify personal information or the kinds of materials used by individual library patrons.

Only the Library Director shall process a request for restricted information. The request must be in writing and in a form that is legally appropriate and sufficient for the Library Director to process the request.

### COPYRIGHT POLICY

# PRINCIPLE(S):

LIBRARY staff and volunteers will, in good faith and to the best of their ability, comply with U.S. Copyright Law and Related Laws contained in the United States Code.

### PRACTICE:

LIBRARY staff will not knowingly or willfully assist or facilitate any infringement of copyright, a violation of copyright laws or the fair use guidelines, breach of a license agreement, or act in any manner that counteracts or contravenes a copyright holder's stated permission or exclusive rights.

No volunteer shall knowingly copy materials in willful violation of copyright law, fair use guidelines, license agreement or copyright holder's stated permission or exclusive rights.

LIBRARY staff will obtain the required permissions and licenses when using copyright protected materials. LIBRARY staff shall make every reasonable effort to comply with the applicable fair use guidelines to avoid any copyright infringement.

#### DISRUPTIVE AND/OR INAPPROPRIATE BEHAVIOR POLICY

# PRINCIPLE(S):

It is the policy of Camp Verde Community Library to prohibit disruptive behavior in any part of the LIBRARY premises. This Policy is intended to supplement any federal statute or regulation, Arizona statute or regulation, Camp Verde Town Code provision, or Camp Verde Town Policy which may also apply to any part of the LIBRARY premises.

Persons in the LIBRARY or on LIBRARY grounds are expected to conduct themselves in a manner that enables library patrons and staff to accomplish their intended library tasks in a safe, pleasant, and orderly environment. Staff will take appropriate action when a person's behavior and/or actions cause disruption to others. Staff respects and responds to complaints from patrons and will exercise professional judgment in taking appropriate action on a case-by-case basis.

Disruptive behavior is any behavior likely to (a) interfere with the ability of patrons to reasonably use/enjoy Library resources/services, (b) interfere with effective operation of the LIBRARY, (c) reduce the safety of patrons and Library personnel, or (d) cause damage or loss to Library facilities, furnishing, equipment, materials or property. Examples of disruptive and/or inappropriate behaviors include, but are not limited to:

- Use of profanity and/or language that is offensive to others
- Selling, soliciting funds, or panhandling in the LIBRARY or on LIBRARY premises
- Boisterous play or rough-housing, running, pushing, throwing, chasing or shoving others
- Creating a disturbance or potentially unsafe situation by behavior such as: yelling, running, throwing or misusing LIBRARY facilities, lying on the floor, playing in or around the dumpster, elevator or stairs and entrances or LIBRARY patios
- Skateboarding (or comparable wheeled activity), anywhere on LIBRARY property
- Destroying, damaging, defacing or illegally removing library materials or property
- Inappropriate displays of affection or physical, sexual or verbal abuse in any form, of patrons or staff
- Disturbing or harassing other patrons or staff by behavior such as: unwelcome attention or conversation, following or stalking patrons or staff in the LIBRARY building or parking lot, staring fixedly or leering at staff or other patrons
- Engaging in annoying behavior, such as loud conversations at computer and inconsiderate use of cell phones
- Sleeping in the LIBRARY or using the LIBARAY as a place to bathe or wash personal items
- Entering non-public areas without permission

# **DISRUPTIVE AND/OR INAPPROPRIATE BEHAVIOR POLICY, continued**

- Consumption or exchange of alcohol or tobacco.
- Consumption of food or drink in non-designated areas (see Food & Drink Policy)
- Criminal activity such as assault, trespass, criminal damage, arson, theft, gang activity, weapons violations, gambling, illegal drug use, sexual offenses, exploitation of minors, etc.
- Display of obscene material (including display on view screens or any device)
- Entering the LIBRARY without being completely clothed (including shirts and shoes)
- Failure to properly supervise children or individuals with special needs that are your responsibility (see the <u>Unattended Children and Individuals with Special Needs Policy</u>)
- Misuse of LIBRARY furnishing, equipment or materials
- Personal bodily hygiene that is offensive so as to constitute a nuisance to others
- Use of LIBRARY telephones (except with approval of LIBRARY personnel)

### PRACTICE:

In addition to any other penalty which may be applied by other agencies for disruptive behavior in any part of the LIBRARY premises, failure of LIBRARY patrons or other persons to comply with this Policy may result in their expulsion from LIBRARY premises and loss of future LIBRARY privileges for up to one year.

- Cell phones may be used in the Library building in accordance with the <u>Cell Phone Use</u> <u>Policy</u>.
- Non-alcoholic beverages in closed containers are permitted in the LIBRARY. Alcoholic beverages are prohibited in the LIBRARY at all times.
- Food may be consumed in designated areas and/or during specific programs or activities.
- Personal items must be kept with you at all times while in the Library or on LIBRARY grounds. Library staff, volunteers and other patrons will not be responsible for your personal possessions.
- Guns or other weapons (except on the person of a law enforcement official) may not be brought into the LIBRARY building, on LIBRARY premises, or brought to any LIBRARY programs or activities.
- Use of alcohol, drugs or tobacco products in the LIBRARY or on LIBRARY grounds is prohibited. Smoking is only permitted outside in designated smoking areas.
- Only assistance animals accompanied by their owners or animals working in a LIBRARY program may be brought into the LIBRARY building. Service animals are expected to follow

# **DISRUPTIVE AND/OR INAPPROPRIATE BEHAVIOR POLICY, continued**

LIBRARY standards of behavior and be in compliance with Town Code.

- Parents, guardians or caregivers will be responsible for the behavior of children and individuals with special needs while in the Library.
- Acceptable behavior, as outlined in the Internet Computer & Wireless Use Policy will be enforced.
- 1. If patrons are non-compliant with LIBRARY personnel's request to refrain from disruptive and/or inappropriate behavior, they may be asked to leave the LIBRARY.
- 2. If disruptive and/or inappropriate behavior appears to be escalating, LIBRARY personnel may call the Camp Verde Marshal's Office for assistance.
- 3. If a minor has engaged in disruptive or inappropriate behavior, LIBRARY personnel may ask the minor to call a parent or guardian informing them that they are being asked to leave the LIBRARY. LIBRARY personnel may then ask to speak to the parent or guardian.
- 4. In the event the police are called to assist with a disruptive behavior incident, the resulting police report will be reviewed by the Library Director. The Library Director and Camp Verde Town Marshal reserve the right to revoke all library privileges of the individual(s) based upon the disruptive incident and resulting police report

#### DONATIONS AND GIFTS POLICY

# PRINCIPLE(S):

The LIBRARY welcomes the donation of current books or other library materials in good condition as an aid to increasing the Library collection or for sale in the Used Book Sale. Donations and gifts will be used in the best interest of the LIBRARY, and subject to the terms of the donation. The following guidelines are provided for donors.

#### PRACTICE:

The LIBRARY may accept any donations. Unless specifically required in writing otherwise, donations are accepted with the understanding that they may or may not be added to the collection or, if added, they may be purged at the sole discretion of the LIBRARY. All donated items become Library property and are subject to Library policies.

Money donated to the LIBRARY should be made payable to Camp Verde Library Endowment (CVLE) or Citizens' Committee for Camp Verde Library (CCCVL) for a nonprofit tax deduction or to Camp Verde Community Library if not tax deduction is sought.

Books and audio-visual materials will be assessed for use according to the <u>Collection</u> <u>Development Policy</u>. Items that will not be placed in the collection will be given to the Camp Verde Library Endowment Group or current organization to put in their Used Book Sale.

The LIBRARY cannot make appraisals on donated items for tax deduction purposes. A letter acknowledging receipt of materials by the LIBRARY will be provided at the donor's request.

The LIBRARY reserves the right to refuse donations of materials that are in a condition unsuitable for library use or sale. Before bringing books or other materials to the LIBRARY for donation purposes, the following points should be considered.

- <u>Condition of materials</u>: No materials will be accepted that are not in good, clean, useable condition. Materials that contain any hint of mold, mildew, pests (insects or mice), highlighted text or other scribbling, or that smell strongly of tobacco smoke should NOT be brought to the library.
- Appropriate formats: Hardback books and paperback books in good condition will be considered. Audiovisual material such as DVDs, music CDs, and audiobooks on CD or MP3 must the original item produced for sale with the original labeling.
- Age of materials: Encyclopedia sets, general reference sets, nonfiction books and textbooks that are less than two (2) years old may be considered. Other nonfiction materials such as cookbooks, craft books gardening books, history books, etc. will be considered on an individual basis.
- <u>Periodicals</u>: Magazines (not catalogs) less than 1 year old and in good condition may be considered.
- Entire collections: Large or extensive gifts of materials will be evaluated and accepted or

### **DONATIONS & GIFTS POLICY, continued**

rejected by the Library Director or designated staff after consideration of the implications for library resources.

Members of the public seeking to donate items other than library materials or money should submit their contact information along with a short written description or photograph of the item(s) to be donated to Camp Verde Community Library for consideration. consult the LIBRARY's Gifts Policy.

Funds donated to the LIBRARY for use in a specific purchase of books, audiovisual or other materials will be subject to <u>Collection Development Policy</u>. Funds donated for other purposes will be accepted at the discretion of the Library Director.

### **FOOD AND DRINK POLICY**

# PRINCIPLE(S):

Camp Verde Community Library supports a comfortable, hospitable environment.

### PRACTICE:

All food and drink items shall be kept away from computers, copiers, printers, tablets and other electronic devices.

Beverages may be enjoyed in a spill-proof container with a lid.

Dry snacks, such as nuts, pretzels, crackers, cookies, fruit or vegetables may be consumed in designated areas of the library.

Other food items may be permitted during specific programs or activities supervised by Library staff and/or volunteers.

Consideration for others and for the LIBRARY environment is paramount if this *Food and Drink Policy* is to remain in effect. Properly discard empty wrappers and containers and report spills to Library staff immediately.

### **GROUP VISITS POLICY**

### PRINCIPLE(S):

The LIBRARY encourages group visits by local schools, organizations and other groups willing to explore the diverse and wide range of subjects, disciplines and topics made available at the public library.

### PRACTICE:

To meet the needs of the visiting group, and accommodate without disruption the normal function of the LIBRARY, the following practice is recommended.

- Schedule the visit at least two (2) weeks in advance of the date requested to avoid scheduling conflicts with other groups and library activities and ensure appropriate availability of library staff and resources.
- Communicate expectations ahead of time if a specific theme is desired. Fill out the Reservation Form for Group Visits and return it to the Youth Librarian when scheduling the visit.
- Plan enough adults to adequately supervise members of the visiting group. Adults should accompany and stay with the members during the group visit
- Any members of the visiting group may checkout library material and must provide a valid library card to at the time of checkout. The LIBRARY's *Circulation Policy* will be followed.
- All members of the visiting group are expected to follow established LIBRARY policies while in the Library building or on LIBRARY grounds.

# CAMP VERDE COMMUNITY LIBRARY POLICIES & PRACTICES

# GROUP VISIT RESERVATION FORM

DATE OF VISIT:	
TIME OF VISIT:	
SCHOOL OR GROUP NAME:	
ADDRESS:	_
PHONE NUMBER:	
LEADER'S NAME:	
AGE OR GRADE:	
NUMBER IN GROUP:	
TYPE OF PROGRAM:	
LIST OF TOPICS BEING RESEARCHED/STUDIES (if applicable):	
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# INTER LIBRARY LOAN (ILL) AND RESOURCE ACCESS AND ATTAINMENT POLICY

# PRINCIPLE(S):

Library material not owned by Camp Verde Community Library may be borrowed from a Yavapai Library Network (YLN) member library. For material not available through the YLN, the LIBRARY shall comply with the *Arizona Resource Access and Attainment Policy for Public Libraries Agreement*.

#### PRACTICE:

Any library patron holding a valid LIBRARY card may request ILL services.

No charges are assessed by the LIBRARY for materials obtained through the ILL system, except when the lending library may charge for materials supplied to the patron. The patron is responsible for these individual charges and will be advised of the charge policy prior to incurring the charge.

Some materials may not be available through the ILL system. The patron will be informed if the materials are not available.

The loan period of the ILL materials is determined by the lending library. An ILL may not be renewed. A per diem fine will be charged per day on overdue ILL materials. The patron is responsible for lost or damaged ILL items.

The following is the Arizona State Library Resource Access and Attainment Policy (AzRAP) for Public Libraries Agreement which Camp Verde Community Library follows:

#### Receive:

- Access to FirstSearch WorldCat:
- Worldcat Resource Sharing Subscription (public libraries).

### Agree To:

- 1. Work with patrons, at no charge, to locate materials.
- 2. Provide specific information on attaining material. Patrons may be offered several options to attain material including:
  - patron purchase of low-cost materials;
  - library purchase of materials;
  - database and web sources;
  - and inter-library loan (ILL).
- 3. When materials can only be attained through ILL, offer to secure the loan for the patron. With prior notice to patrons, postage costs for materials sent to any and from any library will be capped at \$6 per item, and fees charged by non-Arizona public, regent or community college libraries, may be passed on to the patron; no other fees or charges may be passed on to the patron. Libraries may limit ILL requests to six per patron at any

# ILL AND RESOURCE ACCESS AND ATTAINMENT POLICY, continued

one time and may limit requests to print materials published more than one year ago; not currently on a nationally recognized best-seller list; or not needed by the library's own patrons. The sharing of circulating non-print materials is encouraged, but not required.

4. Write and publish a detailed Resource Access and Attainment Policy, and provide an electronic copy to the Arizona State Library each time the policy is updated.

### INTERNET/COMPUTER AND WIRELESS USE POLICY

### PRINCIPLE(S):

The Internet allows the LIBRARY to offer access to a wealth of material that is personally, professionally and culturally enriching to individuals; information that would otherwise be unavailable in the LIBRARY collection. However, it also enables access to material that may be offensive, disturbing, illegal, inaccurate or incomplete. Users are encouraged to evaluate the validity and appropriateness of information accessed via the Internet.

To fulfill its mission of providing public access to information, Camp Verde Community Library offers free, time-limited, public access to computers, including various software applications and the Internet to patrons of all ages. The LIBRARY also offers free wireless access for personal electronic devices.

# **Internet Disclaimer Notice**

The Internet is a global electronics information network that is not regulated by local, state, federal or international authority. Some information found on the Internet may include material that is offensive, controversial, erroneous or illegal.

Camp Verde Community Library disclaims any warranty of the accuracy, timeliness, authoritativeness or usefulness of the materials found on the Internet, and shall have no liability for any direct, indirect or consequential damages related to the use of such materials.

# PRACTICE:

Computer use is provided free of charge, but there is a fee per page printed. Use will be limited according to current time restrictions. Users agree to the Camp Verde Community Library Internet/Computer/Wireless Use Policy and the Conditions of Use of the Internet/Wireless by using a library computer, tablet or wireless device while in the LIBRARY or on LIBRARY grounds.

The LIBRARY employs filtering software to comply with the Children's Internet Protection Act (CIPA) and ARS § 34-502 regarding computer access and restricting access to information or depictions that are harmful to minors. Filtering software cannot block out all objectionable sites and does sometimes block useful material, including sites that are suitable for children, teens and adults. A request to access a blocked site shall be submitted to the LIBRARY's IT support staff for consideration and may take several days to process.

LIBRARY staff is willing to help patrons find information on the Internet, learn to use Internet search tools, and learn to use Internet and computer-based LIBRARY resources but, they cannot provide extensive one-on-one instruction without an appointment.

The LIBRARY is not responsible for any damage, any loss of data, or liability that may occur while using a library Internet computer or while connected to the wireless network.

Material on the library's Internet computers can be downloaded to personal portable storage devices. Any files downloaded to the library computer's hard drive will be erased when the

### INTERNET/COMPUTER AND WIRELESS USE POLICY, continued

library computer is shut off. Personal software may not be installed on a library computer.

Due to unexpected power outages and other anomalies, the LIBRARY cannot be responsible for loss of data or incorrect use of programs. The patron is responsible to read the screen, pay attention to time warnings and backup material to a personal storage device.

Library staff may or may not be able to help with simple computer tasks or problems. Staff may limit help to 5-15 minutes per session unless an appointment is made ahead of time. Library staff cannot help with financial, medical, legal or other personal information.

Patrons may not use the Internet for any activity that violates Arizona State laws. Such behavior is also considered a violation of the LIBRARY'S codes and standards. Any staff person may end a-user's session at the computer for violation of any law, or LIBRARY codes and standards.

# Conditions of Use of the Internet/Wireless

- 1. Internet computers are available for walk-in use on a first-come, first-served basis only.
- 2. Use of the Internet is subject to availability. A normal session on a LIBRARY computer is 60 minutes per day. Requests to extend time may be considered but are not to exceed 120 minutes per day. Internet computers shut down 15 minutes prior to closing.
- 3. All library card holders, including minors, automatically have Internet privileges. It is the responsibility of the parent or guarding to determine and monitor the minor's use of computers.
- 4. Patrons will be charged for all pages printed. It is the responsibility of the patron to properly select the pages to print. Please ask for assistance with printing if needed.
- 5. In accordance with U.S. copyright law, users are prohibited from producing or distributing reproduce or distribute copyright protected material without proper permission. The proper use of copyrighted material is the responsibility of the user.
- 6. Users are prohibited from accessing and displaying explicit sexual material pursuant to Arizona Statute (ARS § 13-3507).
- 7. Users are prohibited from exhibiting any material depicting minors engaged in harmful conduct pursuant to Arizona Statute (ARS § 13-3507).
- 8. Users are prohibited from furnishing obscene or harmful items to minors pursuant to Arizona Statute (ARS § 13-3506 and ARS § 13-3506.01).
- 9. Users are prohibited from committing telecommunications fraud pursuant to Arizona Statute (ARS § 13-3707).
- 10. Users are prohibited from committing computer fraud pursuant to Arizona Statute (ARS §

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# INTERNET/COMPUTER AND WIRELESS USE POLICY, continued

<u>13-2316</u>).

- 11. Internet traffic is filtered in compliance with Federal, State and local laws and policies.
- 12. The LIBRARY can provide no technical support for wireless devices.
- 13. Headphones are required for sound.

Failure of any library user to act in an ethical and legal manner, or to adhere to the conditions of use set forth above, may result in expulsion from the LIBRARY, loss of library privileges, and/or prosecution in a court of law. A library shall not allow disclosure of any record or other information which identifies a user of library services (ARS § 41-151.22).

### LIBRARY CARD POLICY

### PRINCIPLE(S):

Camp Verde Community Library (LIBRARY) supports access to library materials in cooperation with other libraries in the Yavapai Library Network (YLN).

The LIBRARY protects patron privacy. Personal information is not disclosed unless required by law.

### PRACTICE:

<u>Eligibility</u>: A LIBRARY card is free to all Yavapai County residents with proper identification and documentation. Children 12 years of age and under must have a parent or legal guardian present to obtain a card. A minor from 13 -17 years of age may obtain a 3-month temporary card with limited privileges until the parent or guardian comes into the library and gives consent for full access.

Any person who does not have a current Yavapai County address, may get a temporary library card with limited privileges until proof of residency is provided.

A LIBRARY card includes automatic access to the Internet on public Internet computers filtered for compliance with the Children's Internet Protection Act (CIPA) and ARS § 34-502 to prevent access to visual depictions that are harmful to minors.

<u>Application</u>: All required information is entered into the Integrated Library System of the YLN; either from an application or directly from the patron. LIBRARY staff must see:

- 1) A government or school issued picture ID with proof of Yavapai County residency. Items such as utility bills or a lease/rental agreements are acceptable proof of residency if the picture ID does not show residency.
- 2) A piece of U.S. mail addressed to the applicant, postmarked within 30 days of the application.

<u>Responsibility</u>: Patrons are responsible for all items checked out on their library card(s). The library card remains active if used one or more times in a two year period. Active library cards do not expire. Patrons with inactive library cards may reapply for a library card.

If a library card is lost or stolen, call the LIBRARY immediately to report it (928-554-8380). Responsibility for items checked out on a lost or stolen card continues until the card is reported lost or stolen.

There is a \$3 charge to replace a library card.

Library cards found in the LIBRARY or in library materials will be scanned to determine the owner and held for pickup.

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### LIBRARY CARD POLICY, continued

By signing the library card, the patron acknowledges responsibility for all use of the card. This includes sites viewed on and information downloaded from the Internet and all other materials accessed while in the library or checked out.

Parents/guardians who sign the library card for children under 17 years of age acknowledge and assume responsibility for the use of library cards. This includes sites viewed on and information downloaded from the Internet and all other materials accessed while in the library or checked out.

By obtaining a library card, the patron agrees to the Yavapai Library Network Agreement.

# Yavapai Library Network Agreement

I agree to comply with all Library rules and regulations; to be responsible for materials borrowed from any Yavapai Library Network library with this card and for fees and fines incurred, including charges for lost and damaged Library materials; to give immediate notice of changes of address and loss of my Library card.

Whenever necessary, the Library uses the services of a collection agency to retrieve overdue materials. In the event of loss or damage to Library materials, or uncollected late fines or charges, I agree to pay all costs of collection, including but not limited to reasonable attorney's fees.

I understand that my card will be accepted at all Yavapai Library Network libraries and my patron information will be accessible to staff at those libraries.

### LIBRARY FACILITIES AND EQUIPMENT POLICY

# PRINCIPLE(S):

Camp Verde Community Library staff and volunteers are delighted to provide access to resources and services to community members. LIBRARY buildings, furnishings, equipment and grounds are provided at public expense for the benefit of all and must be protected from damage or loss beyond reasonable wear and tear.

### PRACTICE:

The Library facility will be open to the public.

A paid staff person who has been trained in library standards will be on duty during any hours that the LIBRARY is open for service.

Library furnishings and equipment may only be used for LIBRARY and/or TOWN sponsored activities.

The telephone at the library is for library business and may be used by the public for emergency use only, and at the sole discretion of the Librarian.

At staff's discretion, access to facilities and equipment may be terminated when deemed necessary.

### LOST AND FOUND POLICY

# PRINCIPLE(S):

Camp Verde Community Library assumes no responsibility for articles lost or stolen during scheduled events or during other occupancy or use of the LIBRARY.

### PRACTICE:

Items found in the LIBRARY which appear to be lost personal items of patrons are placed in a designated location.

In dealing with such items, Library staff shall be guided by the following considerations:

- Where items have indications of identification on them, staff will make reasonable attempts to identify and notify owners that the item is being held. Lost library cards are handled according to the <u>Library Card Policy</u>.
- Where possible, wallets, cell phones, iPods, jewelry or similar items of value will be kept in a locked cabinet.
- Items not retrieved within a 30-day period will be turned over to the Town and handled in accordance with (ARS § 12-941).

### **MATERIALS RETURN POLICY**

# PRINCIPLE(S):

LIBRARY materials should be returned and made available for all patrons to use and enjoy.

### PRACTICE:

The LIBRARY provides an overnight materials return slot for the convenience of patrons.

Damage may occur when some items are put in the materials return slot, so do not return the following items via the slot:

- Magazines
- Interlibrary Loan Material
- Any item from any library that has a **Do Not Return in Book Drop** label

Items should not be forced into the materials return slot. The cost of items that have been damaged by being forced or jammed into the return slot may be charged to the patron.

### PHOTO POLICY

# PRINCIPLE(S):

Camp Verde Community Library posts information including photos on bulletin boards, to the LIBRARY website, and participates in Social Media sites like, Facebook, YouTube and Twitter.

### PRACTICE:

The LIBRARY reserves the right to use photographs or video take at the library or at library-sponsored programs and events for publicity and informational purposes in printed materials and online.

All LIBRARY patrons consent to the use of their photo taken at the library or during library-sponsored programs and events, unless they specifically inform staff of an objection to such use.

Photos of minors are used with signed permission from parents or guardians.

# Photo/Video Release Form for Minors

hereby grant to Camp Verde Community Library (LIBRARY) the absolute and irrevocable license, right and unrestricted and continuing permission in respect of photographic portraits, or any pictures LIBRARY had taken of my minor child named, or in which he/she may be included with others, editorial or any other media such as film or video, to copyright the same; to re-use, publish and republish the same in whole or in part, individually or in conjunction with other photographs, and in conjunction with any printed matter, in any and all media now or hereafter known, including web pages and social networking media, and for any other lawful purpose whatsoever, for illustration, promotion, art, editorial, advertising and trade, or any other purpose whatsoever without restriction as to alteration; from time to time, or reproductions thereof in color, black and white or otherwise made through any media.
hereby waive any right that I may have to inspect or approve the finished products or the advertising copy or printed matter that may be used in connection therewith or the use to which it may be applied.
hereby release, discharge and agree to defend, save and hold harmless the Town of Camp Verde and the LIBRARY, its employees, officials, representatives, successors, and assigns and all persons acting under its permission or authority, from any liability in connection with the use of the photographs, video and/or film as aforesaid or by virtue of any alteration, processing or use thereof in composite form, whether intentional or otherwise, as well as any publication thereof.
I understand that the photographs, video and/or film taken by the LIBRARY will be included into stock files. I agree that the photographs, the transparencies thereof, video and/or film, and the rights to copyright the same, shall be the sole property of the LIBRARY, with full right of lawful disposition in any manner.
I hereby grant permission to the LIBRARY to photograph the Camp Verde Community Library Teen Advisory Board applicant or participant during activities and to use the photographs, video and/or film in the LIBRARY audio-visual and printed materials without compensation or with all the rights established herein.
Printed Name of Parent or Guardian:
Printed Name of Minor:Date:
Signature of Parent or Guardian:
Address
City: State: Zip:
Email/Phone:

#### **POSTING & DISPLAY POLICY**

PRINCIPLE(S):

Camp Verde Community Library supports the sharing of and access to community information.

PRACTICE:

Posting:

Community postings must be approved by the Library Director or designee. Approval to post shall be signified by the date-stamp and initials of the Library Director or designee. Information without date and initials will be removed.

Priority is given to information related to Camp Verde Community Library, the Town of Camp Verde, Yavapai Library Network members, non-profit entities supporting reading, education or literacy, and other non-profit groups providing civic or social services. For-profit groups and private parties will not be permitted to place or distribute information in the Library.

Posters larger than 8.5 x 11 inches will not be accepted. Handouts may be placed on the LIBRARY's Free Shelf with permission from the Library Director or designee.

Information must be timely. Expired information will be removed and discarded.

Display:

The LIBRARY will consider displays of educational, cultural, civic or recreational nature on a first-come, first-served basis or as space is available.

Persons or organizations providing displays in the library will complete a <u>Display Application/</u>
<u>Agreement</u> form that may be obtained upon request.

Acceptance of a display by the LIBRARY does not constitute an endorsement of the contributing group or individual's policy or beliefs.

Displays shall not be salacious in nature. Only identifying information may accompany a display. No price tags are permitted.

It is the responsibility of the person or organization to set up and remove the displays. The LIBRARY will not provide storage for the property of individuals or organizations.

The LIBRARY will not insure or be responsible for any items that are displayed and/or owned by individuals or organizations.

### RECONSIDERATION OF LIBRARY MATERIALS OR RESOURCES POLICY

# PRINCIPLE(S):

The LIBRARY endorses the following intellectual freedom statements, which may be found in the Appendix:

- Freedom to Read (American Library Association)
- Freedom to View (Educational Film Library Association)
- Library Bill of Rights (American Library Association)

Preference for library materials or resources by patrons is a personal decision. Individuals who have a question about the selection of materials or resources in the library collection are referred to the LIBRARY's *Collection Development Policy*.

Responsibility for library materials selected by minors and adolescents resides with their parents or legal guardians.

### PRACTICE:

- The selection of paper and electronic materials or resources and library programs included in the LIBRARY collection or calendar is delegated to the Librarian. That selection may be further delegated by the Librarian to professional staff as deemed appropriate. The selection of materials and resources shall be within the discretion of these individuals informed by the <u>Library Bill of Rights</u>, the <u>Freedom to Read Policy</u>, the <u>Freedom to View</u> <u>Statement</u>, and the LIBRARY's <u>Collection Development Policy</u>.
- Patrons may submit a request for reconsideration of library materials or resources by completing a Request for Review of Library Materials or Resources form and submitting it to the Librarian.
- The Librarian shall review the Request form with the professional staff to whom selection of materials, resources or programs is delegated as the Librarian deems appropriate. The decision from this review shall be communicated in writing to the patron within thirty (30) days.
- 4. In the event the patron is dissatisfied with the decision of the Librarian, the patron may request in writing to have the matter reviewed by a committee. Any such request must be in writing, received by a committee member within fourteen (14) days after the patron received the Librarian's decision. Such request must set forth in detail the basis of the disagreement with the Librarian's decision and shall not be considered confidential.

The Committee is the group responsible for reviewing reconsideration cases and consists of the following members:

- Library Director
- Town Manager
- · Recording Secretary

## RECONSIDERATION OF LIBRARY MATERIALS OR RESOURCES POLICY, continued

- Town Council Member
- Member of the Community (Requester)

The Requester and the recording secretary do not vote.

The Requester submitting the Request for Review of Library Materials and Resources form will be referred to the *Collection Development Policy*.

Once the written request for review has been completed, signed and turned in by the Requester, the matter will be submitted to the Committee. The specific library material outlined in the written request form will be circulated to committee members prior to the review date.

The Committee will set up a hearing date, not to exceed thirty (30) days from the date the form is filed by the Requester, and will notify the Requester in writing of such date, time and place not less than ten (10) working days prior to the scheduled hearing. The hearing between the Committee and the Requester will serve to formally review the material in question. The hearing will be posted and conducted in compliance with the *Open Meeting Law*.

At the hearing, the Requester may present information pertaining to the request. A final determination by vote of the Committee may be taken at the end of the hearing or at such time as the hearing may be continued. The determination on the request shall be at the sole discretion of the Committee, informed by the LIBRARY's <u>Collection Development Policy</u> and the Intellectual freedom statements referred to at the beginning of this policy. Availability of materials and/or resources shall not be affected until a final vote of the Committee is taken.

The results of the hearing will be summarized on the <u>Result of Hearing Form</u> and signed at the conclusion of the hearing by the Requester and the Committee members.

The <u>Result of Hearing Form</u> and the minutes of the proceedings will be kept on file at the Library and in files of the Town of Camp Verde.

### REFERENCE SERVICES POLICY

# PRINCIPLE(S):

It is the LIBRARY's policy that questions and requests for information be answered to the best of our ability and availability of reference resources. All questions will remain confidential. LIBRARY staff will not interpret medical, legal or consumer citations.

LIBRARY staff will provide reference services to patrons on an equal, nondiscriminatory and nonjudgmental basis.

### PRACTICE:

Whenever possible, staff will use Camp Verde Community Library resources, then resources available through the Yavapai Library Network. If an answer cannot be provided immediately using local resources, appropriate materials will be requested or located on the patron's behalf through Interlibrary Loan.

- 1.Most questions will be answered immediately. If a question cannot be answered immediately, the patron will be given an estimated time by which they will receive the answer.
- 2. Questions asked in person will take priority over telephone and e-mail queries.
- 3.Holds may be placed by LIBRARY staff on items, based on availability. The patron will be notified of the items arrival and the pick-up deadline. If the item is not picked up within the ten (10) days as specified in the <u>Circulation Policy</u>, the material will be returned to circulation or its home library.
- 4.Interlibrary Loans and requests to purchase an item can only be placed for patrons with a valid library card.
- 5.Reference staff cannot provide any type of professional advice. LIBRARY staff may read directly from a cited source or invite the patron to use the Library's resources in person, but may not offer advice, interpretation, recommendation, opinion or personal experience.

### SALES OR SOLICITAION OF FUNDS POLICY

# PRINCIPLE(S):

LIBRARY property falls under Town Code <u>Article 9-2: Off-Premises Canvasing and Signage</u> and all violations will be treated accordingly.

### PRACTICE:

Only Camp Verde Library Endowment (CVLE), Citizens Committee for Camp Verde Library (CCCVL) or CVCL Teen Advisory Board (TAB) will be allowed to sell and solicit funds or articles on the premises.

Persons other than those stated above, attempting to sell and/or solicit funds or articles on LIBRARY grounds are subject to Town Code <u>Article 9-2: Off-Premises Canvasing and Signage</u> and will be asked by Library staff to cease activity and/or leave the property.

### SERVICE DOGS AND PETS POLICY

### PRINCIPLE(S):

No animals may be brought into the LIBRARY building. Except, service animals as defined by law are allowed.

Pursuant to Arizona law (<u>ARS § 11-1024</u>), service dogs that perform work or tasks directly related to an individual's disability are allowed to accompany the individual into the LIBRARY.

### PRACTICE:

Persons with pets may be asked to by Library staff or volunteers to leave the LIBRARY or LIBRARY premises.

Staff may ask the patron if they are accompanied by a service animal being used because of a disability. According to ARS § 11-1024 B:

It is not discriminatory to exclude a service animal from a public place if one or more of the following apply:

- 1. The animal poses a direct threat to the health or safety of others.
- 2. The animal fundamentally alters the nature of the public place of the goods, services or activities provided.
- 3. The animal poses an undue burden.

No animal shall be unattended in compliance with Town Code <u>Section 60102</u>, <u>Dogs at Large</u>, <u>Subsection F-5</u>, except under the conditions provided in the Code.

If an animal is left unattended for more than fifteen (15) minutes or restrained in a manner that interferes with people entering or exiting the LIBRARY, staff will attempt to locate the owner.

- 1. The owner will be given a copy of the *Service Dogs and Pets Policy* and asked to remove the animal from LIBRARY property.
- 2. If the owner cannot be located after a reasonable effort is made by Library staff, Camp Verde Marshal's Dispatch will be called and asked to remove the animal.

#### **UNATTTENDED CHILDREN & INDIVIUALS WITH SPECIAL NEEDS POLICY**

# PRINCIPLE(S):

The LIBRARY welcomes and encourages patrons of all ages to use its facilities and services. However, the LIBRARY shall not be responsible for unattended children or care for individuals with special needs.

The responsibility for the safety and behavior of children and/or individuals with special needs in the LIBRARY rests with their parents, legal guardians, or other authorized and designated caregivers. The LIBRARY is not and shall not become responsible for the care of unaccompanied children or individuals with special needs. If the parent, guardian or caregiver is not onsite with the child or individual with special needs, law enforcement personnel will be called.

### PRACTICE:

Children under the age of five (5) years old and any individual with special needs who requires support must be accompanied by an adult or responsible caregiver (16 years of age and up) at all times while in the LIBRARY or on LIBRARY grounds.

Children between the ages of five (5) and ten (10) must have an adult or responsible caregiver present in the building at all times.

Children aged eleven (11) and over may be in the LIBRARY unattended if interacting appropriately. They must be able to provide emergency contact information and have arranged transportation in advance with the parent, guardian, or caregiver.

The parent, guardian or caregiver must remain in the building during the time a child ten (10) or younger is attending a program.

Disruptive behavior will be handled according to the Disruptive Behavior Policy.

The LIBRARY is not and shall not become responsible for the care of unaccompanied children or individuals with special needs prior to opening or after closing. If unattended minors and/or individuals with special needs are in the LIBRARY at closing, more than one staff member will wait ten (10) minutes for the parents or adult caregivers to arrive. If the parent or adult caregiver does not arrive by 10 minutes after closing, The Camp Verde Marshal's Office will be called. LIBRARY staff will wait for the police officer to arrive.

Under no circumstances will a staff person or volunteer transport children or individuals with special needs in a vehicle or accompany them home.

You and your child are welcome in the library. We are delighted to provide resources and services to you and your family.

### **VOLUNTEER POLICY**

# PRINCIPLE(S):

The LIBRARY Volunteer program is designed to expand and enhance services to the patrons of the LIBRARY by providing support services to the Library staff.

Volunteers are expected to act in accordance with the policies of the LIBRARY and the Yavapai Library Network (YLN).

#### PRACTICE:

The selection of volunteers is based on their qualifications in relation to the needs of the LIBRARY and their ability to commit to a consistent weekly schedule.

Persons interested in volunteering must complete the Library *Volunteer Application* form, available upon request.

The Volunteer Coordinator will interview the applicant. Applicants eighteen (18) years and up are required to submit to a fingerprint background check or present a valid fingerprint clearance card before being accepted as a volunteer at the LIBRARY.

The Volunteer Coordinator will schedule training sessions if the applicant is selected. A probationary period will allow the applicant and the LIBRARY to determine if the relationship is comfortable for both parties.

Volunteers are used at the sole discretion of the LIBRARY. If the volunteer is unable to adequately perform the assigned duties or is unable to keep to the schedule, the volunteer will be removed from service.

Breach of the LIBRARY Policy is grounds for dismissal.

# **APPENDIX**

#### THE AMERICAN LIBRARY ASSOCIATION LIBRARY BILL OF RIGHTS

The American Library Association affirms that all libraries are forums for information and ideas, and that the following basic policies should guide their services.

- I. Books and other library resources should be provided for the interest, information, and enlightenment of all people of the community the library serves. Materials should not be excluded because of the origin, background, or views of those contributing to their creation.
- II. Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.
- III. Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.
- IV. Libraries should cooperate with all persons and groups concerned with resisting abridgment of free expression and free access to ideas.
- V. A person's right to use a library should not be denied or abridged because of origin, age, background, or views.
- VI. Libraries which make exhibit spaces and meeting rooms available to the public they serve should make such facilities available on an equitable basis, regardless of the beliefs or affiliations of individuals or groups requesting their use.

Adopted June 19, 1939, by the ALA Council; amended October 14, 1944; June 18, 1948; February 2, 1961; June 27, 1967; January 23, 1980; inclusion of "age" reaffirmed January 23, 1996

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### AMERICAN LIBRARY ASSOCIATION FREEDOM TO READ STATEMENT

The freedom to read is essential to our democracy. It is continuously under attack. Private groups and public authorities in various parts of the country are working to remove books from sale, to censor textbooks, to label "controversial" books or authors, and to purge libraries. These actions apparently rise from a view that our national tradition of free expression is no longer valid; that censorship and suppression are needed to avoid the subversion of politics and the corruption of morals. We, as citizens devoted to the use of books and as librarians and publishers responsible for disseminating them, wish to assert the public interest in the preservation of the freedom to read.

We are deeply concerned about these attempts at suppression. Most such attempts rest on a denial of the fundamental premise of democracy; that the ordinary citizen, by exercising his critical judgment, will accept the good and reject the bad. The censors, public and private assume that they should determine what is good and what is bad for their fellow-citizens.

We trust Americans to recognize propaganda and to reject it. We do not believe they need the help of censors to assist them in this task. We do not believe they are prepared to sacrifice their heritage of a free press in order to be protected against what others think may be bad for them. We believe Americans still favor free enterprise in ideas and expression.

We are aware, of course, that books are not alone in being subjected to efforts at suppression. We are aware that these efforts are related to a larger pattern of pressures being brought against education, the press, films, radio and television. The problem is not only one of actual censorship. The shadow of fear cast by these pressures leads, we suspect, to an even larger voluntary curtailment of expression by those who seek to avoid controversy.

Such pressure toward conformity is perhaps natural to a time of uneasy change and pervading fear. This is especially true when so many of our apprehensions are directed against an ideology, the expression of a dissident idea becomes a thing feared in itself, and we tend to move against it as against a hostile deed, with suppression. And yet, suppression is never more dangerous than in such a time of social tension. Freedom has given the United States the elasticity to endure strain. Freedom keeps open the path of novel and creative solutions, and enables change to come by choice. Every silencing of a heresy, any enforcement of orthodoxy, diminishes the toughness and resilience of our society and leaves it less able to deal with stress.

Now, as always in our history, books are among our greatest instruments of freedom. They are almost the only means for making generally available ideas or manners of expression that can initially comment only a small audience. They are the natural medium for the new idea and the untried voice from which came the original contributions to social growth. They are essential to the extended discussion which serious thought requires, and to the accumulation of knowledge and ideas into organized collections.

We believe that free communication is essential to the preservation of a free society and a creative culture.

We believe that these pressures towards conformity present the danger of limiting the range and variety of inquiry and expression on which our democracy and our culture depend.

We believe that every American community must jealously guard the freedom to publish and to circulate, in order to preserve its own freedom to react.

We believe that publishers and librarians have a profound responsibility to give validity to that

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freedom to read by making it possible for the readers to choose freely from a variety of offerings.

The freedom to read is guaranteed by the United States Constitution. Those with faith in free men will stand firm on these constitutional guarantees of essential rights and will exercise the responsibilities that accompany these rights.

We therefore affirm these propositions:

It is in the public interest for publishers and librarians to make available the widest diversity of views and expressions, including those which are unorthodox or unpopular with the majority.

Creative thought is by definition new, and what is new is different. The bearer of every new thought is a rebel until his idea is refined and tested. Totalitarian systems attempt to maintain their power by the ruthless suppression of any concept, which challenges the established orthodoxy. The power of a democratic system to adapt to change is vastly strengthened by the freedom of its citizens to choose widely from among conflicting opinions offered freely to them. To stifle every nonconforming idea at birth would mark the end of the democratic process. Furthermore, only through the constant activity of weighing and selecting can be democratic mind attaining the strength demand by times like these.

We need to know not only what we believe but also why we believe it.

Publishers, librarians and booksellers do not need to endorse every idea or presentation contained in the books they make available. It would conflict with the public interest for them to establish their own political, moral, or aesthetic views as a standard for determining what books should be published or circulated.

Publishers and librarians serve the educational process by helping to make available knowledge and ideas required for the growth of the mind and the increase of learning. They do not foster education by imposing as mentors and patterns of their own thought. The people should have the freedom to read and consider a broader range of ideas than those that may be held by any Single librarian or publisher or government or church. It is wrong that what one man can read should be confined to what another thinks proper.

It is contrary to the public interest for publishers or librarians to determine the acceptability of a book on the basis of the personal history or political affiliation of the author.

A book should be judged as a book, no art or literature can flourish if it is to be measured by the political views or private lives of its creators. No society of free man can flourish which draws up fists of writers to whom it will not listen, whatever they may have to say.

There is no place in our society for efforts to coerce the taste of others, to confine adults to the reading matter deemed suitable for adolescents, or to inhibit the efforts of writers to achieve artistic expression.

To some, much of modem literature is shocking. But is not much of life itself shocking? We cut off literature at the source if we prevent writers from dealing with the stuff of life.

Parents and teachers have a responsibility to prepare the young to meet the diversity of experiences in life to which they will be exposed, as they have a responsibility to help them learn to think critically for themselves. These are affirmative responsibilities, not to be discharged simply by preventing children from reading works for which they are not yet prepared.

#### CAMP VERDE COMMUNITY LIBRARY POLICIES & PRACTICES

In these matters taste differs, and taste cannot be legislated; nor can machinery be devised which will suit the demands of one group without limiting the freedom of others.

It is not in the public interest to force a reader to accept with any book the prejudgment of a label characterizing the book or author as subversive or dangerous.

The idea of labeling presupposes to existence of individuals or groups with wisdom to determine by authority what is good or bad for the citizen. It presupposes that each individual must be directed in making up his mind about the ideas he examines. But Americans do not need others to do their thinking for them.

It is the responsibility of publishers and librarians, as guardians of the people's freedom to read, to contrast encroachments upon that freedom by individuals or groups seeking to impose their own standards or tastes upon the community at large.

It is inevitable in the give and take of the democratic process that the political, the moral, or the aesthetic concepts of an individual or group will occasionally collide with those of another individual or group. In a free society individuals are free to determine for themselves what they wish to read and each group is free to determine what it will recommend to its freely associated members. But no group has the right to take the law into its own hands, and to impose its own concept of politics or morality upon other members of a democratic society. Freedom is no freedom if it is accorded only to the accepted and inoffensive.

It is the responsibility of publishers and librarians to give full meaning to the freedom to read by providing books that enrich the Quality and diversity of thought and expression. By the exercise of this affirmative responsibility, they can demonstrate that the answer to a bad book is a good one; the answer to a bad idea is a good one.

The freedom to read is of little consequence when expended on the trivial; it is frustrated when the reader cannot obtain matter fit for his purpose. What is needed is not only the absence of restraint, but the positive provision of opportunity for the people to read the best that has been thought and sold. Books are the major channels by which the intellectual inheritance is handed down, and the principal means of its testing and growth.

The defense of their freedom and integrity, and the enlargement of their service to society, require of a publishers and librarians the utmost of their faculties, and deserve of all citizens the fullest of their support.

We state these propositions neither lightly nor as easy generalizations. We here stake out a lofty claim for the value of books. We do so because we believe that they are good, possess of enormous variety and usefulness, worthy of cherishing and keeping free.

We realize that the application of the propositions may mean the dissemination of ideas and manners of expression that are repugnant to many persons. We do not state these propositions in the comfortable belief that what people read is unimportant. We believe rather that what people read is deeply important; that ideas can be dangerous; but that the suppression of ideas is fatal to a democratic society. Freedom itself is a dangerous way of life, but it is ours.

This statement was originally issued in May of 1953 by the Westchester Conference of the American Library Association and the American Book Publishers Council, which in 1970 consolidated with the American Educational Publishers Institute to become the Association of American Publishers.

Adopted June 25, 1953, by the ALA Council and the AAP Freedom to Read

### CAMP VERDE COMMUNITY LIBRARY POLICIES & PRACTICES

Committee; amended January 28, 1972; January 16, 1991; July 12, 2000; June 30, 2004.

A Joint Statement by:

American Library Association

Association of American Publishers

Subsequently endorsed by:

American Booksellers Foundation for Free Expression

The Association of American University Presses, Inc.

The Children's Book Council

Freedom to Read Foundation

National Association of College Stores

National Coalition Against Censorship

National Council of Teachers of English

The Thomas Jefferson Center for the Protection of Free Expression

#### FREEDOM TO VIEW STATEMENT

The FREEDOM TO VIEW, along with the freedom to speak, to hear, and to read, is protected by the First Amendment to the Constitution of the United States. In a free society, there is no place for censorship of any medium of expression. Therefore these principles are affirmed:

- 1. To provide the broadest access to film, video, and other audiovisual materials because they are a means for the communication of ideas. Liberty of circulation is essential to insure the constitutional guarantees of freedom of expression.
- 2. To protect the confidentiality of all individuals and institutions using film, video, and other audiovisual materials.
- 3. To provide film, video, and other audiovisual materials which represent a diversity of views and expression. Selection of a work does not constitute or imply agreement with or approval of the content.
- 4. To provide a diversity of viewpoints without the constraint of labeling or prejudging film, video, or other audiovisual materials on the basis of the moral, religious, or political beliefs of the producer or filmmaker or on the basis of controversial content.
- 5. To contest vigorously, by all lawful means, every encroachment upon the public's freedom to view.

This statement was originally drafted by the Freedom to View Committee of the American Film and Video Association (formerly the Educational Film Library Association) and was adopted by the AFVA Board of Directors in February 1979. This statement was updated and approved by the AFVA Board of Directors in 1989.

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### **DISLAY APPLICATION/AGREEMENT**

The undersigned hereby wishes to have on display works of art or other materials in the Camp Verde Community Library. In consideration of the privilege of exhibiting them in the library, the Camp Verde Community Library, the Town of Camp Verde, and any of its employees, agents, successors, or assigns are released from any responsibility for loss, damage or destruction to the works of art or other materials described herein while they are on the library premises.

Description of Exhibit:		
Time Period Loaned: From:	To:	
Name of Individual or Organization:		
Name of Contact (person responsible for s	setup and takedown).	
Address:	Phone:	
Signature:	Date:	

### **MATERIALS REQUEST FORM**

Material	s Request	F	Phone #						
Looki	Looking for a book? or movie? or?								
Your Name									
Email Addre	ess								
Library Card	d#								
-	it something new? Part due out in a month or to		r? We'd like to help!						
Please fill o	ut this slip and turn it in	to a Librarian.							
Title									
Author									
Series				# in series					
Circle One:	Regular	Large Print	Audiobook	Music CD	DVD				

### Request for Review of Library Materials or Resources

Date.								
Title:								
Author:							 	
Requesters Name:								
Address:								
Represents:	Self:	Or	ganization:					
		(If requester repr	esents an orç	ganization)				
Name of Organization:								
Address of Organization:							 	
Organization Official:	_							
		Please answer t	he following (	questions.				
1. How did you learn about	this library r	resource?						
2. Have you read the entire If no, what parts did you rea		rial?		(circle one)	Yes	No		
ii iio, what parts did you rea	iu ?							
3. Why do you object to this	library reso	ource? (If specific	pages/scenes	s, please site)				
4. What harm do you feel m	ight be the	result of reading/v	iewing the lib	rary resource?				

### Request for Review of Library Materials or Resources

5. Is there anything worthwhile in the library resource?
4. 6. Have you read any professional reviews of the book/material library resource? (circle one) Yes No
If yes, please list names of critics and sources of review.
A.
B.
C.
D.
7. After reading professional review, do you still object to the library resource?  (circle one) YES NO
8. What do you believe is the purpose, theme or message of this library resource? How well does the creator/author accomplish this purpose?
9. In view of the creator/author's purpose, would you say he/she succeeded or failed? Explain.
10. Does this library resource enrich and support the personal needs of the users, taking into consideration their Varied interests, abilities and learning styles?

### Request for Review of Library Materials or Resources

11. If the subject is fantasy, is it the type that has imaginative appeal and is suitable for children?
YES NO For young adults? YES NO
If both are marked, "no" for what age group would you recommend this library resource?
12. Will the reading, viewing or listening to this library resource result in more compassionate understanding of the human condition? Explain.
13. Does it offer an opportunity to better understand and appreciate the aspirations, achievements and problems of various minority groups? Explain.
14. Are any questionable elements of the resource an integral part of a worthwhile theme or message? Explain.
15. Additional Comments:
Signature of Requestor:
Date Received:

### **RESULT OF HEARING FORM**

Author:	 		
Title:			
Date of Hearing:			
Summary of Results:			
Signatures of Members of the Committee:	Date:		
	-		
	 _		
	 _		
	_		
Signature of Requester:			
	 	Date:	
O'read as af December T			
Signature of Recorder/Transcriber:		Data	
		Date	

# ARS § 11-1024. Service animals; rights of individuals with disabilities; violation; classification; definitions

- A. Any person or entity that operates a public place shall not discriminate against individuals with disabilities who use service animals if the work or tasks performed by the service animal are directly related to the individual's disability. Work or tasks include assisting individuals who are blind or have low vision with navigation and other tasks, alerting individuals who are deaf or hard of hearing to the presence of people or sounds, providing nonviolent protection or rescue work, pulling a wheelchair, assisting an individual during a seizure, alerting individuals to the presence of allergens, retrieving items such as medicine or the telephone, providing physical support and assistance with balance and stability to individuals with mobility disabilities and helping individuals with psychiatric and neurological disabilities by preventing or interrupting impulsive or destructive behaviors. The crime deterrent effects of an animal's presence and the provision of emotional support, well being, comfort or companionship do not constitute work or tasks.
- B. It is not discriminatory to exclude a service animal from a public place if one or more of the following apply:
  - 1. The animal poses a direct threat to the health or safety of others.
  - 2. The animal fundamentally alters the nature of the public place or the goods, services or activities provided.
  - 3. The animal poses an undue burden.
- C. Public places may maintain a general no pets policy if it is not used to exclude service animals and if it does not grant rights to any person to bring the person's pet into a public place that otherwise does not permit pets.
- D. A service animal handler is liable for any damage done to a public place by the service animal or service animal in training.
- E. Any trainer or individual with a disability may take an animal being trained as a service animal to a public place for purposes of training it to the same extent as provided in subsections A, B and C of this section.
- F. A zoo or wild animal park may prohibit a service animal, including a dog guide or service dog, from any area of the zoo or wild animal park where the service animal may come into direct contact with the animals contained in the zoo or wild animal park. Service animals shall not be excluded from public walkways or sidewalks or from any area that allows for physical barriers between the service animals, dog guides or service dogs and the animals in the zoo or wild animal park. Any zoo or wild animal park that prohibits dog guides and service dogs shall provide without cost adequate facilities for the temporary confinement of dog guides and service dogs. The facilities shall be adequate to accommodate the anticipated attendance of legally blind, deaf or physically disabled persons, shall be in an area not accessible to the general public, shall provide water for the dog guides and service dogs and shall otherwise be safe, clean and comfortable. The zoo or wild animal park on request by a legally blind person who is required to leave that person's dog guide

- or service dog pursuant to this subsection shall provide a sighted escort if the legally blind person is unaccompanied by a sighted person.
- G. The driver of a vehicle approaching a legally blind pedestrian who is carrying a cane that is predominately white or metallic in color, who is using a service animal or who is assisted by a sighted person shall yield the right-of-way and take reasonable precautions to avoid injury to the pedestrian and the service animal. The pedestrian has the same rights as any other person whether or not the pedestrian is carrying the cane, using a service animal or being assisted by a sighted person. Drivers shall take the same precautions with respect to pedestrians who have a disability other than blindness and their service animals. A driver who violates this subsection is liable for damages for any injury caused to the pedestrian or the service animal.
- H. Any person or entity that violates subsections A through G of this section is guilty of a class 2 misdemeanor.
- I. This section is not intended to affect any civil remedies available for a violation of this section.
- J. For the purposes of this section:
  - 1. "Direct threat to the health or safety of others" means that a significant risk to the health or safety of others exists and cannot be eliminated by modification of policies, practices or procedures or by the provision of auxiliary aids or services.
  - 2. "Discriminate" means discriminatory actions prescribed in section 41-1492.02 and includes:
    - (a) Refusing to permit an individual with a disability to enter a public place with a service animal or interfering with the individual's right to enter or use the public place.
    - (b) Failing to provide an individual with a disability the same services and access to the same areas of the premises as afforded to others.
    - (c) Attempting to impose a charge, fee or deposit because an individual with a disability is accompanied by a service animal.
    - (d) Requiring an individual with a disability to disclose disability related information. However, a public accommodation may ask if the animal is a service animal being used because of a disability.
    - (e) Requiring provision of identification for the service animal
  - "Individual with a disability" means an individual who has a physical or mental impairment that substantially limits one or more of the major life activities of the individual.
  - 4. "Public place" means any office or place of business or recreation to which the general public is invited, whether operated by a public or private entity and includes all forms of conveyance, including taxis, tow trucks and ambulances.

### CAMP VERDE COMMUNITY LIBRARY POLICIES & PRACTICES

- 5. "Service animal" means any dog or miniature horse that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual or other mental disability. Service animal does not include other species of animals, whether wild or domestic or trained or untrained.
- 6. "Wild animal park" means an entity that is open to the public on a regular basis, that is licensed by the United States department of agriculture as an exhibit and that is operating primarily to conserve, propagate and exhibit wild and exotic animals.

## ARS § 12-941. Disposal of certain unclaimed property in the custody of a state, county, city or town agency

- A. A state, county, city or town agency shall dispose of all property that was used as evidence and that remains unclaimed in the hands of the agency, after final disposition of the cause in which so used, or that was seized by a peace officer as being used unlawfully or for an unlawful purpose and that was held unclaimed from the date of seizure, or that came into the hands of the agency as unclaimed or contraband. A law enforcement agency may retain and use those items that have a useful value to that law enforcement agency.
- B. Found property turned over to a state, county, city or town agency may be returned to the person who found and turned it over if all of the following conditions apply:
  - 1. The property is not contraband or a firearm.
  - 2. The property remains unclaimed for thirty days after reasonable efforts have been made to locate and notify the owner.
  - 3. The person who found and turned over the property is not a public officer or employee of the federal, a state or a local government who found the property in the course of performing the duties of the office or employment.
- C. If United States currency is delivered to the proper agency pursuant to subsection A of this section, it shall be deposited in the general fund of the state, county, city or town, as the case may be.
- D. A record of all transactions shall be maintained for at least twenty-four months.

### ARS § 13-2316. Computer tampering; venue; forfeiture; classification

- A. A person who acts without authority or who exceeds authorization of use commits computer tampering by:
  - Accessing, altering, damaging or destroying any computer, computer system or network, or any part of a computer, computer system or network, with the intent to devise or execute any scheme or artifice to defraud or deceive, or to control property or services by means of false or fraudulent pretenses, representations or promises.
  - 2. Knowingly altering, damaging, deleting or destroying computer programs or data.
  - 3. Knowingly introducing a computer contaminant into any computer, computer system or network.
  - 4. Recklessly disrupting or causing the disruption of computer, computer system or network services or denying or causing the denial of computer or network services to any authorized user of a computer, computer system or network.
  - 5. Recklessly using a computer, computer system or network to engage in a scheme or course of conduct that is directed at another person and that seriously alarms, torments, threatens or terrorizes the person. For the purposes of this paragraph, the conduct must both:
    - (a) Cause a reasonable person to suffer substantial emotional distress.
    - (b) Serve no legitimate purpose.
  - 6. Preventing a computer user from exiting a site, computer system or network-connected location in order to compel the user's computer to continue communicating with, connecting to or displaying the content of the service, site or system.
  - 7. Knowingly obtaining any information that is required by law to be kept confidential or any records that are not public records by accessing any computer, computer system or network that is operated by this state, a political subdivision of this state, a health care provider as defined in section 12-2291, a clinical laboratory as defined in section 36-451 or a person or entity that provides services on behalf of a health care provider or a clinical laboratory.
  - 8. Knowingly accessing any computer, computer system or network or any computer software, program or data that is contained in a computer, computer system or network.
- B. In addition to section 13-109, a prosecution for a violation of this section may be tried in any of the following counties:
  - 1. The county in which the victimized computer, computer system or network is located.

- The county in which the computer, computer system or network that was used in the commission of the offense is located or in which any books, records, documents, property, financial instruments, computer software, data, access devices or instruments of the offense were used.
- 3. The county in which any authorized user was denied service or in which an authorized user's service was interrupted.
- 4. The county in which critical infrastructure resources were tampered with or affected.
- C. On conviction of a violation of this section, the court shall order that any computer system or instrument of communication that was owned or used exclusively by the defendant and that was used in the commission of the offense be forfeited and sold, destroyed or otherwise properly disposed.
- D. A violation of subsection A, paragraph 6 of this section constitutes an unlawful practice under section 44-1522 and is in addition to all other causes of action, remedies and penalties that are available to this state. The attorney general may investigate and take appropriate action pursuant to title 44, chapter 10, article 7.
- E. Computer tampering pursuant to subsection A, paragraph 1 of this section is a class 3 felony. Computer tampering pursuant to subsection A, paragraph 2, 3 or 4 of this section is a class 4 felony, unless the computer, computer system or network tampered with is a critical infrastructure resource, in which case it is a class 2 felony. Computer tampering pursuant to subsection A, paragraph 5 of this section is a class 5 felony. Computer tampering pursuant to subsection A, paragraph 7 or 8 of this section is a class 6 felony.

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### ARS § 13-3506. Furnishing harmful items to minors; applicability; classification

- A. It is unlawful for any person, with knowledge of the character of the item involved, to recklessly furnish, present, provide, make available, give, lend, show, advertise or distribute to minors any item that is harmful to minors.
- B. This section does not apply to the transmission or sending of items over the internet.
- C. A violation of this section is a class 4 felony

# ARS § 13-3506.01. Furnishing harmful items to minors; internet activity; classification; definitions

- A. It is unlawful for any person, with knowledge of the character of the item involved, to intentionally or knowingly transmit or send to a minor by means of electronic mail, personal messaging or any other direct internet communication an item that is harmful to minors when the person knows or believes at the time of the transmission that a minor in this state will receive the item
- B. This section does not apply to:
  - 1. Posting material on an internet web site, bulletin board or newsgroup.
  - 2. Sending material via a mailing list or listserv that is not administered by the sender. For the purposes of this paragraph, "mailing list" or "listserv" means a method of internet communication where a message is sent to an internet address and then is retransmitted to one or more subscribers to the mailing list or listserv.
- C. It is not a defense to a prosecution for a violation of this section that the recipient of the transmission was a peace officer posing as a minor.
- D. A violation of this section is a class 4 felony.
- E. The failure to report a violation of this section is a class 6 felony as prescribed by section 13-3620.
- F. For the purposes of this section:
  - "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the transmission control protocol or internet protocol or any successor protocol to transmit information.
  - Internet web site" means a location where material placed in a computer server based file archive is publicly accessible, over the internet, using hypertext transfer protocol or any successor protocol.

## ARS § 13-3507. Public display of explicit sexual materials; classification definitions

- A. It is unlawful for any person knowingly to place explicit sexual material upon public display, or knowingly to fail to take prompt action to remove such a display from property in his possession or under his control after learning of its existence.
- B. A person who violates any provision of this section is guilty of a class 6 felony.
- C. For the purposes of this section:
  - 1. "Explicit sexual material" means any drawing, photograph, film negative, motion picture, figure, object, novelty device, recording, transcription or any book, leaflet, pamphlet, magazine, booklet or other item, the cover or contents of which depicts human genitalia or depicts or verbally describes nudity, sexual activity, sexual conduct, sexual excitement or sadomasochistic abuse in a way which is harmful to minors. Explicit sexual material does not include any depiction or description which, taken in context, possesses serious educational value for minors or which possesses serious literary, artistic, political or scientific value.
  - 2. "Public display" means the placing of material on or in a billboard, viewing screen, theater marquee, newsstand, display rack, vending machine, window, showcase, display case or similar place so that material within the definition of paragraph 1 of this subsection is easily visible or readily accessible from a public thoroughfare, from the property of others, or in any place where minors are invited as part of the general public. 13-3507

### ARS § 13-3707. Telecommunication fraud; classification; definitions

- A. A person commits telecommunication fraud if the person does any of the following:
  - 1. With the intent to defraud another of the lawful charge for telecommunication service, obtains or attempts to obtain any telecommunication service by:
    - (a) Charging or attempting to charge the telecommunication service either:
      - (i) To an existing electronic mail address, telephone number or credit card number without the authority of the person to whom issued or the subscriber to or the lawful holder of the address or number.
      - (ii) To a nonexistent, counterfeit, revoked or canceled credit card number.
    - (b) Any method of code calling.
    - (c) Installing, rearranging or tampering with any facility or equipment.
    - (d) The use of any other fraudulent means, method, trick or device.
  - 2. With the intent that the same be used or employed to evade a lawful charge for any telecommunication service, sells, rents, lends, gives or otherwise transfers or discloses or attempts to transfer or disclose to another, or offers or advertises for sale or rental, the number or code of an existing, canceled, revoked or nonexistent electronic mail address, telephone number or credit card number or the method of numbering or coding that is employed in the issuance of telephone numbers, account identification codes or credit card numbers.
  - 3. Knowingly makes, constructs, manufactures, fabricates, erects, assembles or possesses any software, instrument, apparatus, equipment or device, or any part of any software, instrument, apparatus, equipment or device, that is designed or adapted or that can be used either:
    - (a) To obtain telecommunication service by fraud in violation of this subsection.
    - (b) To conceal from any supplier of telecommunication service or from any lawful authority the existence or place of origin or of destination of any telecommunication in order to obtain telecommunication service by fraud in violation of this subsection.
  - 4. Knowingly sells, rents, lends, gives, or otherwise transfers or discloses or attempts to transfer or disclose to another, or offers or advertises for sale or rental, any:
    - (a) Software, instrument, apparatus, equipment or device described in paragraph 3 of this subsection.
    - (b) Plans, specifications or instructions for making or assembling any software, instrument, apparatus, equipment or device with the intent to use or employ such

software, instrument, apparatus, equipment or device, or any part of any software, instrument, apparatus, equipment or device or to allow any software, instrument, apparatus, equipment or device to be used or employed, for a purpose described in paragraph 3 of this subsection.

- (c) Plans, specifications or instructions with the intent that the plans, specifications or instructions be used for making or assembling such software, instrument, apparatus, equipment or device, or any part of any software, instrument, apparatus, equipment or device.
- B. Subsection A, paragraph 3 of this section does not prohibit the use or possession of any software, instrument, apparatus, equipment or device by either of the following:
  - 1. Law enforcement officers who are acting in their official capacity within the scope of their authority and in the line of duty.
  - 2. Employees or agents of communication service providers as defined in section 13-3001 who are acting in their official capacity within the scope of their employment for the purpose of protecting the property or legal rights of the provider.
- C. This section applies when the telecommunication service originates or terminates or both originates and terminates in this state.
- D. Telecommunication fraud is a class 3 felony.
- E. As used in this section:
  - "Credit card number" means the card number appearing on a credit card, telephone calling card or access device as defined in section 13-2001 that is issued to a person by any supplier of telecommunication service and that permits the person to whom the card or access device has been issued to obtain telecommunication service.
  - 2. "Telecommunication service" includes electronic communication services, subscription computer services, telephone and telegraph services and all other services that involve the transmission of information by wire, radio, cellular, wireless transmission or similar means.

# ARS § 34-502. Computer access; child pornography; visual depictions harmful to minors; obscene; procedures

- A. A public school that provides a public access computer shall deploy and enforce a technology protection measure to prevent minors from gaining access to visual depictions that are child pornography, harmful to minors or obscene. The governing board of every school district shall prescribe policies, standards and rules for the enforcement of this subsection. Every school district shall make its policies, standards and rules available to the public
- B. A public library that provides a public access computer shall do both of the following:
  - 1. Deploy and enforce a technology protection measure to prevent minors from gaining access to visual depictions that are child pornography, harmful to minors or obscene.
  - 2. Deploy and enforce a technology protection measure to prevent anyone from gaining access to visual depictions that are child pornography or obscene
- C. An administrator, supervisor or other representative of a public library may disable a technology protection measure described in subsection B of this section if both of the following apply:
  - 1. The request is from a library patron who is not a minor.
  - 2. The technology is disabled only to enable access for research or other lawful purposes.
- D. The director of the Arizona state library, archives and public records shall adopt rules for the enforcement of subsection B of this section. The director of the Arizona state library, archives and public records shall make the rules available to the public. A public library shall post the rules and its policies in a conspicuous place for library patrons to view.
- E. A governing body that operates a public library shall develop a policy for the library to implement the rules developed pursuant to subsection D of this section that are adopted at an open meeting. The governing body shall review the policy at least every three years. The policy shall:
  - 1. State that it restricts access to internet or online sites that contain material described in this section.
  - 2. State how the library intends to meet the requirements of this section.
  - 3. Require the public library to inform patrons that administrative procedures and guidelines for the staff to follow in enforcing the rules have been adopted and are available for review at the library.
  - 4. Require the public library to inform patrons that procedures for use by patrons and staff to handle complaints about the rule, its enforcement or about observed patron behavior have been adopted and are available for review at the library.
- F. A public school that complies with subsection A of this section or a public library that complies with subsection B of this section shall not be criminally liable or liable for any

- damages that might arise from a minor gaining access to visual depictions that are child pornography, harmful to minors or obscene through the use of a public access computer that is owned or controlled by the public school or public library.
- G. If the state board of education or the superintendent of public instruction determines that a school district or charter school is in violation of subsection A of this section, the state board of education or the superintendent of public instruction shall notify the school district or charter school that it is in violation of subsection A of this section. If the state board of education or the superintendent of public instruction determines that the school district or charter school has failed to comply with subsection A of this section within sixty days after a notice has been issued pursuant to this subsection, the state board of education or the superintendent of public instruction may direct the department of education to withhold up to ten per cent of the monthly apportionment of state aid that would otherwise be due the school district or charter school. The department of education shall adjust the school district or charter school's apportionment accordingly. When the state board of education or the superintendent of public instruction determines that the school district or charter school is in compliance with subsection A of this section, the department of education shall restore the full amount of state aid payments to the school district or charter school.
- H. If the governing body that operates a public library determines that the public library is in violation of subsection B of this section, the governing body shall notify the public library that it is in violation of subsection B of this section. If the governing body determines that the public library has failed to comply with subsection B of this section within sixty days after a notice has been issued pursuant to this subsection, the governing body may direct the appropriate department or agency to withhold up to ten per cent of the monthly apportionment of public monies that would otherwise be due to the public library. When the governing body determines that the public library is in compliance with subsection B of this section, the governing body shall restore the full amount of public monies to the public library.

### ARS § 41-151.22. Privacy of user records; violation; classification; definition

- A. Except as provided in subsection B of this section, a library or library system supported by public monies shall not allow disclosure of any record or other information, including ebooks, that identifies a user of library services as requesting or obtaining specific materials or services or as otherwise using the library.
- B. Records may be disclosed:
  - 1. If necessary for the reasonable operation of the library.
  - 2. On written consent of the user.
  - 3. On receipt of a court order.
  - 4. If required by law.
- C. Any person who knowingly discloses any record or other information in violation of this section is guilty of a class 3 misdemeanor.
- D. For the purposes of this section, "e-book" means a book composed in or converted to digital format for display on a computer screen or handheld device.





### YAVAPAI-APACHE NATION

### **Executive Office**

Chairman Thomas Beauty ~ Vice-Chairwoman Darlene Rubio

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January 29, 2015

Charles German, Mayor Town of Camp Verde 473 S. Main Street Camp Verde, AZ 86322

Dear Mayor German,

The Yavapai-Apache Nation ("Nation") Tribal Council ("Council") is pleased to announce the distribution of Sixteen Thousand Eight Hundred Seventy Four Dollars and Sixty Seven Cents (\$16,874.67) to the Town of Camp Verde. These dollars represent the annual 12 percent contribution the Nation must make to local municipalities as required under Section 12 (d) of the Nation's Gaming Compact with the State of Arizona.

We look forward to a continuous partnership and growing relationship on issues that impact all of us in the Verde Valley. Should you have any questions feel free to contact me at any time.

Sincerely.

Thomas Beauty Tribal Chairman

Cc: Darlene Rubio, Vice Chairman

Council Members (7)

# RESOLUTION NO. 14 -15 OF THE GOVERNING BODY OF THE YAVAPAI-APACHE NATION

## A Resolution Adopting the Nation's Distribution of YAN Gaming Compact 12% Revenue Sharing Funds for F/Y 2014

WHEREAS:

The Yavapai-Apache Tribal Council ("Council") is authorized to represent the Yavapai-Apache Nation ("Nation") and act on all matters that concern the health and welfare of the Nation, and to make decisions not inconsistent with or contrary to the Constitution of the Yavapai-Apache Nation ("Constitution") as provided under Article V(a) of the Constitution; and

WHEREAS:

The Council, as the legislative body of the Nation, is authorized to enact laws, ordinances and resolutions incidental to the exercise of its legislative powers, to manage the Nation's economic affairs and enterprises and to appropriate and regulate the use of tribal funds as provided by Article V (v), V(i) and (k), respectively, of the Constitution; and

WHEREAS:

The Nation and the State of Arizona are parties to a Gaming Compact ("Compact") as required by the Indian Gaming Regulatory Act of 1988 ("IGRA"), under which the Nation conducts Class III gaming; and

WHEREAS:

The Nation conducts Class III gaming under IGRA and the Compact as an exercise of its sovereignty and as a means of promoting economic development, self-sufficiency, and a strong tribal government; and

WHEREAS:

Under Section 12 of the Compact, the Nation makes an annual contribution to the State of Arizona consisting of a percentage of the Nation's annual Class III Net Win, of which total contribution eighty-eight percent (88%) is allocated to the Arizona Benefits Funds established under Arizona law, with the remaining twelve percent (12%) being designated for distribution to cities, towns or counties for the benefit of the general public ("12% Revenue Sharing Funds") as the Nation deems appropriate; and

WHEREAS:

The Council has determined that the Nation's 12% Revenue Sharing contribution for F/Y 2014 is One Hundred One Thousand Two Hundred Forty Eight Dollars (\$101,248.00); and

WHEREAS:

The Council has determined that distribution of the above identified 12% Revenue Sharing Funds shall be made in accordance with the attached document titled "Distribution of YAN Gaming Compact 12% Revenue Sharing Funds for FY 2014", attached hereto as Exhibit A.

NOW THEREFORE BE IT RESOLVED that the Yavapai-Apache Tribal Council, in Council assembled, at which a quorum is present, hereby approves and appropriates from the Nation's gaming revenues the Nation's contribution of One Hundred One Thousand Two Hundred Forty Eight Dollars (\$101,248.00), constituting the 12% Revenue Sharing Fund required to be contributed by the Nation for FY 2014 under Section 12 of the Nation's Gaming Compact with the state of Arizona.

BE IT FURTHER RESOLVED that the attached document titled "Distribution of YAN Gaming Compact 12% Revenue Sharing Funds for FY 2014" (attached hereto as Exhibit A), in which is specified a breakdown of the total 12% contribution specified for each entity designated in the document to receive a portion of the distribution, is hereby approved and adopted.

BE IT FINALLY RESOLVED That the Chairman, or Vice-Chairwoman, or either of them, is hereby authorized to take such further action as is necessary to carry out the intent and purposes of this Resolution.

### CERTIFICATION

	T hereby	certify	that the	foregoing re	solution was	adopted	by an af	firmative	vote	of the
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2015	by a vote	of T	7	in favor.	opposed	and	abstair	ning, purs	uant 1	to the
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homas Beauty, Chairman

ATTEST:

Karla Reimer, Council Secretary

Approved as to form:

Office of the Attorney General

## EXHIBIT A

Yavapai-Apache Nation

Distribution of YAN Gaming Compact 12 % Revenue Sharing Funds for F/Y 2014

January 29, 2015

### Yavapai-Apache Nation

### Distribution of YAN Gaming Compact 12 % Revenue Sharing Funds for F/Y 2014

January 29, 2015

As determined by the Tribal Council of the Yavapai-Apache Nation under Tribal Council Resolution 14-15, this document constitutes the distribution list for the Yavapai-Apache Nation's Prop 202 Revenue Sharing Fund (As required under Section 12 of the Nation's Gaming Compact with the State of Arizona) for F/Y 2014 in the total amount of \$101,248.00 (representing 12% of the Nation's total contribution under Section 12 of the Compact):

- 1. Town of Camp Verde \$16,874.67
- 2. Town of Clarkdale \$16,874.67
- 3. City of Cottonwood \$16,874.67
- 4. Town of Jerome \$16,874.67
- 5. City of Sedona \$16,874.66
- 6. Yavapai County Board of Supervisors District 3 \$16,874.66

TOTAL CONTRIBUTION: \$101,248.00



# Verde Valley Gigabit Project Network Design & Roadmap

## Phase One (Edited for Public Use)

Prepared for Verde Valley Regional Economic Organization
Proposal #111014
2/10/2015



Les Smith, President

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This proposal is written and presented in good faith by GSW Telecom & Consulting. Features, proposals and figures subject to change until contracts are signed by authorized parties.

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### **Executive Summary**

### VISION: One Gigabit per second for All

"We seek an integrated, Verde Valley-wide, phased network connecting and/or expanding providers' existing networks and adding new providers to meet demand. This network is key to the growth of sustainable economic development within the Verde Valley. Taking advantage of the open trench along State Route 260 and the designation of information as a utility, we anticipate the installation of conduit and fiber in the trench as an initial, key component to the build-out of the Verde Valley Network. We seek local community and provider collaborators willing to work together to accomplish this."

-Verde Valley Region Economic Organization Project Vision, Aug 14, 2014

The Verde Valley Regional Economic Organization (VVREO), consisting of representatives from the municipalities of Camp Verde, Clarkdale, Cottonwood, Jerome, Sedona and the Yavapai-Apache Nation, is well aware of the region's insufficient broadband connectivity for modern applications. Indeed, given the resources present, the Verde Valley can and will continue to flourish as a leading community for conducting business and raising a family provided that adequate bandwidth can be provided to area residents. As far back as April 2009, volunteers from the VVREO formed the Verde Valley Broadband Coalition to address this issue. Now, with the State's announcement that a segment of State Route 260 will soon be widened, the Coalition and VVREO see an irresistible opportunity to employ Senate Bill 1402 and have Ethernet Fiber placed in conduit along the newly rebuilt highway.

GSW Telecom & Consulting (GSW), a Tucson-based firm specializing in the feasibility, planning, design and engineering of Fiber-based telecommunication networks is cognizant of the opportunity to leverage a new high capacity fiber-optic network and serve the area populace of about 77,000. A 'future-proof' Regional Fiber Optic Network WAN could provide bandwidth to the communities in the Verde Valley with the stated goal of Gigabit capacity. Metropolitan Area Networks (MANs) could be designed and engineered to extend fiber connections to area government, education, commercial business and buildings, thereby linking Mission Critical services such as First Responders (Fire, Police, Ambulance) and municipal buildings (libraries, hospitals). Links for commercial and IT facilities demanding high capacity bandwidth could sensibly be constructed and connected in defined phases. In addition to utility-grade broadband supporting various commercial enterprises, Verde Valley residents could enjoy the benefits of high speed internet delivered to their doorsteps and an array of applications including streaming content (Netflix), distance learning, Telemedicine, Smart Meters, utility management and future applications.

GSW has developed a Technical Assessment and Gigabit Network Roadmap in Phases for the Verde Valley. Per the agreement, <u>Phase One</u> delivers a Conceptual Middle Mile Network Route originating in Camp Verde (Colocation Site) with splice points at key locations to the Yavapai-Apache Nation and connecting Cottonwood (along State Route 260) and SR 89A (E/W) to Clarkdale, Jerome and Sedona. Put simply, <u>Phase One</u> integrates the VVREO's Vision with GSW's development of a Fiber Middle Mile and Metro Area Network design.

In <u>Phase Two</u>, GSW will complete the second phase of Verde Valley's Middle Mile Fiber Route starting in Sedona's Colocation, then continuing along Route 179 South to the communities of Big Park/Village of Oak Creek, Beaver Creek, Rimrock and McGuireville, plus the Yavapai-Apache Nation's Cliff Castle Casino and additional key locations, ultimately completing and closing the Verde Valley Middle Mile Network ring in Camp Verde's Colocation facilities. It is important to note the Middle Mile network design includes planned network break out points for network vaults and splice points to ensure all communities along the route can be connected in the future (e.g. the Verde Villages, Bridgeport, Page Springs, Cornville, etc.)

In <u>Phase Three</u>, GSW will deliver a detailed Carrier inventory and routes of Primary and Secondary Fiber and Wireless Carrier Networks, Interconnection, Bandwidth, Route Diversity and Colocation options.

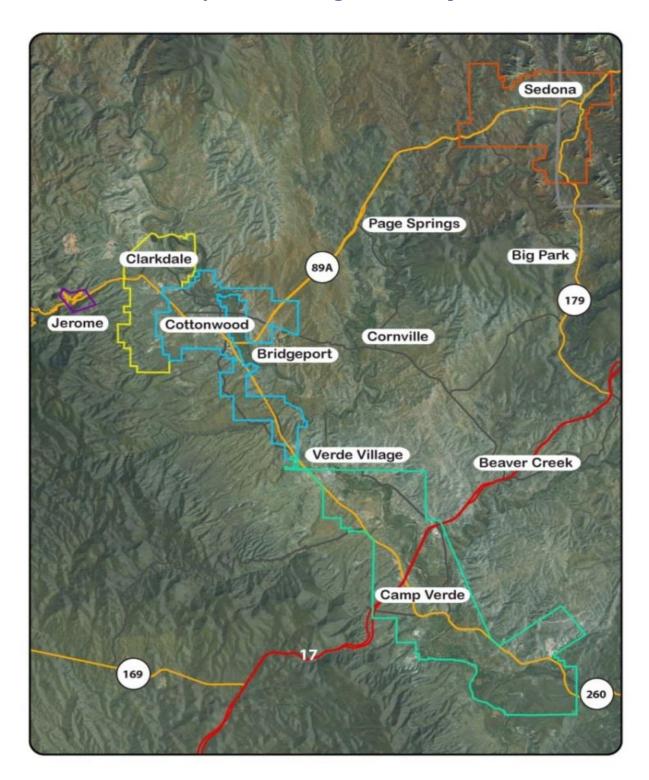
### Introduction

GSW is pleased to present our research and findings in this document on the Technical Assessment of bringing a Gigabit Network to the Verde Valley. After months of specific investigation, interviews and enquiry, we feel that the timing for this project is excellent. The State of Arizona, even under the most conservative predictions, will continue to grow over the next few decades at an annual rate of 2% to 5%. Additionally, there's no question the communities of Verde Valley need a second Middle Mile carrier and Fiber or Wireless MANs (Metro Area Networks) to support their continued growth. While the backbone of the network will undoubtedly be Ethernet Fiber, recent advancements will provide the communities with the opportunity to utilize newer technological hybrid solutions. For example, in instances where fiber construction is cost-prohibitive to a home or small business, modern technology will permit the end users to have broadband connections wirelessly via hybrid configurations.

Success comes when preparation meets opportunity. The VVREO's determination to install a fiber-based network, combined with the areas' existing infrastructure (including Right-of-Ways (ROWs), substations, facilities, fiber optics, microwave, fixed wireless, tower & pole attachments), puts the Communities in a fantastic position to leverage such assets. While the impetus for this recent action is to take advantage of placing conduit in the ground as the Arizona Department of Transportation expands State Route 260, the reality is this network has been in the works for years. The new Network takes advantage not only of Senate Bill 1402 establishing information as a utility within Arizona, but will also bring new products (Internet, Transport & IP Phones, FTTT, FTTH with Hybrid Middle Mile and Last Mile Fiber, wireless & microwave, cable, networks) to the Verde Valley.

This document is best read in sections and has been divided as such. A page with definitions of some of the more common telecom terms is also included near the Works Cited page to help as well. It is designed to serve as a road map and guide and is based on documented research, comparing and contrasting options, verifiable references and GSW President Les Smith's 28+ years in the telecom industry, including his supervision of thousands of miles of fiber network expansion over of the course of his career. Andy Wieser, VP of Business Development, is also pleased to contribute in the writing and formulation of this document with his 15 years of finance and telecom experience. Our Vice President/Director of Network Engineering Chris Bradley, who brings nearly 30 years of experience in advanced Network Engineering, has added supporting technical design and documentation. As the report was being crafted, not all needed information was able to be obtained in a timely manner. Hence in those instances we made experienced assumptions. It is our expectation, this report can and should be adapted and amended as needed. Further, given the timing of this project and its intersection with the holidays, both GSW and VVREO anticipate minor adjustments will be made to accommodate the availability of additional information in early 2015. As such, GSW warrants reasonable adjustments to this report are already included in the Phase I invoice and will be completed at no additional cost. We welcome the chance to answer additional questions, present our findings in person as needed and thank you for the consulting opportunity.

### Phase One: Verde Valley Network Design & Roadmap



### Foundation of a Network Roadmap

### What is the Middle Mile?

In the telecommunications industry, the Middle Mile is the segment of a telecommunications network that links a provider's core network to a local, or Metro Area Network ("MAN"). For this proposed Network, the Middle Mile Network segments (or Transit Networks) for Verde Valley would connect the communities of Camp Verde, Cottonwood, Clarkdale, Jerome, and Sedona Metro Area Network MANs.

### **Conceptual Middle Mile**

Our proposed network designs demonstrate the construction route of the Verde Valley Middle Mile, and Metro Area Networks (MANs) in four communities (Camp Verde, Cottonwood, Clarkdale and Sedona) and a Fiber or hybrid microwave and wireless network into Jerome through a phased implementation. GSW has an established methodology, logical construction progression and financial feasibility plan based on the information we have gained through direct research, sound business practices and internal, external sources and community collaborations. However, as newer and more accurate information emerges, this Strategic "Road Map" can and should be adjusted as needed.

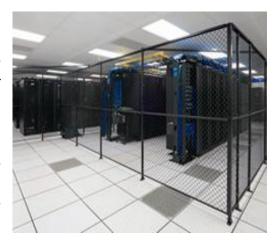
As illustrated in the accompanying diagram and explanation, the Middle Mile Network serving the Verde Valley will originate in Camp Verde due to its geographic location on State Road 260 and I-17. The Network will cross connect in close proximity to a planned Carrier Neutral CoLo Meet Me Point.

### What is a Metropolitan Area Network?

A Metropolitan Area Network (MAN) is a high capacity Telecommunications network that ranges in size from a few city blocks to an entire urban area or rural community. In Verde Valley's case, each Community will have its own MAN, being linked together via the Middle Mile network and cross connected in defined community Colocation facilities.

### What is a Colocation Facility "CoLo"?

A CoLo site is where telecom, data space and bandwidth offer a junction to cross connect with other networks, equipment and providers. Colocation facilities provide space, power, cooling and physical security for the server and storage and networking equipment of other firms and connect them to a variety of telecommunications and network service providers with a minimum of cost and complexity. CoLos can be located in commercial lease spaces, government, educations or site build facilities. It is in the CoLo that data traveling over the network may actually access the Internet. Additionally, CoLos may both



be owned and operated by a specific provider for their exclusive use or can also be "Carrier Neutral," allowing multiple providers to cross-connect.

### Verde Valley Gigabit Network Roadmap

#### Phase One

As reviewed in the Executive Summary, GSW has developed a Technical Assessment and Gigabit Network Roadmap in Phases for Verde Valley. Per the agreement, <u>Phase One</u> delivers a Conceptual Middle Mile Network Route originating in Camp Verde (Colocation Site) and connecting Cottonwood (along State Route 260) and SR 89A (E/W) to Clarkdale, Jerome and Sedona. Put simply, <u>Phase One</u> integrates the VVREO's Vision with GSW's development of a Fiber Middle Mile and Metropolitan Area Network design.

### **Future Phase Two**

In <u>Phase Two</u>, GSW will complete the second phase of Verde Valley's Middle Mile Fiber Route starting in Sedona's Colocation, then continuing along Route 179 South to the communities of Big Park/Village of Oak Creek, Beaver Creek, Rimrock and McGuireville and Yavapai-Apache Nation Casino and communities, ultimately completing and closing the Verde Valley Middle Mile Network ring in Camp Verde's Colocation facilities. It is important to note the Middle Mile network design includes planned network break out points for network vaults and splice points to ensure all communities along the route can be connected in the future (e.g. Bridgeport, Page Springs, Cornville, etc.)

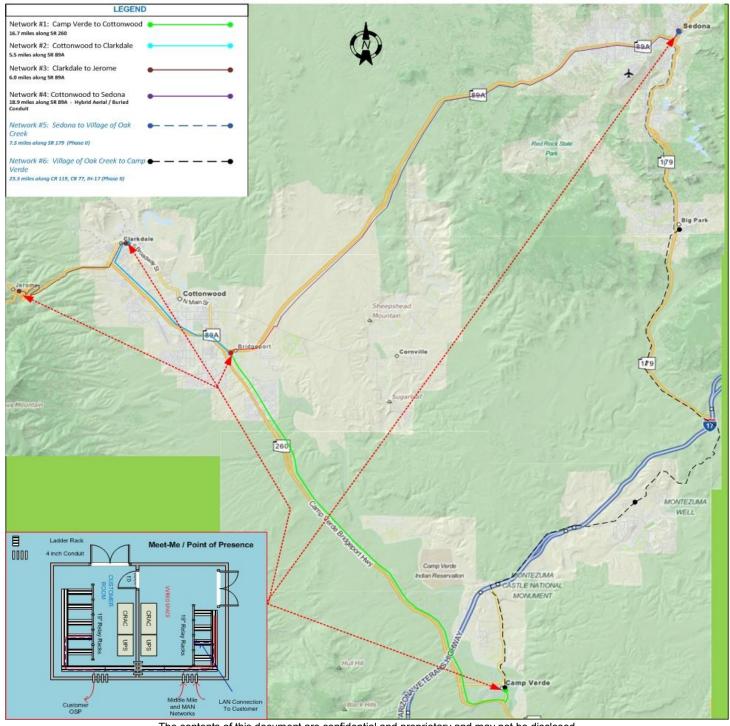
#### **Future Phase Three**

In <u>Phase Three</u>, GSW Telecom will deliver a detailed Middle Carrier inventory that includes routes of Primary and Secondary Fiber and Wireless Carrier Networks, Interconnection, Bandwidth, Internet Route Diversity and Colocation options.

### Verde Valley Middle Mile Network Map



### Verde Valley Fiber Optic Project Overall Map



The contents of this document are confidential and proprietary and may not be disclosed to any persons who do not have a need to know the contents.

### **Summary**

### **Phase One Fiber Network Plan Summary**

• Middle Mile Fiber—Build out Networks from:

Camp Verde 16.7 miles to Cottonwood (SR 260), then to Clarkdale 5.5 miles along SR 89A Clarkdale to Jerome Spur route 6.0 miles along SR 89A Cottonwood to Sedona 18.9 miles along SR 89A

Middle Mile Networks total estimate 47.1 Miles

- Metropolitan Area Networks—MAN Build out
- 5 Colocations & Carrier Neutral Locations
- Conduit model for VVREO communities and Yavapai County
- **Future Fiber to the Home** Several Next Generation Services for residents would become available for homes connecting to the Fiber Optic Network.
  - o **High Speed Internet Access –** speeds of 10Mbps 1Gbps would be available
  - o Hosted IP Phones VoIP Telephone Services can be delivered over the network
  - Cable Transport Most Cable Providers are seeking Fiber Optic Access to homes
  - o **IPTV**—Television subscriptions over IP Network Services

#### Colocation (CoLo) and Cross-connecting Networks

As mentioned above, GSW Telecom has defined and designed five Carrier-Neutral Colocations across the network to serve the Verde Valley communities.

CoLos can also generate revenue. Area Business, Education and Government institutions may choose to move some or all of their servers and applications into a leased CoLo facility. Generally speaking, advantages of Colocation include cost savings, reduced capital outlay, redundant or blended internet bandwidth from multiple carriers, physical security and Backup and Disaster Recovery (BDR) support. Below is a reference point for the revenues CoLos can generate in a metro market. As there are variances in the different markets and based on demand and promotional pricing, the chart illustrates baseline pricing.

#### Data Center Backup, Backup and Disaster Recovery

While there are no national or Tier II/III Data Centers in Verde Valley, there may be a handful of small Government, Education and Public Safety Data Storage facilities that are not open to private businesses. These government, education and public safety data center facilities pose no competitive threat and are in fact, key target customers for wholesale bandwidth and Backup and Disaster Recovery (BDR) solutions. It is also believed that area Internet Service Providers (ISPs), while limited in their size and footprints, would benefit with potential expansion and reliability as fiber is built out in each community as has been the case in Tucson and Phoenix. Additional ISP details are covered in each of the market analyses towards the end of the report.

The modest requirements of a CoLo contrast with that of a Data Center, which is a much larger facility used to house computer systems and associated components such as telecommunications and storage systems. Data Centers generally include redundant or backup power supplies, redundant data communications connections, environmental controls (i.e., air conditioning, fire suppression) and security devices. Large data centers are industrial scale operations using megawatts of electricity annually. While there are dozens of data centers throughout Arizona, it is important to consider that before any thought is given to building another one in the Verde Valley, any national carriers (i.e. CenturyLink, Zayo and Level 3) are located on national fiber backbones with access to 300+ data centers around the country with literally millions of square feet of leasable space. According to Gartner Analyst John Morency, as Cloud Services continue to develop and evolve, their impact on Data Centers will be dramatic.

"Cloud services are changing data centers. Migrating production workloads to the cloud may not be considered viable for you today. However, as the market evolves, we expect service providers to continually improve the type and viability of their services and the maturity of their operations, as well as enhance security and service-level offerings. If in five years the market has evolved as Gartner expects, it would not be uncommon to see many organizations offloading nonessential work to specialty providers and keeping mission-critical or highly sensitive applications in-house."

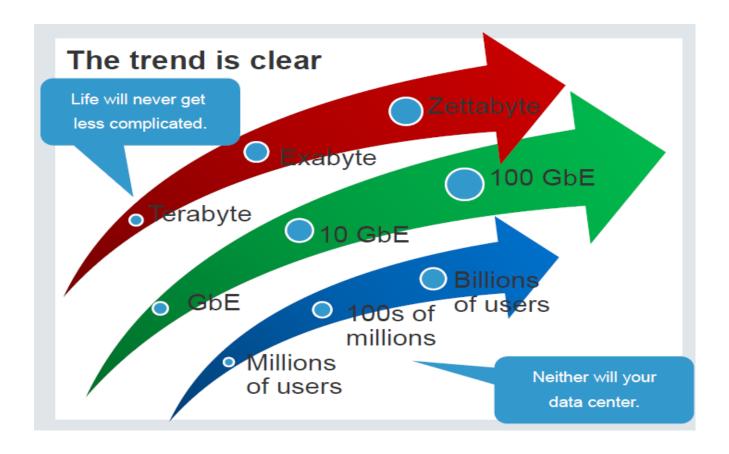
Morency also tackled the question of how big Data Centers need to be in order to support future capacity and growth demands.

"[A]ssume whatever floor size you design was created to allow full use of [40 rack spaces] without the fear of hot spots (and there are many ways to do this without a great deal of expense). Taking the same 40 racks, if pushed to 90% capacity on average (leaving some room for switches, etc.) and upgrading the existing server base over the next two years to 1U [equipment designed to mount in a 19-inch rack or a 23-inch rack] servers, the data



center would support 1,520 physical servers. Therefore, a data center server area of the exact same size, containing 40 racks and using the proper design, would support 15% growth every year for at least eight more years. Now the question becomes, do we build it bigger to support the original target of 2,000 servers, or will a future technology refresh within the next eight years double our capacity yet again? The logic works with servers as well as storage, as each device category continues to decrease in size, improve in capacity and performance, and reduce the power consumption per unit of work with each new generation. If we were to look at these performance and density trends and make the assumption that the curve will continue, even at a much slower pace, it becomes clear that even small data center environments can have significant growth rates (well more than 20% CAGR), while maintaining the exact same footprint over the next 15 to 20 years."

(Morency, 2013)



Morency even addresses the environmentally friendly possibilities of Data Centers.

The focus on green is becoming a dominant trend in design today, but in most cases, it is not about using the newest technologies to be seen as environmentally friendly. Instead, it's about using technology efficiently to reduce operating costs, with a value-added benefit of becoming more environmentally friendly. This becomes the rare win/win/win situation where IT reduces day-to-day operating expenses, corporate social responsibility is enhanced, and the end result helps the environment. Practical things can be done to create more-efficient designs (e.g., using outside air, water-side economizers and designing liquid cooling into the site), and there are also many design techniques that focus on the overall building's impact on the environment (e.g., Leadership in Energy and Environmental Design [LEED] certifications, types of building materials, renewable energy alternatives, site selection and water conservation techniques).

In the Appendix, GSW has also included a brief write up of ongoing solar and wind projects in Arizona. Though there are none in the immediate area of Verde Valley, if a project were to commence in the future, interconnectivity to the Verde Valley network would be a benefit to the developer.

#### Best Practice for Economic Development and Workforce Retention

There's little question that completing Middle Mile and Colocation facilities in each of the communities could enable an enterprise zone model for the Verde Valley to attract business and economic development. For the Verde Valley to continue to attract new corporations and large scale technology industries there must be a streamlined and replicable process in place to make it attractive to move there. Such a plan expedites land acquisition, zoning, approvals and solutions for power and telecom questions (including a minimum of two separate and diverse bandwidth providers) among other things.

#### **Growth and Revenue Impacts**

There is significant evidence that shows a robust telecommunication network is an engine for growth and employment. With regard to positive public relations, consider Google's decision to select Kansas City (both Kansas and Missouri) as the first city in the country to be a 'Gigabit City' where Fiber to the Home (FTTH) would be deployed. A key reason Google selected the city was because of the city's promises to minimize red tape with regard to providing ready access to easements, rights of way, expedited permitting and assistance with public relations and marketing. However, in spite of these promises of cooperation, the initial deployment was hampered and delayed by pole attachment rates and the physical placement of the lines.

The benefit to having the members of the Verde Valley Regional Economic Organization lead as champions of a network means that cooperation between local government and businesses is virtually assured in the majority of situations and thus avoiding delays. The members of the VVREO should pride themselves on being forward thinking champions and instrumental to the implementation of a highly reliable network to an underserved rural community in Arizona. Indeed, as mentioned above, VVREO should embrace this role and leverage it to try and bring new businesses to the area.

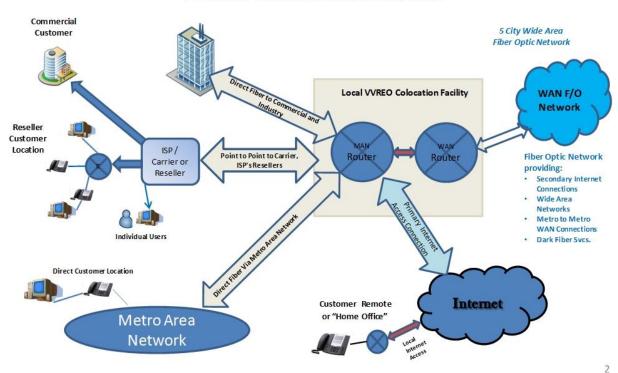
(Kandutsch, 2013)

#### Verde Valley Community Metropolitan Area Networks (MAN)

A Metropolitan Area Network (MAN) is a high capacity Telecommunications network that ranges in size from a few city blocks to an entire urban area or rural community. In the Verde Valley's case, each community will have its own MAN, being linked together via the Middle Mile network and cross connected in defined community Colocation facilities.

# Fiber Network – Middle and Last Mile Applications - Business Connectivity – Private

## **Private Network Connection**



#### **Current Connectivity Options in the Five Communities**

A few years ago the Arizona Strategic Enterprise Technology (ASET) office, a division of the Arizona Department of Administration (ADOA), created the Digital Arizona Program with a stated goal of supporting "Internet providers, communities, and educators coming together to create solutions and to support an ever increasing demand for high-speed Internet capacity throughout the State." Among the features of the website is an interactive map (<a href="http://broadbandmap.az.gov/map/">http://broadbandmap.az.gov/map/</a>) which allows a user to select an area of their choice and identify providers serve the specified area. While this list is not definitive, it is directional and serves as a reference point. The Verde Valley has a limited number of options for broadband, and as illustrated in the Appendix ("Current Broadband Options in Verde Valley"), speeds are very constrained by the existing network. While it may seem there are many choices for Broadband connectivity, upon further examination, they are largely just variations of fixed, wireless-, DSL based-, satellite-, and cable-based services, all of which, (we believe, with the exception of the expensive satellite-based service) tie back to CenturyLink's main backbone.

(State of Arizona, 2014)

#### **Carrier Inventory**

The chart below is a graphical representation of the terrestrial (non-satellite) carriers providing services in the Verde Valley. A more detailed inventory of each carrier's options in each of the Five Communities may be found in the Appendix.

	Sprint	Verizon	Commspeed	Suddenlink	CenturyLink	CableOne	eSedona	T-Mobile	ATT
Camp Verde	Х	Χ	Х	Χ	Х				Χ
Cottonwood	Х	Χ	Х	Χ	Х	Χ		Х	Χ
Clarkdale	Х	Χ	Х		Х	Χ	Χ		Χ
Sedona	Х	Х	X	Χ	Х		Χ	Х	Χ
Jerome	Х	Х	Х		X	X	X	X	Χ

GovNET's Wireless Gigabit network construction schedules and locations are currently not available. GSW in fact requested this information several times but at this time have yet to receive any written documentations. Once we receive the details they will be listed in the appendix for future reference.

We have had several positive conversations with Suddenlink and other carriers and service providers that require additional follow up and collaboration on network routes for further refinement of the data.

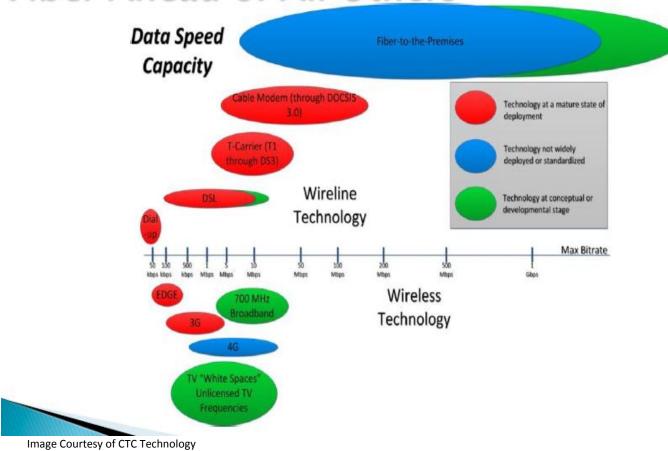
The illustration on the following page, "Technologies and Speeds: Fiber Ahead of All Others," is very telling. The red ovals to the left are the technologies that are mature and are on the lower end of the bandwidth spectrum and are where the Five Communities lie presently. These ovals represent

bandwidths that are primarily less than 10 Mbps (Best effort) and only one (Cable Modem) even approaches more than 50 Mbps.

However, when Fiber Optics (labeled as "Fiber to the Premises") is considered, the large blue oval at the top dwarfs every other method of connectivity. Speeds of 1 gigabit per second, about 10,000 times faster than old fashioned Dial Up, are now achievable. And unlike the quality that Fiber can provide, only a fraction of the current options offer 'synchronous' or 'symmetrical' speeds, where the up- and download speeds are the same. Fiber-based symmetry is crucial for applications such as videoconferencing, gaming, Skyping and Cloud-based Applications-as-a-Service (AaaS) as bandwidth demands increase.

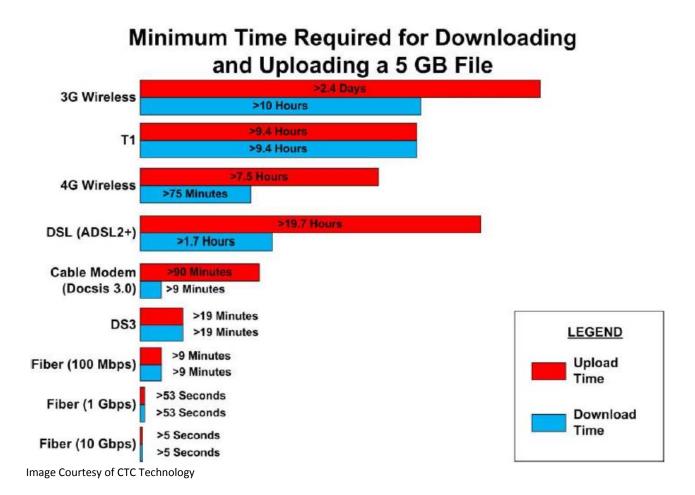
**Technologies and Speeds: Fiber Ahead of All Others illustration** 

# Technologies and Speeds: Fiber Ahead of All Others



As a last and final illustration of how crucial connectivity has become in today's modern world, consider that a digitized movie might be about a 2 Gigabit worth of data, and a HD version of the same film might be triple that. When the estimated advertised, best effort download speeds for today's Verde Valley are evaluated and compared to what is required to watch a film, it is little wonder that only those with cable modems might be even inclined to try and download a film. However, the point of the VVREO Network is not necessarily to make sure that area residents can utilize Netflix, but rather to show that compared to Tucson and Phoenix, area Verde Valley businesses are currently relegated to one of the lowest bandwidth and quality of service (QoS) standards in the state. While it may be annoying to have to wait for a few hours for a movie to download on a T1 connection, what the financial implications for engineering firms that have to wait hours for CAD files? Or what are the implications for a patient that must wait for a scan to download in order for a physician to make a proper diagnosis? Under these circumstances, when millions of dollars of commerce and contracts, as well as potential (and literal) lifeor-death decisions may rely on connectivity, the need for a quality network is undeniable.

#### Minimum Times for Downloading and Uploading a 5 GB illustration



#### **Competitive Analysis - Broadband**

The accompanying ad is a sample of the types of broadband being offered in Verde Valley. At first glance to the uninformed consumer, 15 Mbps for \$35 would seem like a reasonable deal and meet or exceed current FCC Broadband minimum requirements. However, when the details are examined, one finds that speeds vary and are not guaranteed, unlike the QoS (Quality of service) that fiber provides. Also, it is not disclosed what the upload speeds are and suggesting Best Effort.



Upon digging a bit deeper into the provider's website, it's revealed that the 15 Mbps speeds (at best) are also just 1.5 Mbps (best effort) upload, a 10:1 differential. Likewise, the other speeds are 30/2 (a 15:1 differential), 50/3 (16.667:1 differential and finally the 100/5 (20:1 differential!)

To draw an analogy, consider a highway that permits traffic to flow at 60 mph in one direction and anywhere from 3 to 10 mph in the other direction to see how much the connectivity disparity truly is.

Faster Internet	15 Mbps Download 1.5 Mbps Upload	30 Mbps Download 2 Mbps Upload	50 Mbps Download 3 Mbps Upload	100 Mbps Download 5 Mbps Upload
Great for browsing, email and staying connected	-	<b>~</b>	<b>/</b>	<b>/</b>
Great for streaming TV shows and movies		~	~	~
Great for gaming, and enough bandwidth to power all of your devices			~	<b>/</b>
Fastest speeds available!				~

#### Verde Valley Gigabit Project - Middle Mile (Transit Fiber Routes)

There are five main communities included in the scope of this project:

- Camp Verde
- Clarkdale
- Cottonwood
- Jerome
- Sedona

Internetwork Connectivity for Middle Mile to local Metropolitan Area Networks (MAN) for each community will be designated in Phase Two of this project. However, for purposes of this scope, we are utilizing either the Town Hall of that community or another Municipal Facility that is located in the area where the interconnection of the Middle Mile Transit WAN (Wide Area Network) and the Local Area Metropolitan Area Network would best intersect for cross connectivity.

The Middle Mile or Transit Wide Area Network will travel along major roads and highways where possible in order to reduce overall costing through availability of access of equipment needed to install the fiber optic cabling. Both existing fiber routes owned by carriers and other providers, as well as newbuild fiber optic cabling, are being considered for the development of the designed networks.

Primary and Secondary IP Services carriers are being identified for possible provisioning of outside Internet Protocol Services for the VVREO Network and participating customers. These services would include Internet Access Services, IP Telephony Solutions including Hosted IP Telephone Services, Hosted IP PBX Services, Disaster Recovery Solutions, and Cloud Computing Services. All of these types of services would be delivered over the VVREO WAN via interconnections at any of the proposed Points of Presences (POPs) and Meet Me Colocation (CoLo) facility sites.

Considering most major carriers in the area have networks traveling alongside Interstate 17 (I-17), the Camp Verde CoLo/POP would be the logical primary Interconnection site for the entire network. There are other secondary carriers in the region that have networks near or within the Prescott Valley area, as well as alongside State Route 89A. These carriers could be interconnected to the network at either Sedona or Jerome and then distributed to the entire network.

The proposed network is being designed based on an Ethernet-type network utilizing both Layer 2 and Layer 3 distribution and routing for data connectivity. Layer 2 and Layer 3 methods are in accordance with the International Standards Organization's OSI Model for networking. Ethernet is a Data Link Control method from the IEEE (International Electrical and Electronic Engineers) which establishes the standards in data communications.

The Middle Mile (WAN) Network will originate in Camp Verde and travel via State Route 260 to Cottonwood. From there, it will junction to Clarkdale via Main Street and then transit to Jerome from

Clarkdale via State Route 89A (SR 89A). The last leg of the WAN will be from Cottonwood to Sedona via SR 89A. Effectively, the Cottonwood CoLo/POP will become the junction for all legs of the Middle Mile WAN Network.

#### The initial four Middle Mile Networks are as follows

	Total Network Distance:	Approximately 47.1 miles	
Network #4	Cottonwood to Sedona	(Approximately 18.9 miles)	
Network #3	Clarkdale to Jerome	(Approximately 6.0 miles)	
Network #2	Cottonwood to Clarkdale	(Approximately 5.5 miles)	
Network #1	Camp Verde to Cottonwood	(Approximately 16.7 miles)	

In a future Phase of this project, it is recommended to add another three legs to the Network that would travel from Sedona to the Village of Oak Creek, then from Oak Creek terminating in the Rimrock area at Beaver Creek School where a Manufactured Building (POP) would be placed. From that location, the last leg for this Middle Mile WAN would continue southwest to the Camp Verde POP where the Wide Area Network originates. This would provide a full ring format that would allow bi-directional routing, as well as high availability route services to maintain connectivity in the event of a catastrophic fiber failure from a variety of possible causes.

#### **Facility Equipment Based on Locations**

<u>Hub Facilities</u> - At these colocation facilities, we may inject connections to the third party service providers such as Internet Services, IPBX services, as well as any other services VVREO may wish to deliver to their customers.

<u>Central Office (CO) Facilities</u> – At these locations we can cross connect to both Telecommunication Carriers, as well as Internet Service Providers currently collocated at those facilities. Both ONS Multiplexers as well as IP routers would be deployed at these facilities for internetwork connections.

<u>Colocation Facilities</u> – ISPs as well as other Internet Based Service Companies have "Meet Me" facilities at these locations. Also, VVREO and or a Strategic Partner may lease space for Hosts and Storage Equipment to provide various services such as Disaster Recovery Facilities, Backup Facilities, and Hosted Application Services. IP Routers would be the primary type of equipment placed within these facilities for internetworking with the providers at these facilities.

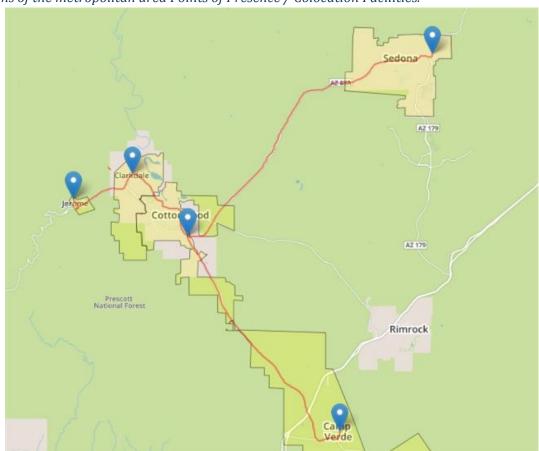
<u>Core Network Services</u> – These services should be based in VVREO-owned facilities for security and control purposes. Edge Networking is where VVREO and or a Strategic Partner would connect to customers at the colocation and Meet Me Points. IP routers such as the Cisco 7600 Series Router would be a suitable framework for conducting Edge/Access Network Services.

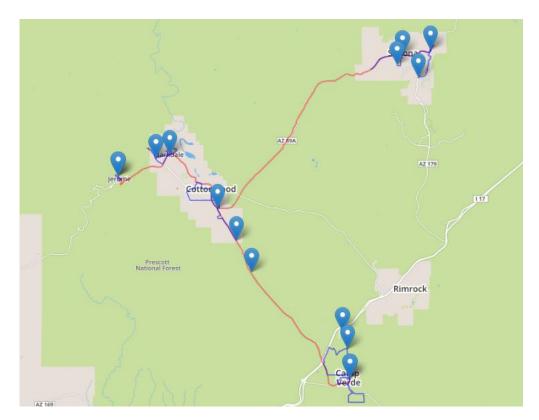
<u>NOC</u> – The Network Operations Center is where all monitoring and management services and processes will take place. The NOC will require several types of tools, equipment, storage, applications and a trained staff to monitor the network on a 24x7 basis.

<u>Service tickets/Help Desk</u> – This is an extension of the NOC that will field the calls and requests and deliver Tier I level of services to diagnose and possible resolution to any customer or operational issues that may arise. There are several Service Ticket Applications on the market that can be modified to meet the specific needs for the VVREO Network Services.

#### **Overall Middle Mile Initial Network**

The diagram below depicts the route paths for the fiber optic cabling (in red) and the proposed locations of the metropolitan area Points of Presence / Colocation Facilities.





The Diagram below depicts the overall network with the POPs, MANs, and Proposed Splice Vaults for the VVREO Network.

Ultimately, to get high capacity, reliable, cost effective bandwidth, there are three progressions. First, a Middle Mile network must be constructed. This Middle Mile delivers outside services bandwidth to the MAN. The MAN is then able to be extended and deliver services to residential and or business areas. The method of delivery may be in any number of ways, including Fiber-to-the-Home, Wireless, Copper Ethernet/DSL or even Coaxial cable. Due to the expense of retrofitting existing homes with fiber or wireless options, there is a strong case to be made for planning for this with any new homes and developments. As might be expected, new home developments can assist tremendously by putting additional conduit throughout the subdivision. Much like SB 1402, there is a section in the document dedicated solely to this topic as well.

**Fiber Optic Cabling Type** Since most of the Metropolitan Area Networks are Hybrid installations (Aerial and Buried), it is recommended that Aerial Fiber Optic Cabling be utilized for both methods of the aerial and underground installation. This will have an added benefit of reducing overall costs through using one type of cabling throughout the construction project.

#### **Camp Verde**

The Town of Camp Verde lies along the junction of Arizona State Route 260 and Interstate 17. Unlike

the other four municipalities of Cottonwood, Clarkdale, Jerome and Sedona, Camp Verde lies to the east of the Interstate. Like most communities in Yavapai County, the town has seen a near tripling of its population since 1980, when the population was under 4,000. Just 34 years later, Camp Verde now numbers over 11,000. The Camp Verde Unified School District serves the area.

With regard to notable establishments near the town, visitors can visit Montezuma Castle National Monument, Historic Fort Verde State Park, Out of Africa Wildlife Park and Cliff Castle Casino, an enterprise of the local Yavapai-Apache Nation.



(City of Camp Verde, 2014)

#### Cottonwood

Approximately 16 miles to the northwest of Camp Verde along Arizona's State Route 260 (SR 260) is the City of Cottonwood. As previously discussed, the first 7.7 miles or so of this highway are being widened and reengineered by the Arizona Department of Transportation in 2015. It is in Cottonwood that SR 260 has its terminus, meeting Arizona's State Route 89A (SR 89A), which runs from the Yavapai County Seat of Prescott through Prescott Valley to Jerome, Clarkdale and Cottonwood, and then proceeding through to Sedona and ending in the Coconino County Seat of Flagstaff.



Cottonwood's current population is approximately 11,500, up from about 4,500 in 1980. The unincorporated communities of Verde Villages and Bridgeport are also in the greater metro area, though separate and distinct from Cottonwood. However, when including those populations, the immediate area numbers nearly 25,000. Cottonwood's children are served by the Cottonwood-Village

of Oak Creek School District and the Verde Valley Medical Center serves as a significant resource in the area.

(City of Cottonwood, 2014)

#### Clarkdale

Founded by copper magnate William A. Clark in 1912 as a smelter town for the nearby mines in Jerome, Clarkdale is an early example of a 'company town' for employees and operations. After the mine's closure in 1953, a period of hardship occurred, but today the town has rebounded to become a flourishing retirement community with a focus on sustainability and outdoor recreation while leveraging its history



to promote tourism and the arts. Clarkdale is about four miles from Cottonwood on SR 89A, though the town center ("Upper Clarkdale") lies about three quarters of a mile from the highway on Clarkdale Parkway.

The Town of Clarkdale has a population of just over 4,000 and school children attend the Clarkdale-Jerome School, the only school in the district of the same name. With regard to industry, there are several mining-related businesses (cement/concrete) and precision machine shops in the town. Artists abound and are featured through Made in Clarkdale, a local non-profit. Another popular Clarkdale draw is the Verde Canyon Railroad, a sightseeing train hosting about 90,000 visitors annually. In recent years with the development of the wine industry in the Verde Valley, Clarkdale has experienced growth in wine tasting rooms in addition to the development of the Southwest Wine Center, a center focused on wine production in arid regions. This new center is located at the Yavapai College, Verde Campus, also located in Clarkdale.

(Town of Clarkdale, 2014)

#### **Ierome**

Like its neighbor down the mountain, Jerome got its start as a mining town to house the men working some of the richest copper, gold and silver strikes ever discovered at any recorded time. During the mine's heyday in the 1920s, Jerome was home to over 10,000 people. Due to a combination of poor (but common at the time) mining and extraction processes resulting in subsidence issues and a decline in metal prices, the decision was made to close the mine in 1953. With little work, the community was in danger of becoming a ghost town. However, a successful push to have the entire town being



declared National Historic Landmark Status, which was granted in 1967 led to a continued existence. Despite this, the population in 2010 was 444 and Jerome exists largely today as a tourist destination and art colony. As mentioned above, State SR 89A passes through Jerome on its way from Prescott Valley (to the west) to Clarkdale, Cottonwood and Sedona to the east. Likewise, the school children attend elementary school in Clarkdale and Mingus Union High School in Cottonwood.

(Town of Jerome, 2014)

#### Sedona

The City of Sedona, straddling Coconino and Yavapai Counties, is famous for its red sandstone formations. With a population numbering over 10,000 and an average household income of about twice of most of the other area communities (see chart in the demographics section of the document), Sedona's environs have led it to become a mecca for those wishing to hike, bike and experience the area's red rocks. The community has also developed a reputation as a place to seek metaphysical and spiritual energies and as a result of these factors, is home to almost 75% (3,000 out of 4,000) of hotel and



resort rooms in the Verde Valley (see Table 3 below in Demographics.) Tourism and the related industries are undoubtedly the driving force in the economy.

Lying at the junction of State Road 89A (on its way from Cottonwood to Flagstaff) and State Road 179, which travels south and bisects the Village of Village of Oak Creek back to Interstate 17, Sedona's school

children are part of the Sedona-Village of Oak Creek Unified School District, which operates three schools.

(City of Sedona, 2014)

#### **Positive PR**

In addition to providing a much needed second provider of service to facilitate the growth of commerce and provide a competitor to the incumbent LEC and ISPs, the new network's diverse path will also allow government, educational enterprises and businesses to have a legitimate Backup and Disaster Recovery and Business Continuity Plan (BDR/BC) Plan. Such strategies to maintain mission critical applications require services from more than one carrier. Local schools and offices should be able to get many times their current bandwidth for a marginal increase in their budgets.

Moreover, the tale of the railroad and the fates of towns that were connected and those that were bypassed must be considered. Currently, the sentiment is that Phoenix and Tucson are thriving in part due being on the 'modern railroad' of high capacity broadband and growing as a direct result of having significant broadband options. Other towns, like those bypassed a century or more ago, are being left further and further behind. Younger residents of smaller, poorly-connected communities are not returning after university graduation partly because of a lack of broadband connectivity. Modern businesses and communities view high bandwidth as crucial to their future growth and in some cases, the difference between flourishing and withering over the next few decades.



#### **Facility Equipment Based on Locations**

<u>Hub Facilities</u> — At these Colocation facilities, we may inject connections to the third party service providers such as Internet Services, IPBX services, as well as any other services a provider may wish to deliver to their customers.

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<u>Colocation Facilities</u> – ISPs as well as other Internet-Based Service Companies have "Meet Me" facilities at these locations. Also, space may be available for hosts and storage equipment to provide various services such as disaster recovery facilities, backup facilities, and hosted application services. IP routers would be the primary type of equipment placed within these facilities for internetworking with the providers at these facilities.

#### Explanation of the benefit of installing empty conduit along roads

About a year and a half ago, the principals of GSW authored an article that was published in the July, 2013 issue of <u>Trend Report</u>, a monthly, Tucson-based publication focused on real estate trends, new developments and general information about the industry. In the article, which is reprinted in the appendix, we describe how simple 4" PVC conduit, costing pennies per foot, can save tens of thousands of dollars later if the decision to lay fiber is made. In addition to the later savings, it should also be noted that many times after a road or intersection has been widened, redesigned or repaved, there is a five year moratorium on cutting the new payment, thus essentially aborting the project even if the funds are made available.

#### Best Practice for Conduit and Local Road/Intersection Construction

From a legislative view, GSW recommends Yavapai County and the communities of the Verde Valley enact regulations that literally require the placing of at least two 4" conduits along any roads or intersections under construction, redesign or otherwise accessible. Les Smith, founder of GSW Telecom & Consulting worked for years with representatives from Pima County as GM/VP of TW Telecom on this very subject. While some in Pima County initially saw the value of placing empty conduit, others were skeptical, fearing that doing so could somehow be viewed as favoring one telecom firm over another. To avoid any illusion or suggestion of impropriety or favoritism, eventually Les was able to convince Pima County to charge the exact rate that the LEC (Qwest/CenturyLink) was charging for leasing conduit space out. This rate of \$0.36 per foot per annum neutralized any idea of favoritism and is now enshrined in Pima County statutes when road construction is ongoing. This concept is very similar to Senate Bill 1402 (discussed below), but with the major difference that the state's bill requires telecom firms to agree in advance to lease the space. GSW recommends Yavapai County and the communities of Verde Valley account for the pennies-per-foot charge of the conduit in any case with the assumption that it will eventually be utilized regardless.

#### **Explanation of the value of trenching with new Housing Developments**

Similar to the value of placing conduit along new roads, GSW recommends any new housing developments require the developer to run at least one 4" conduit to each new home site. Although wireless technologies do exist that will allow current homeowners to take advantage of connectivity options not available years ago, in terms of being able to deliver bandwidth to a consumer's home, there is no superior medium than fiber optics.

Fiber-to-the-Home, also known in various circles as (FTTP) or Fiber-to-the-Premises Fiber-to-the-Building (FTTB) is the newest technology. In the past, fiber optics might be brought to a local connection point, where copper cables would then connect homes and businesses. While this is fine low bandwidth consumption, the increasing demands on bandwidth render this strategy outdated and inadequate to serve the needs of the modern customer. FTTH easily allows for the bandwidths that modern 'triple play' customers seek, where internet bandwidth, video signals and telephone services are bundled. Additionally, the most advanced technologies are



now accessible, including bandwidth intensive items such as gaming, IP camera home video monitoring, video chats, Tele-Med services and internet-based television, sports broadcasts, Smart Home and business energy management technologies.

As an illustration of the ongoing paradigm shift to fiber optics, current DSL and coaxial cable modems to homes permit download speeds of up to about 5 Mbps (with uploading usually being significantly slower) and are struggling to make significant improvements in the technology. However, with FTTH, synchronous speeds of up to 100 Mbps are currently possible and improvements to the electronics are resulting in capacities that are orders of magnitude better, not incrementally. As a result of these advances, fiber optic networks have been called "Future Proof" as a measure of their potential and capability. (Fiber to the Home Council, 2013)

With regard to Hosted IP Voice services, a FTTH enabled home can now enjoy features such as brilliant voice clarity, voicemail messages delivered to email addresses (which will allow the consumer to access them from any internet-enabled computer device or smartphone), find-me-follow-me service (which transfers calls to mobile devices) and features such as call forwarding and call blocking can be administered via a web portal. (Home SC, 2012)

Lastly, with the advances in 'Smart Grid' and 'Smart Home' technologies, the Department of Energy has fully committed to rolling out the installation of devices that communicate with the utility provider,

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demonstrating marked improvement in efficiency of both the grid and the end user's home or building. A key feature of the Smart Grid is automation technology enabling the utility to adjust and control each individual device or millions of devices from a central location. Comparable technology has been used for decades in other industries and its acceptance in the modern electrical grid has been assured. Such efficiencies undoubtedly save the end user money and also demonstrate the utility's commitment to responsible and modern energy distribution.

# III. Demographics Analysis Overview

# Exploration of the Verde Valley's projected future growth

A crucial aspect of the viability of the fiber project is trying to gauge both current and future demand, with population growth being a key component of that aspect. Taking data from the Verde Valley Broadband Preliminary Demand Analysis, we looked at current populations of several communities in the Verde Valley as well as three projections of population growth for Yavapai County.

# Demographics

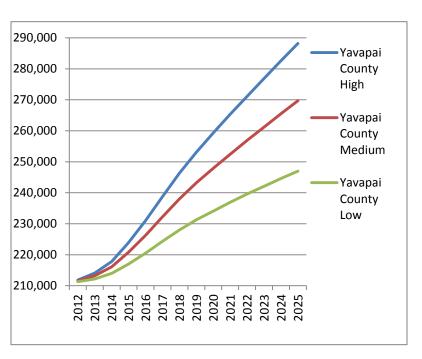
Table 1 Community Income, Population, and Educational Attainment

Verde Valley Cities, Towns, Unincorporated Areas, Native American Tribes	Population 2014	Median Household Income	Average Household Income	Educational Attainment % of Pop. with a bachelors or higher
Camp Verde	11,205	\$41,651	\$57,623	10.9%
Clarkdale	4,190	\$48,883	\$63,427	13.5%
Cottonwood Bridgeport	11,542	\$41,057	\$52,758	11.7%
Jerome	461	\$35,600	\$56,242	18.9%
Sedona	10,382	\$56,579	\$116,224	39.3%
Bridgeport	NA			
Cornville Page Springs Verde Santa Fe	3,407	\$48,939	\$61,635	24.2%
Lake Montezuma McGuireville Rimrock	4,813	\$49,850	\$57,268	15.1%
Verde Villages	11,907	\$49,981	\$63,635	13.6%
Village of Oak Creek	6,337	\$66,922	\$106,767	43.3%
Yavapai-Apache Nation	2,435	\$27,600		
Total	66,679			

(Yavapai College Regional Economic Development Center, 2014)

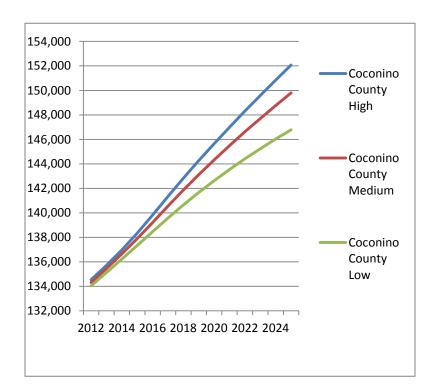
# Yavapai and Coconino Population Growth Projections until 2025

	Yavapai	Yavapai	Yavapai
Year	County	County	County
	High	Medium	Low
2012	211,800	211,600	211,300
2013	214,100	213,200	212,200
2014	217,800	216,100	214,000
2015	223,900	220,800	217,000
2016	231,000	226,200	220,500
2017	238,700	232,200	224,300
2018	246,300	238,000	228,000
2019	253,100	243,200	231,300
2020	259,300	247,900	234,100
2021	265,300	252,400	236,900
2022	271,100	256,900	239,600
2023	276,900	261,200	242,100
2024	282,600	265,500	244,600
2025	288,200	269,700	247,000



(Arizona Department of Administration, 2013)

Year	Coconinco County High	Coconino County Medium	Coconino County Low
2012	134,542	134,313	134,039
2013	135,711	135,446	135,125
2014	136,973	136,636	136,223
2015	138,355	137,903	137,346
2016	139,823	139,219	138,472
2017	141,343	140,558	139,581
2018	142,837	141,867	140,652
2019	144,272	143,121	141,668
2020	145,648	144,320	142,626
2021	146,995	145,486	143,542
2022	148,308	146,617	144,415
2023	149,592	147,711	145,244
2024	150,849	148,771	146,032
2025	152,076	149,794	146,775



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#### **Verde Valley Housing and Hotel Room Figures**

**Table 2 Single Family Housing and Apartments** 

Camp Verde	4224
Clarkdale	2215
Cottonwood	5677
Jerome	253
Sedona	6780
Cornville	1748
Lake Montezuma	2320
Verde Villages	5388
Village of Oak Creek	4143
Yavapai-Apache	331
Nation	
Total	33,079

**Table 3 Hotel Rooms** 

Tubic o Hotol Itoolilo	
Camp Verde	301
Clarkdale	27
Cottonwood	300
Jerome	80
Lake Montezuma	22
Sedona	3000
Yavapai-Apache	262
Nation (including 181 RV	
slots with WiFi access)	
Total	3992

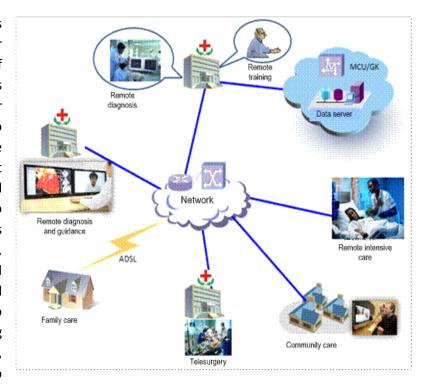
(Yavapai College Regional Economic Development Center, 2014)

America's classrooms are migrating to one-to-one computer programs (also known as "ubiquitous computing"), whereby each student and teacher has one Internet-connected wireless computing device for use both in the classroom and at home. Such connectivity also means that costly and unwieldy printed textbooks can be eliminated, saving districts untold amounts each year, not to mention the ease of annual updates. A 2006 survey found that 31 percent of superintendents are implementing ubiquitous computing in at least one grade, up from an average of 4 percent. Moreover, over 75% of superintendents recognized the potential benefits of one-to-one computing, agreeing with the statement that "ubiquitous technology can reduce the time, distance, and cost of delivering information directly to students and that teachers can spend substantially more one-on-one time with each student and personalize the education experience to each student's needs."

(CTC Technology & Energy, 2014)

#### **Telemedicine**

Until recently, telemedicine was viewed as an expensive and unrealistic solution for providing healthcare to a large segment of the population. However, due to advances in smartphone technology and cheaper and more plentiful bandwidth, the Mayo Clinic in Scottsdale and a division of the University of Arizona are concluding that practicing medicine in remote and continue to underserved areas will flourish. As more and more communities are able to access affordable bandwidth, the demand will continue to grow and some physicians see it as the next logical Supplying bandwidth to progression. otherwise underserved areas will bring terrific PR and even more importantly, lifesaving technology perhaps thousands of people.



(Allen, 2012)

#### **Healthcare Connect Fund**

On December 12, 2012 the FCC created the Healthcare Connect Fund (HCCF) to expand access by health care providers to robust broadband networks. Building on lessons learned from 50 pilot projects testing how to most effectively use broadband to improve the quality and reduce costs of health care in rural areas, the HCCF reforms modernize the FCC's existing universal service Rural Health Care Program to expand the benefits of telemedicine nationwide. Stated goals of the program include:

- Increase access to broadband for health care providers (HCPs), especially those serving rural areas
- Foster development and deployment of broadband health care networks
- Maximize cost-effectiveness of the FCC's universal service health care program

Additionally, local residents of rural areas will benefit by having their rural HCPs have access to medical specialists at larger HCPs through telemedicine, have enhanced exchange of electronic health records and coordination of care and improved quality and lower cost of health care.

Finally, the HCCF provides a 65% discount on broadband services, equipment, connections to research and education networks, plus HCP-constructed and owned facilities if shown to be the most cost-

effective option, provided the local HCP supplies the remaining 35%. Very simply put, the program is much like its successful cousin, E-Rate, except that the reimbursement is a flat 65%. The program launched on January 1, 2014 and should be an excellent program for the hospitals and health care facilities in the Verde Valley and could assist in funding and expanding the VVREO Network Vision.

(FCC, 2014)

#### Arizona Senate Bill (SB) 1402

Colloquially known as the Arizona Digital Highways Bill, Governor Jan Brewer signed SB 1402 in 2012. According to a release by the Arizona Strategic Enterprise Technology Office, "The Arizona Digital Highways bill establishes a sustainable broadband deployment program that will better enable economic growth, education, public safety, healthcare, and business across Arizona. Private sector providers will now be able to more economically extend broadband services to poorly served rural Arizonians by expanding the use of existing state roadway rights-of-way (ROW). This will be possible without drawing on existing highway or state general funds under the guidance of the Arizona Department of Transportation (ADOT) in partnership with the Arizona Strategic Enterprise Technology (ASET) office in the Department of Administration."

Essentially ADOT will now consider the transportation of information along with the movement of vehicles when doing road construction. The bill instructs ADOT to enable installation of multiple empty runs of conduit alongside the state highways when under construction and lease the conduit space back to telecommunication firms on a cost-recovery basis, provided firms have agreed in advance to the lease. The goal of the program is to greatly accelerate the spread of telecommunications to the more rural areas of the state while saving the providers untold millions as compared to the expense of having to secure those state ROWs otherwise. While it is expected to take years, if not decades, for the program to be fully implemented, the fact is that the Verde Valley is in prime position to take advantage of this opportunity sooner rather than later.

(Arizona Strategic Enterprise Technology, 2012)

#### Explanation of the benefit of Fiber Optic networks and platforms

Prior to the widespread deployment of fiber optics, copper was the medium of choice by which to transmit information. The standard around the world for decades, copper requires pulses of electricity to send information, whereas fiber optics works with pulses of light. Fiber optics are superior to copper for a number of reasons, including the ability to carry information for long distances (thousands of miles) without degradation. In contrast, copper can also carry high bandwidth, but only for short distances, perhaps a few hundred yards after which the signal's fidelity fades. Fiber optics, being glass, are also immune to many issues that plague copper, including corrosion and have an immunity to lightning strikes. Also, a length of fiber optic cable weighs less than a comparable length of copper cable

and is of no value to copper thieves and vandals. Fiber optics has been used to carry transmissions for decades, but in the past, it was primary for long haul runs between cities or countries. Finally, the concept of something being 'Future Proof' is often bandied about, but often with little thought as to what that means. With fiber optics however, the same fiber that can transmit 2 Mbps (a bit more than a T1) can carry up to 40 Gbps (literally 20,000 times as much) with the proper electronics on each end for the signaling. It is because of this type of scale that Fiber has earned the well-deserved reputation as "Future Proof."

#### **Conclusion**

As we have compiled our research, analyzed our findings and examined the facts, we feel the Verde Valley Regional Economic Organization's decision to explore a Gigabit Network throughout and connecting the various communities is extraordinary. While there are still unknowns at this juncture, all indications point to a unique business opportunity that effectively leverages current assets and takes advantage of a forward-thinking Senate Bill while resolving underserved communities' digital divide. Once the proper due diligence is complete, detailed engineering plans and pro-forma financial analysis should commence.

We are confident our research and experience has served well in the formulation of this road map for success. Based on our conclusions, we would advocate the build-out of the proposed VVREO Middle Mile Network. The VVREO Wide Area Network WAN would provide an alternate network to the existing carriers in the region, and vital addition to municipalities, school districts and businesses throughout the Verde Valley area as a means to increase their bandwidth and access new products and services via the new, highly reliable second network. Along with VVREO Middle Mile Network, we advocate the simultaneous construction of Metropolitan Area Networks in each municipality, with strategic community breakouts to take advantage of future growth. Additionally, the roll out of Hosted IPBX phones, CoLo, Backup and Disaster Recovery (BDR) services (to name a few), would undoubtedly be attractive features and benefits to those enterprises looking to divest themselves of years of substandard services from the incumbent. Strategic partnerships would and could enable the wave of future services across the VVREO Ethernet network platform.

GSW Telecom & Consulting has the experience and know-how to facilitate and manage the construction and implementation of the proposed networks and we look forward to collaborating and completing the outstanding next steps and phases. Given the wealth of resources, assets and experience available, the evidence demonstrates the proposed Network is positioned for success for the local communities, governments, School districts, universities, businesses and residents of the Verde Valley.

In our expert estimation, it is not a question of whether a fiber network should be built, but rather when!

Respectfully Submitted by:

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## **Appendix**

#### **Funding - Rural Telecommunications Programs**

Through our research, we have identified a number of Government-backed programs available to rural communities to help build and expand networks. The United States Department of Agriculture (USDA) has at least four loan and grant programs designed to improve the infrastructure and economic development in sparsely-populated regions, with telecom qualifying as one of the targeted areas. In fact, more than \$22 billion has been invested in rural America since 1949. Below is a snapshot of the noteworthy and current programs that will come into play.



Committed to the future of rural communities.

- **Telecommunications Infrastructure Loan Program** Loans to improve and build telecommunications service in service in rural communities (<5,000 population)
- Rural Broadband Loan Program (Farm Bill) Loans to build and upgrade broadband services in rural high cost areas (<20,000 population)
- **Communication Connect Grant Program** Grants for broadband service providers and others who offer broadband services in rural and remote areas (<20,000 population)
- **Distance Learning/Telemedicine Loan and Grant Program** Loans and grants for providing Distance Learning and Telemedicine services to rural residents and anchor institutions

(USDA, 2013)

#### Solar and Wind Power Generation Projects and Network Connectivity

According to the Bureau of Land Management, while there are a number of solar (8) and wind power generating applications (6) in various stages of submission in Arizona as of August 2013, none are within 100 miles of the Verde Valley. (A full reproduction of the map can be found on the following page, but a closer look at the Verde Valley is included here.) In the event that a utility does ultimately construct a solar or wind generation plant in the region, a fiber connection to monitor operations



would be a crucial connection for SCADA purposes.

(US Dept of the Interior, 2013)

#### **Current Solar/Wind Projects, Approved or Pending**

#### **Solar Applications**

MAPID	Applicant	Project Name	Туре	Status	Acres
D2	Boulevard Assoc LLC	Sonoran Solar Energy	Photovoltaic	Approved	13275
M2	Pacific Solar Inv., Inc	Hyder Valley Solar Energy	CSP Trough	Pending	5765
G1	Horizon Wind Energy LLC	Horizon Aguila	CSP Trough	Pending	11496
12	Solar Reserve	Quartzsite Project	CSP Trough	Approved	25236
N1	IDIT	Little Horn	CSP Trough	Pending	12256
F1	Horizon Wind Energy LLC	Horizon	Solar Monitoring	Pending	28728
P1	Wildcat Quartzsite LLC	Wildcat Quartzsite	CSP Trough	Pending	12028
M1	Marisol Energy 2 LLC	Maricopa Solar Park	Photovoltaic	Pending	1654
					110438

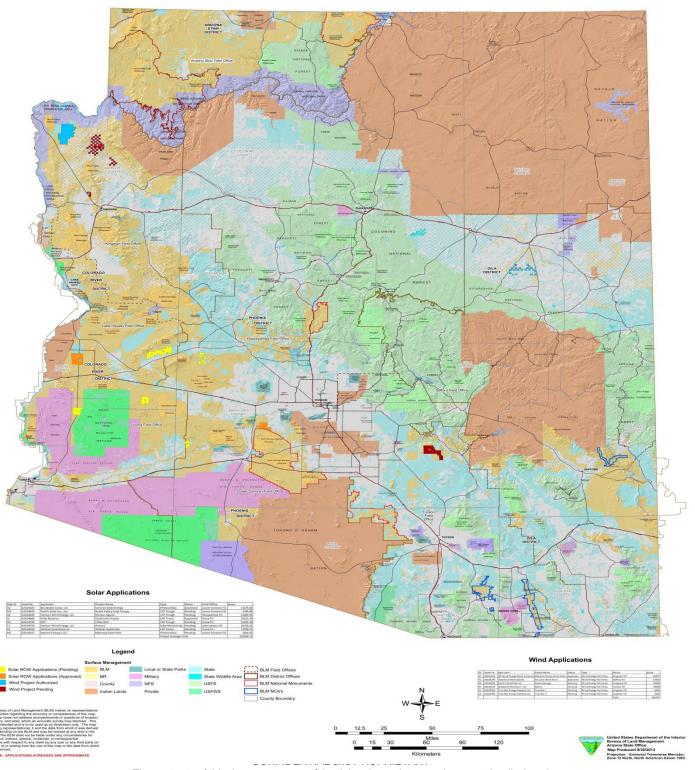
#### Wind Applications

MAPID	Applicant	Project Name	Туре	Status	Acres
A1	BP Wind Energy North America	Mohave Co. Wind Farm	Wind Energy Facil.	Approved	49107
H1	Iberdroia Renewables	Dry Lake Wind Farm	Wind Energy Facil.	Approved	12918
G1	Pacific Wind Dev LLC	Dolan Springs	Wind Energy Facil.	Pending	26296
K1	Grayback Mountain I LLC	Kearney	Wind Energy Facil.	Pending	10648
L1	Five Star Energy Systems LLC	Five Star I	Wind Energy Facil.	Pending	4495
L2	Five Star Energy Systems LLC	Five Star II	Wind Energy Facil.	Pending	2643
					106107

(US Dept of the Interior, 2013)

# **Arizona BLM Solar and Wind Applications Full Map**

#### Arizona BLM Solar and Wind Applications



The contents of this document are confidential and proprietary and may not be disclosed to any persons who do not have a need to know the contents.

# **Mileage Chart**

Mileage	Camp Verde	Verde Village	Cottonwood	Clarkdale	Jerome	Sedona
Camp Verde		13.6	16.1	20.2	23.9	35.1
Verde Village	13.6		3.5	6.6	10.3	20.0
Cottonwood	16.1	3.5		4.0	9.3	19.0
Clarkdale	20.2	6.6	4.0	-	5.2	23.0
Jerome	23.9	10.3	9.3	5.2		28.0
Sedona	35.1	20.0	19.0	23.0	28.0	

Note that distances are per Google Earth and are to be used as general estimates only. Also, Camp Verde to Sedona mileage is through Verde Valley, not IH-17.

(Google Earth)

# **Current Broadband Options in Verde Valley**

Advertised				Camp Ve	rde	Total is 15, excluding	ng 4 Satellite	options	
Upload		Advertised Download (Mbps)							
(Mbps)	0.2 - 0.768	0.768 - 1.5	1.5 - 3	3 - 6	6-10	10 - 25	25 - 50	50 - 100	>1000
0.2 - 0.768	Suddenlink	Sprint, Verizon	Suddenlink						
0.768 -1.5		CommSpeed	ATT	CLink	CLink	<b>CLink</b> Suddenlink	Suddenlink		
1.5 - 3				ATT					
3 - 6						ATT, Verizon		Suddenlink	
6 - 10									
10 - 25									
25 - 50									
50 - 100									
>1000									

Advertised					Cottonwood		Total is 23, excluding 4 Satellite options			
Upload		Advertised Dov	vnload (Mbp	s)						
(Mbps)	0.2 - 0.768	0.768 -1.5	1.5 -	3	3 - 6	6-10	10 - 25	25 - 50	50 - 100	>1000
0.2 - 0.768	Verizon	Sprint	Suddenlink	T-Mobile	CLink					
0.768 -1.5		CommSpeed	CLink	ATT	CLink	CLink	CLink Suddenlink			
1.5 - 3			CLir	ık	eSedona, ATT	T-Mobile	Suddenlink		CableOne	
3 - 6							ATT, Verizon	CLink		
6 - 10							T-Mobile			
10 - 25								CLink		
25 - 50										
50 - 100										
>1000										

Advertised					Clarkda	le	Total is 16, excluding 4 Satellite options			
Upload	Advertised Download (Mbps)									
(Mbps)	0.2 - 0.768	0.768 - 1.5	1.5 -	3	3 - 6	6 - 10	10 - 25	25 - 50	50 - 100	>1000
0.2 - 0.768		Sprint, Verizon			CLink					
0.768 -1.5		CommSpeed	CLink	ATT		CLink	CLink			
1.5 - 3					ATT	eSedona			CableOne	
3 - 6							ATT, Verizon	CLink		
6-10							T-Mobile			
10 - 25								CLink		
25 - 50										
50 - 100										
>1000										

Key: Cable Wireless DSL

Advertised				Jerom	e	Total is 15, e	xcluding 4 S	atellite optic	ons
Upload		Advertised Download (Mbps)							
(Mbps)	0.2 - 0.768	0.768 - 1.5	1.5 - 3	3 - 6	6-10	10 - 25	25 - 50	50 - 100	>1000
0.2 - 0.768		Sprint, Verizon							
0.768 - 1.5		CommSpeed	ATT, T-Mobile			CLink			
1.5 - 3				ATT	eSedona, T-Mobile			Cable One	
3 - 6						ATT, Verizon	CLink		
6-10						T-Mobile			
10 - 25							CLink		
25 - 50									
50 - 100									
>1000			_						

Advertised				Sedona			Total is 23, excluding 4 Satellite options			
Upload		Advertised Dow	nload (Mbp	s)						
(Mbps)	0.2 - 0.768	0.768 - 1.5	1.5 -	3	3 - 6	6-10	10 - 25	25 - 50	50 - 100	>1000
0.2 - 0.768		Sprint, Verizon	Suddenlink	T-Mobile	Suddenlink CLink					
0.768 - 1.5		CommSpeed	CLink	ATT	CLink	CLink	CLink			
1.5 - 3					ATT	eSedona, T-Mobile	Suddenlink	Suddenlink	Suddenlink	
3 - 6							ATT, Verizon	CLink		
6 - 10							T-Mobile			
10 - 25								CLink		
25 - 50										
50 - 100										
>1000										

Key:

Cable	
Wireless	
DSL	

(State of Arizona, 2014)

# "Future-Proofing Your New Building" Article "Future-Proofing" Your New Building



Les Smith and Andy Wieser • published in the July 2013 issue

With the advent and adoption of The Cloud, Software-as-a-Service (SaaS), Web 2.0 and Mobility, the need for reliable and scalable telecommunications has never been more evident. Yet one of the most crucial decisions that a developer can implement in the construction or remodel of commercial buildings, business and research parks to ensure network reliability for tenants and owners is often overlooked and undervalued, that of a proper ingress for a second telecommunications carrier or provider. While it's true that a single, dedicated conduit for voice and data services has long been a part of modern building standards, lately the most forward-thinking developers have been instituting a second, diverse conduit path solely for a separate and redundant telecom connection. Dual Entrance, as the term is known, generally specifies that conduit paths are at least 50 feet apart, if not more. This Dual Entrance conduit, consisting essentially of piping costing pennies per foot, is the ultimate insurance, likely saving tens of thousands of dollars in lost data and business productivity over the life of the structure if installed during construction and coupled with a secondary carrier. Despite this astronomical ROI however, all too often the blueprints are delivered with nary a thought to this potentially enterprise-saving lifeline.

A vital trend and valued requirement of a Business Continuity (BC) Plan is to have a Comprehensive BDR (Backup and Disaster Recovery) Implementation Strategy that includes Dual Entrance. While the Fortune 500 have long realized the value and necessity of these BC/BDR plans, even small and medium entities are becoming highly aware of the damage that an errant backhoe shovel, vandal's mischief or monsoon storm's havoc can cause on an unprepared firm's telecommunications, productivity and profits. This problem of losing connectivity with a single carrier providing services is compounded with the rise of Cloud-based services, Hosted Voice over IP phones and computer applications that rely on internet connections. The carrier's line, when severed, can mean that both voice and data are down.

Additionally, as the Federal Government implements its stated goal of a National Health Information Infrastructure (NHII), compliance with patient record security and accessibility criteria set by the Department of Health and Human Services will likely become the de facto minimum standards used by all related healthcare, pharmaceutical and bioscience firms. In fact, the most secure firms, including those adhering to HIPAA guidelines, have or are considering primary or backup Data Centers at least 50 miles away from the office and have a high reliance on internet and cloud-based applications. The new criteria all lend credence to the wisdom and evolving requirement for Dual Entrance, Dual Carrier solutions.

It is important to note that with the slow, but steadily improving local and regional business climate, a number of affordable options exist for the secondary carrier. While Ethernet over Fiber Optics ("Fiber") is considered the gold standard technically in terms of its Synchronous performance, low latency, minimal packet loss and jitter, it is also usually more expensive. For example, whereas

defense contractors, military bases and hospitals may generally require Dual Fiber/Dual Entrance connections, a typical firm looking to protect itself from catastrophic loss or interruption of service may deploy the more economical broadband options supplied by a telecom or cable television providers such as DSL or cable modem services. These carrier and cable options may not offer as technically reliable of an SLA (Service Level Agreement) as a Fiber-based solution, but like a second parachute when skydiving, it's always better to have and not need it than need something and not have it.

Tucson's affordability, climate, position as a transportation logistics hub and reputation as a cradle of Bioscience, Medical, Defense and Optics firms (numbering 160+) will continue to draw attention from companies worldwide. Along with the growth of Oro Valley's Innovation Park, Raytheon and TIA's pending expansion plans, the eventual 2500-acre Aerospace and Defense Research Business Park are key Economic Development Plans along Interstates 10 to Phoenix and 19 to Nogales and the proposed Pima County portion of Interstate 11. This highway confluence (known as the Canamex Corridor) and expansion of the Port of Tucson Rail and Trucking facilities, coupled with significant storage capacity to stage and manage cost effective logistics, ensures easy access from Tucson to shipping ports in Guaymas, Sonora and Southern California. This balanced network all but guarantees that there are going to be companies looking at relocating or expanding to the Tucson area for decades to come. Of course, existing buildings can always be retrofitted with this Second Path to the Demarc, but cutting pavement, boring through walls and foundations, uprooting landscaping and disrupting current tenants is expensive. Enlisting expert opinions and having "Cloud Ready" commercial spaces available for potential clients and tenants from the onset will make the difference between executing an agreement or not.

Taking the idea of accessibility one step farther, brokers and investors may also want to incorporate the idea of "campus conduit" and Dual Entrance with any multi-building complexes being conceived. The idea here is similar, but generally forms a ring-and-spoke type setup if the developer has the opportunity to work on an entire parcel of land. This redundancy and ease of 'pulling fiber' further enforces the idea that a company's communications and data are secure and greatly eases expansion questions when a growing firm is eyeing a second space in the business park.

Access through a building's Dual Entrance conduit enables an array of multiple carriers, offsite data centers and SaaS admin applications that are cornerstones for Mission Critical. One more reason to "Future Proof" Southern Arizona's buildings may be Google Gigabit Fiber, a project to build an infrastructure using Fiber Optics. While Google has not yet indicated any plans to expand to Tucson, recently announced cities like Austin, Texas and Provo, Utah are also mid-sized Western US Cities with a high-profile university identity and perhaps put The Old Pueblo into strong consideration. To accelerate Southern Arizona's business growth, the future demands multiple, scalable and high capacity networks serviced by many carriers. Effectively and technically-designed networks, BC/BDR tactics, strategies coupled with Dual Entrance buildings and knowledgeable, experienced firms like GSW Telecom & Consulting can ensure that your building, business park and company are "Future Proofed."

Les Smith and Andy Wieser are executives with GSW Telecom. Andy can be reached at Andy.Wieser@ GSWTelecom.com.

## **Definitions**

<u>1U</u> A rack unit, U or RU, is a unit of measure that describes the height of equipment designed to mount in a 19-inch rack or a 23-inch rack. The 19-inch (482.6 mm) or 23-inch (584.2 mm) dimension refers to the width of the equipment mounting frame in the rack including the frame; the width of the equipment that can be mounted inside the rack is less. One rack unit is 1.75 inches (44.45 mm) high.

<u>BDR</u> Backup and Disaster Recovery is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to an organization after a natural or human-induced disaster.

<u>BC</u> Business Continuity are preparatory and related activities which are intended to ensure that an organization's critical business functions will either continue to operate despite serious incidents or disasters that might otherwise have interrupted them.

<u>Carrier Neutral Location (CNL)</u> A CNL is a data center (or carrier hotel/CoLo) which allows interconnection between multiple telecommunication carriers and/or Colocation providers.

<u>Central Office (CO)</u> A CO is typically a building used to house the inside plant equipment of potentially several telephone exchanges, each serving a certain geographical exchange area.

<u>CLEC</u> Competitive Local Exchange Carrier, a firm that competes with the area phone company (LEC). Compare to LEC below.

Cloud computing is a phrase used to describe a variety of computing concepts that involve a large number of computers connected through a real-time communication network such as the Internet. In science, cloud computing is a synonym for distributed computing over a network, and means the ability to run a program or application on many connected computers at the same time. The phrase also more commonly refers to network-based services, which appear to be provided by real server hardware, and are in fact served up by virtual hardware, simulated by software running on one or more real machines.

<u>Colocation (CoLo)</u> A CoLo is a facility where equipment, space, and bandwidth are available for rental to retail customers. Colocation facilities provide space, power, cooling, and physical security for the server, storage, and networking equipment of other firms and connect them to a variety of telecommunications and network service providers with a minimum of cost and complexity.

<u>Dark Fiber</u> Dark Fiber is an unused optical fiber, available for use in fiber-optic communication. Originally used when referring to the potential network capacity of telecommunication infrastructure, it now also refers to the increasingly common practice of leasing fiber optic cables from a network service provider, or generally, to the fiber installations not owned or controlled by traditional carriers.

<u>Data Center</u> A Data Center is a facility used to house computer systems and associated components, such as telecommunications and storage systems. They generally include redundant or backup power supplies, redundant data communications connections, environmental controls (e.g., air conditioning, fire suppression) and security devices. Large data centers are industrial scale operations using scores, if not hundreds, of megawatts of electricity.

<u>Inside Plant</u> The cabling and equipment installed in a telecommunications facility, including the main distribution frame (MDF) and all the equipment extending inward therefrom.

<u>IRU</u> A contractual agreement between the operators of a communications cable, such as a fiber optic network and a client.

<u>Last Mile</u> The Last Mile is a phrase used by the telecommunications, cable television and internet industries to refer to the final leg of the telecommunications networks delivering communications connectivity to retail customers, the part that actually reaches the customer.

LEC Short for Local Exchange Carrier, the local telephone company. Compare to CLEC above.

<u>Meet Me Points</u> Places within a Colocation center (or carrier hotel) where telecommunications companies can physically connect to one another and exchange data without incurring local loop fees

<u>Metro Area Network (MAN)</u> A Metropolitan Area Network (MAN) is a large computer network that spans a metropolitan area or campus. Its geographic scope falls between a WAN and LAN. MANs provide Internet connectivity for LANs in a metropolitan region, and connect them to wider area networks like the Internet.

<u>Middle Mile</u> Middle Mile is the segment of a telecommunications network linking a network operator's core network to the local network plant, typically situated in the incumbent Telco's central office ('CO') that provides access to the local loop. For this project, the Middle Mile Network is a WAN.

<u>Outside Plant (OSP)</u> Refers to all of the physical cabling and supporting infrastructure (such as conduit, cabinets, tower or poles), and any associated hardware (such as repeaters) located between a demarcation point in a switching facility and a demarcation point in another switching center or customer premises.

<u>SCADA</u> Short for Supervisory Control and Data Acquisition, SCADA technology allows firms to monitor, operate and communicate with equipment remotely.

<u>Smart Grid</u> A modernized electrical grid that uses information and communications technology to gather and act on information, such as information about the behaviors of suppliers and consumers, in an automated fashion to improve the efficiency, reliability, economics, and sustainability of the production and distribution of electricity.

<u>Wide Area Network (WAN)</u> A wide area network (WAN) is a network that covers a broad area (i.e., any telecommunications network that links across metropolitan, regional, national or international boundaries) using leased telecommunication lines.

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# Agenda Item Submission Form - Section I

Meeting Date: February 18, 2015						
Consent Agenda	☑ Decision Agenda	Executive Session Requested				
Presentation Only	Action/Presentation					
Requesting Department:	Public Works - HURF					
Staff Resource/Contact Person: Ron Long						
<b>Agenda Title (be exact):</b> Discussion, consideration and possible authorization for Siemens Industry Inc. to provide and install the non-budgeted Video Detection System at the intersection of Finnie Flat Road and Cliffs Parkway for an amount not to exceed \$25,000						
List Attached Documents: Price Quote from Siemens Corporation						
Estimated Presentation Time: 5 Minutes.						
Estimated Discussion Time: 10 Minutes						
Reviews Completed by:						
Department Head: Ro	n Long Tow	n Attorney Comments:				
Finance Review: 🔲 Budge	eted 🛭 Unbudgeted 🔲	N/A				
Finance Department the HURF Capital Expenditures category balance is \$46,610 (Equipment Lease \$22,000, Structural Improvements, \$12,000, Streets Vehicles \$12,610) it is our intention to realize the savings from these line items.						

**Fiscal Impact:** If staff reduces Capital Expenditures by \$25,000, there will be no impact on the 14/15 Budget. In the event efforts fall short, it may require an outlay from the HURF Fund which has a surplus of \$395,000

**Budget Code: Comments:** This expense was unexpected, staff had projected the system would last through the 2016 budget year. Competitive quotes were not obtained as the Town, lacking the required certified traffic technician, has always contracted for the mandatory inspections and repair of our signals. Siemens Industry Inc. has been under contract to the Town since 2010 to maintain and repair our traffic signals.

**Background Information:** When traffic patterns are predictable, a simple timing mechanism can be used to change a traffic signal at specific intervals. The traffic patterns vary at the Camp Verde intersections where actuated traffic signals are installed. Actuated systems detect automobiles, trucks, busses and motorcycles. To detect the presence of motorists an actuated system depends on metal sensing devices known as loop detectors: basically wires that are placed in grooves cut into the asphalt, then sealed over with a rubber-like substance and connected to a meter. The wires create a magnetic field that detect metal objects and calls for the signal change.

The loop detection system at Cliffs Pkwy. / Finnie Flat Road has failed **res**ulting in the inefficient movement of traffic. New technology uses video detection systems; which are cameras, typically mounted on signal mast arms that communicate with a processor to operate the signal. Video systems are more effective at detecting all types of traffic, including smaller motorcycles and bicycles, maintenance costs are less (nothing is buried in the asphalt), can be easily repositioned or reprogramed to accommodate changing and unusual traffic events and can assist when doing turn-movement traffic counts. The video system does NOT record or photograph *anything*, it simply communicates to the processor and signal controller.

**Recommended Action:** Move to approve Siemens Industry Inc. to provide and install the non-budgeted Video Detection System at the intersection of Finnie Flat Road and Cliffs Parkway for an amount not to exceed \$25,000.

instructions to the Clerk: N/A



Siemens Industry Inc. 1266 N. La Loma Circle Anaheim, California 92806 714.630.2100 714.630.2828 Fax www.usa-siemens.com/mobility

February 4, 2015

Town of Camp Verde
ATTN: Ron Long
Public Works Department

Job Name: Installation of Iteris Video Detection System
Job Location: Intersection of Finnie Flat Road & Cliffs Parkway

Dear Mr. Long:

We offer to perform the following work, on the terms and conditions stated below, and at the prices shown, as follows:

Pending your authorization, Siemens will install a new, ITERIS 2 camera video detection system which will include the following equipment: 2 Iteris color camera assemblies (model CAM-RZ4A), a Vantage Edge2 Processor (2 camera input w/ EDGE2KITS and intersection software), a 10 in. color LCD monitor, and a power & video surge protector panel w/ mounting for up to 6 suppressors. Upon completion, Siemens will test all signal functions and wiring for proper operations. This is an estimate, if unexpected problems arise due to unforeseen conditions, we will notify the Town of Camp Verde before we proceed, and a written proposal will be sent for the extra work/repairs.

		Quantit		
Item Description	Unit	у	Unit Price	Total
Installation of Iteris Video detection	LS	1	\$21,000	\$21,000
			Total	\$ 21,000

This offer shall expire 60 days from the date hereof and may be withdrawn by us at any time prior thereto with or without notice. This offer supersedes any prior offers, commitment or orders, contains all terms, conditions and warranties and when accepted, constitutes the entire contract between the parties. The resulting contract shall not be modified except by formal written amendment. This offer shall be accepted by delivery to us of a copy of this offer duly signed by you in the space provided.

The foregoing offer is hereby accepted this day of	, 2015
CAMP VERDE	SIEMENS INDUSTRY INC.
Ву:	Rick Goodwin
Title:	Operations Manager

# **New Title**

52nd Legislature - 1st Regular Session, 2015

Friday, Feb 6 2015 10:15 AM

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# **Elections**

#### **Bill Summaries**

## **H2002: POLITICAL SIGNS; REMOVAL**

It is a class 2 (mid-level) misdemeanor for a person to remove, alter, deface or cover any political sign, defined by the bill as a sign intended to influence the outcome of an election, instead of just any political sign of a candidate for public office.

First sponsor: Rep. J. Allen

H2002 Daily History

Date Action

POLITICAL SIGNS; REMOVAL 1/28 from House jud do pass. POLITICAL SIGNS; REMOVAL 1/14 referred to House jud, elect.

#### **H2015: PRESIDENTIAL PREFERENCE ELECTION DATE**

Moves the date of Arizona's presidential preference election to the same date on which the presidential caucuses are held in Iowa, as determined by the Secretary of State. The Secretary of State must transmit the date to the clerks of the county board of supervisors at least 90 days before the date of the election.

First sponsor: Rep. Lovas

H2015 Daily History

Date Action

PRESIDENTIAL PREFERENCE ELECTION DATE 2/3 referred to House elect.

#### **H2048: RECALL; PRIMARY; GENERAL ELECTION**

Recall elections must have a primary election and, if necessary, a general election. If the office subject to the recall is regularly subject to a partisan primary, the recall primary must also be held as a partisan primary election. If there is only one candidate remaining for office after the recall primary, the recall general election may not be held and the winner of the recall primary is declared elected.

First sponsor: Rep. Townsend

Others: Rep. Finchem, Rep. Lawrence, Rep. Mitchell

H2048 Daily History

Date Action

RECALL; PRIMARY; GENERAL ELECTION 1/14 referred to House elect.

### H2067: IND EXPENDITURE DISCLOSURES; AGGREGATE PERCENTAGE

Campaign literature or advertisements done by a political committee that are independent expenditures must include the name of each political committee that made contributions that in the aggregate constitute 25 percent or more of the total amount of contributions to the political committee making the independent expenditure, instead of the names of the three political committees making the largest contributions.

First sponsor: Rep. Mesnard

H2067 Daily History

Date Action

IND EXPENDITURE DISCLOSURES; AGGREGATE PERCENTAGE 1/28 referred to House elect.

### **H2071: CANDIDATE'S RESIDENCE ADDRESS; NONDISCLOSURE**

At the request of a candidate, the filing officer is prohibited from publicly disclosing the candidate's residence address, and the candidate's residence address does not constitute a public record. A candidate is permitted to omit

the candidate's specific residence address from nomination petitions and may instead state the s/he resides in the political division or district as appropriate for that office.

Date Action

First sponsor: Rep. Townsend

Others: Rep. Borrelli, Rep. Cobb, Rep. Lawrence, Sen. Miranda, Rep. Thorpe, Sen. Ward

H2071 Daily History

CANDIDATE'S RESIDENCE ADDRESS; NONDISCLOSURE 1/14 referred to House elect.

#### **H2072: BALLOT MEASURES; PROP 105 DISCLOSURE**

For ballot propositions that make statutory changes, a statement that the measure "can never be changed" except by a 3/4 vote of the Legislature or be referring the change to the ballot must be included in the publicity pamphlet printed by the Secretary of State and included on any advertisement or literature to support or oppose the measure. Severability clause.

First sponsor: Rep. Ugenti

H2072 Daily History Date Action

BALLOT MEASURES; PROP 105 DISCLOSURE 2/2 from House elect with amend #4037.

BALLOT MEASURES; PROP 105 DISCLOSURE 1/14 referred to House elect.

#### **H2083: INCOME TAX REVISIONS**

Various changes relating to income taxes. For tax years beginning with 2016, the Department of Revenue is required to adjust the income dollar amounts for each individual income tax rate bracket by the average annual change in the metropolitan Phoenix consumer price index. The revised dollar amounts must be raised to the nearest whole dollar and cannot be revised below the amounts prescribed in the prior tax year. A taxpayer is permitted to take an expense deduction for property placed in service in tax years beginning with 2014, in the amount of the difference between the expense amount allowed under the internal revenue code and the amount that would be allowed under the Internal Revenue Code if the maximum deduction allowed were \$500,000 and the limitation were reduced by the amount that the cost of the property placed in service in the tax year exceeds \$2 million. A taxpayer is also permitted to take an expense deduction for "qualified property" (defined) that is placed in service in tax years beginning with 2014, in the amount of an allowance equal to 50 percent of the adjusted basis of the qualified property remaining after the adjustment for the previous expense deduction and any other depreciation allowance under the Internal Revenue Code. Establishes additions to Arizona gross income to avoid a double deduction if a taxpayer uses these expensing provisions. The lists of additions to and subtractions from Arizona gross income are modified to delete obsolete calculations. More. Some provisions are retroactive to tax years beginning January 1, 2015.

First sponsor: Rep. Mesnard

H2083 Daily History Date Action

INCOME TAX REVISIONS 1/26 from House ways-means with amend #4013.

INCOME TAX REVISIONS 1/15 referred to House ways-means, appro.

## **H2119: PROVISIONAL BALLOTS; TALLY; VERIFICATION**

For a voter who casts a provisional ballot in an incorrect precinct, the county recorder is required to count that person's votes for candidates and ballot measures for which the person was entitled to vote but cannot count the votes for which that person was not entitled to vote, as determined by that person's residence.

First sponsor: Rep. Friese

Others: Rep. Fernandez, Rep. Hale, Rep. Mach, Rep. Steele

H2119 Daily History Date Action

PROVISIONAL BALLOTS; TALLY; VERIFICATION 1/20 referred to House elect.

#### **H2133: COUNTYWIDE ELECTIONS; VOTE BY MAIL**

On approval of the county board of supervisors, a county is authorized to conduct a mail ballot election for all elections administered by that county, including elections for federal and state offices and measures, and elections for county, municipal, school district and special districts. Counties that conduct mail ballot elections are required to report specified information about the election to the Legislature by January 1 of each year following a mail ballot election.

First sponsor: Rep. Shope

H2133 Daily History Date Action

COUNTYWIDE ELECTIONS; VOTE BY MAIL 1/21 referred to House elect, county-muni.

#### **H2138: MAY PRIMARY ELECTION DATE**

The primary election is moved to the 24th Tuesday before a general election, from the 10th Tuesday before.

First sponsor: Rep. Shope

H2138 Daily History

Date Action

MAY PRIMARY ELECTION DATE 1/22 referred to House elect.

#### **H2183: PROP 105; DISCLOSURE; BALLOT MEASURES**

For ballot propositions that make statutory changes, a statement that the measure can never be changed except by a 3/4 vote of the Legislature or by referring the change to the ballot must be printed on the official ballot and included in the publicity pamphlet printed by the Secretary of State.

First sponsor: Rep. Boyer

H2183 Daily History

Date Action

PROP 105; DISCLOSURE; BALLOT MEASURES 1/22 referred to House elect.

#### **H2268: RANKED CHOICE VOTING**

Establishes a system of ranked choice voting, including methods for tabulating ranked choice votes. The list of capabilities a voting machine or device must have is expanded to include implementing ranked choice voting when ranking for contests is possible.

First sponsor: Rep. Mendez

**H2268 Daily History** 

Date

Action

No actions posted for this bill within the requested time frame.

### H2292: LIBEL AND SLANDER; PUBLICATIONS; BROADCASTS

The exemption from libel and slander regulations for any publication or broadcast designed to influence the results of an election applies during the 40 days preceding the election, increased from 30 days.

First sponsor: Rep. E. Farnsworth

H2292 Daily History

Date

Action

No actions posted for this bill within the requested time frame.

### **H2391: EARLY BALLOT MAILING DATES**

The first date that early ballots may be distributed is moved to 27 days before the election, from 26 days before. For early ballot requests received by the 31st day before the election, the ballot must be distributed by the 24th day before the election.

First sponsor: Rep. Mesnard

H2391 Daily History

Date Action

EARLY BALLOT MAILING DATES 1/28 referred to House elect.

#### **H2407: REFERENDUM & RECALL PROVISIONS**

The Legislature declares that the constitutional and statutory requirements for referendum and recall be strictly construed and that persons using the process must strictly comply with the requirements. When a petition and application for referendum petition or a recall petition are received by the Secretary of State and marked with an official time and date, the time-and-date-marked petition constitutes the official copy of the petition text and is the only valid copy of the text of the measure for circulation for signatures. Signatures collected for referendum petitions by circulators who are not Arizona residents and who have not registered with the Secretary of State are invalid, and if the number of valid signatures as projected from the random sample is less than the minimum number required, the Secretary of State is required to retain the original signature sheets until after the conclusion of any litigation regarding the measure or until the time has expired for any litigation. The list of reasons for which the county recorder must disqualify signatures is expanded to include if a petition signer's signature is determined to be invalid after a comparison with the signer's voter registration file and if the person circulating the petition was a justice of the peace or a county recorder at the time of circulating the petition.

First sponsor: Rep. Stevens

**H2407 Daily History** 

Date Action

REFERENDUM & RECALL PROVISIONS 1/29 referred to House elect.

## H2409: EARLY, ALL-MAIL BALLOTS; MAILING PERIOD

The first date that early ballots may be distributed is moved to 19 days before the election, from 26 days before.

First sponsor: Rep. Stevens

H2409 Daily History

Date Action

EARLY, ALL-MAIL BALLOTS; MAILING PERIOD 1/29 referred to House elect.

#### H2428: CANDIDATE PETITIONS; CIRCULATION; FILING

Any candidate for whom the required number of nomination petition signatures is 30 or fewer signatures is required to personally circulate and collect all of that candidate's required signatures and to personally file the nomination petitions with the filing officer.

First sponsor: Rep. Barton

H2428 Daily History

Date Action

CANDIDATE PETITIONS; CIRCULATION; FILING 1/29 referred to House elect.

### **H2497: PRIMARY ELECTION DATE; JUNE**

Beginning in 2016, the primary election is moved to the 21st Tuesday before a general election, from the 10th Tuesday before.

First sponsor: Rep. Carter

H2497 Daily History

Date

Action

No actions posted for this bill within the requested time frame.

### **H2533: CAMPAIGN FINANCE; PUBLIC SERVICE CORPORATIONS**

Any public service corporation that makes a contribution of a specified amount to a political committee or to another corporation in an attempt to influence an election for an office that regulates that corporation is required to register and notify the appropriate filing officer no later than one business day after making the contribution. The contribution amount that triggers this requirement is based on the office which is up for election. The corporation is also required to notify the filing officer of each additional accumulation of contributions that exceeds the threshold amount. Public service corporations that fail to meet these requirements are liable in a civil action for a civil penalty of up to three times the total amount of the contributions.

First sponsor: Rep. Clark

Others: Rep. Andrade, Rep. Fernandez, Rep. Friese, Rep. Mach, Rep. Otondo, Rep. Saldate,

Rep. Steele, Rep. Wheeler

H2533 Daily History Date Action

CAMPAIGN FINANCE; PUBLIC SERVICE CORPORATIONS 2/5 referred to House elect.

#### **H2534: BALLOTS; DEFECTS; NOTICE; CURE**

The county recorder or officer in charge of elections is required to provide for a method of notifying an early ballot voter or provisional ballot voter if there is a defect in the voter's ballot materials that will result in the rejection of the voter's ballot and allow the voter to attempt to cure the defect within the 10 days immediately following the election. The county recorder or officer in charge of elections is required to tabulate the ballot as otherwise provided by law and to further notify the voter whether the ballot was verified and counted.

First sponsor: Rep. Clark

Others: Rep. Andrade, Rep. Bolding, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Mach,

Rep. Otondo, Rep. Saldate, Rep. Steele, Rep. Wheeler

H2534 Daily History Date Action

BALLOTS; DEFECTS; NOTICE; CURE 2/5 referred to House elect.

#### **H2536: BALLOT CONTENTS DISCLOSURE; PROHIBITION**

The list of unlawful acts relating to voting, which are classified as class 2 (midlevel) misdemeanors, is modified to prohibit a person from showing another voter's ballot to any person, instead of from showing the voter's ballot to any person.

First sponsor: Rep. Boyer

H2536 Daily History Date Action

BALLOT CONTENTS DISCLOSURE; PROHIBITION 1/29 referred to House elect.

## **H2543: MUNICIPAL ELECTIONS; MAJORITY VOTE CALCULATION**

Establishes a formula for determining the majority of votes cast in municipal elections for the office of mayor or city council. If more candidates receive a majority of votes cast than there are seats to be filled for that office, the candidates who receive the highest number of votes shall be declared elected to that office. If no candidates or not enough candidates receive the majority of votes cast, the number of candidates who advance to the general or runoff election must be equal to twice the number of seats to be filled.

First sponsor: Rep. Ugenti

H2543 Daily History Date Action

MUNICIPAL ELECTIONS; MAJORITY VOTE CALCULATION 2/2 from House elect do pass. MUNICIPAL ELECTIONS; MAJORITY VOTE CALCULATION 1/29 referred to House elect.

## **H2546: IND EXPENDITURES; CORPORATIONS; FUNDING DISCLOSURES**

Any corporation, limited liability company or labor organization that makes an independent expenditure and that accepts donations or contributions is required to file campaign finance reports, instead of only those entities that are organized primarily for the purpose of influencing an election. Disclosure statements for any campaign literature or advertisements purchased with monies from a corporation, limited liability company or labor organization making an independent expenditure must state that the expenditure is not authorized by any candidate and must include the four largest of its major funding sources as of the time the literature or advertisement is produced.

First sponsor: Rep. Wheeler

Others: Rep. Andrade, Rep. Benally, Rep. Bolding, Rep. Cardenas, Rep. Clark, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Hale, Rep. Larkin, Rep. McCune Davis, Rep. Mendez, Rep. Meyer, Rep. Otondo, Rep. Rios, Rep. Saldate, Rep. Steele, Rep. Velasquez

H2546 Daily History

**Date Action** 

IND EXPENDITURES; CORPORATIONS; FUNDING DISCLOSURES 1/29 referred to House elect, jud.

### **H2547: CAMPAIGN FINANCE DISCLOSURES; CORPS; ENTITIES**

Corporations, limited liability companies and labor organizations are added to the list of entities making contributions to a political committee that makes an independent expenditure that must be disclosed on campaign literature or advertisements if the entity made one of the three largest contributions to the committee.

First sponsor: Rep. Wheeler

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Bolding, Rep. Cardenas, Rep. Clark, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Hale, Rep. Larkin, Rep. McCune Davis, Rep. Mendez, Rep. Meyer, Rep. Otondo, Sen. Quezada, Rep. Rios, Rep. Saldate, Rep. Steele, Rep. Velasquez

H2547 Daily History

Date Action

CAMPAIGN FINANCE DISCLOSURES; CORPS; ENTITIES 1/29 referred to House elect, gov-higher ed.

#### **H2548: FOREIGN NONPROFIT CORPS; FOREIGN LLCS**

For the purpose of statute requiring foreign corporations and foreign limited liability companies to have authority from the Corporation Commission to conduct affairs or transact business in Arizona, "conducting affairs" and "transacting business" includes the expenditure of monies for the purpose of influencing the outcome of an election in Arizona.

First sponsor: Rep. Wheeler

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Bolding, Rep. Cardenas, Rep. Clark, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Hale, Rep. Larkin, Rep. McCune Davis, Rep. Mendez, Rep. Meyer, Rep. Otondo, Sen. Quezada, Rep. Rios, Rep. Saldate, Rep. Sherwood, Rep. Velasquez

H2548 Daily History

Date Action

FOREIGN NONPROFIT CORPS; FOREIGN LLCS 1/29 referred to House elect, gov-higher ed.

### **H2589: CAMPAIGN FINANCE; ELECTRONIC FILING SYSTEM**

Subject to legislative appropriation, the Secretary of State is authorized to develop an electronic filing system for campaign statements, designations and reports. Any political subdivision may choose to opt in to the system by giving notice to the Secretary of State within 30 days of the beginning of the election cycle and paying a fee determined by the Secretary of State.

First sponsor: Rep. Stevens

H2589 Daily History

Date Action

CAMPAIGN FINANCE; ELECTRONIC FILING SYSTEM 2/5 referred to House elect.

### H2595: LATE FILINGS; CAMPAIGN FINANCE REPORTS

A late penalty accrues on a late campaign finance report only until the day the late report is filed. The filing officer is prohibited from refusing a campaign finance report, instead of being prohibited from accepting a late report unless any penalties owed are paid with the report.

First sponsor: Rep. Mesnard

H2595 Daily History

Date Action

LATE FILINGS; CAMPAIGN FINANCE REPORTS 2/5 referred to House elect.

## HCR2012: LEGISLATURE; SIXTY HOUSE DISTRICTS

The 2016 general election ballot is to carry the question of whether to amend the state Constitution to require each state Senate district to consist of exactly two entire state House districts that are separate from one another and contained completely in that Senate district. One member of the House of Representatives will be elected from each of 60 House districts, instead of two members from each of 30 districts. Applies for the redistricting of legislative districts that begins in 2021 and must be fully applicable for the legislative districts used in the 2022 general election and all subsequent legislative

elections.

First sponsor: Rep. Shope

HCR2012 Daily History

No actions posted for this bill within the requested time frame.

### S1042: POLITICAL SIGNS; SIZE, DATE REGULATION

The maximum size of political signs is reduced to 16 square feet and no larger than four feet in any dimension, instead of 16 square feet for residential areas or 32 square feet in any other area. The time during which political signs are permitted is reduced so that it begins 45 days before the primary election, instead of 60 days before.

First sponsor: Sen. Pierce

S1042 Daily History

Date Action

POLITICAL SIGNS; SIZE, DATE REGULATION 1/13 referred to Senate gov.

## S1056: CANDIDATE NOMINATIONS; SIGNATURES; REGISTRATION ADDRESS

For the purpose of nomination petitions, a signature of an otherwise qualified elector is not valid of the elector's residence address on the petition is not the same residence address as shown on the voter registration roll for that elector. Also modifies the number of signatures required on nomination petitions for candidates for community college district.

First sponsor: Sen. Lesko

S1056 Daily History

Date Action

Date

Action

CANDIDATE NOMINATIONS; SIGNATURES; REGISTRATION ADDRESS 2/5 from Senate gov with amend #4069.

CANDIDATE NOMINATIONS; SIGNATURES; REGISTRATION ADDRESS 1/14 referred to Senate gov.

## S1157: VOTING RIGHTS; RESTORATION; FELONIES

For a person who has been convicted of two or more felonies, the person's right to vote is automatically restored on completion of probation or absolute discharge from imprisonment.

First sponsor: Sen. Quezada

Others: Rep. Andrade, Sen. Cajero Bedford, Rep. Cardenas, Rep. Fernandez, Rep. Mendez,

Rep. Rios, Rep. Velasquez

S1157 Daily History

Date Action

VOTING RIGHTS; RESTORATION; FELONIES 1/26 referred to Senate gov, jud.

## S1171: CAMPAIGN REPORTS; LATE FILINGS; NOTICE

The notice that the filing officer is required to send to a political committee that fails to timely file a required campaign finance report must include notice of the specific amount of any daily late penalty and notice that the amount accrues beginning on the first day that the filing is delinquent until the filing is complete and correct and all late penalties are paid.

First sponsor: Sen. Yee

Others: Sen. S. Allen, Sen. Barto, Sen. Bradley, Sen. Burges, Sen. Contreras, Sen. Kavanagh, Sen. Lesko, Sen. Quezada, Sen. Smith, Sen. Ward

S1171 Daily History

Date Action

CAMPAIGN REPORTS; LATE FILINGS; NOTICE 2/5 from Senate gov do pass. CAMPAIGN REPORTS; LATE FILINGS; NOTICE 1/26 referred to Senate gov.

## S1182: CANDIDATE PETITION SIGNATURES; ELECTRONIC QUALIFICATION

Candidates may choose to collect al of the required nomination petition signatures, all of the required clean elections contribution qualification forms, or any lessor number of signatures or forms, by use of the online signature collection system provided by the Secretary of State. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Sen. Ward

S1182 Daily History

Date Action

CANDIDATE PETITION SIGNATURES; ELECTRONIC QUALIFICATION 2/5 from Senate gov do pass. CANDIDATE PETITION SIGNATURES; ELECTRONIC QUALIFICATION 1/26 referred to Senate gov.

#### **S1184: MUNICIPAL ELECTIONS; BALLOT; DISCLOSURE**

For any municipal election to approve a bond, sales tax or property tax measure, the ballot must include an estimate of the annual level of property taxes sufficient to pay the bond debt, the amount of the sales tax increase, or an estimate of the property tax for various types of properties valued at \$100,000. The ballot format for bond, sales tax or property tax measures is of statewide concern, and these requirements preempt all local laws, ordinances and charter provisions to the contrary.

First sponsor: Sen. Griffin

Others: Sen. S. Allen, Sen. Burges, Sen. Shooter

S1184 Daily History

Date Action

MUNICIPAL ELECTIONS; BALLOT; DISCLOSURE 2/5 from Senate gov do pass. MUNICIPAL ELECTIONS; BALLOT; DISCLOSURE 1/26 referred to Senate gov.

## S1206: INDEPENDENT EXPENDITURES; CORPORATIONS; FUNDING DISCLOSURES

Any corporation, limited liability company or labor organization that makes an independent expenditure and that accepts donations or contributions is required to file campaign finance reports, instead of only those entities that are organized primarily for the purpose of influencing an election. Disclosure statements for any campaign literature or advertisements purchased with monies from a corporation, limited liability company or labor organization making an independent expenditure must state that the expenditure is not authorized by any candidate and must include the four largest of its major funding sources as of the time the literature or advertisement is produced.

First sponsor: Sen. Quezada

Others: Sen. Dalessandro, Sen. Farley, Sen. Pancrazi, Rep. Velasquez

S1206 Daily History

**Date Action** 

INDEPENDENT EXPENDITURES; CORPORATIONS; FUNDING DISCLOSURES 1/27 referred to Senate gov, jud.

### S1207: CAMPAIGN FINANCE DISCLOSURES; CORPORATIONS; ENTITIES

Corporations, limited liability companies and labor organizations are added to the list of entities making contributions to a political committee that makes an independent expenditure that must be disclosed on campaign literature or advertisements if the entity made one of the three largest contributions to the committee.

First sponsor: Sen. Quezada

Others: Rep. Andrade, Rep. Benally, Sen. Bradley, Sen. Cajero Bedford, Rep. Clark, Sen. Dalessandro, Sen. Farley, Rep. Fernandez, Rep. Gabaldon, Rep. Hale, Rep. Mendez, Sen. Pancrazi, Rep. Rios, Rep. Sherwood, Rep. Steele, Rep. Velasquez, Rep. Wheeler

S1207 Daily History

Date Action

CAMPAIGN FINANCE DISCLOSURES; CORPORATIONS; ENTITIES 1/27 referred to Senate gov, jud.

### **S1266: CLEAN ELECTIONS ACT AMENDMENTS**

Various changes relating to the Clean Elections Act. A taxpayer who files on a state income tax return form may designate a \$5 voluntary contribution to the Clean Elections Fund by marking an optional checkoff box on the form, and any taxpayer may make a voluntary donation to the Fund. Any taxpayer making a donation to the Fund receives a tax deduction of up to 20 percent of the tax amount or \$500 per taxpayer, whichever is higher. Monies received from these donations may be transferred for deposit in an election equipment refreshment account in the Fund, to be used for updating and replacing election equipment used for county elections. Monies in the account may be disbursed on evidence of county matching monies, with a county providing \$3 for every \$1 from the account. The purposes for which the Clean Elections

Commission may expend voter education monies are expanded, including that beginning January 1, 2016, the Commission is authorized to annually fund officeholder expense accounts. Officeholder expense account annual amounts for statewide and legislative officeholders are specified. Also specifies permissible and prohibited uses of monies in an officeholder account. An officeholder may choose to receive officeholder expense monies from the Commission or from individual contributors, but not both. Nonseverability clause. Emergency clause. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Sen. Kavanagh

S1266 Daily History

Date

Action

No actions posted for this bill within the requested time frame.

### S1287: BALLOT CONTENTS DISCLOSURE; PROHIBITION

The list of unlawful acts relating to voting, which are classified as class 2 (midlevel) misdemeanors, is modified to prohibit a person from showing another voter's ballot to any person, instead of from showing the voter's ballot to any person. A voter who makes available an image of the voter's own ballot by posting on the internet or in some other electronic medium is deemed to have consented to retransmittal of that image and that retransmittal does not constitute a violation.

First sponsor: Sen. Yee

Others: Sen. S. Allen, Sen. Begay, Sen. Burges, Sen. Contreras, Sen. Dial, Sen. Farley, Sen.

Kavanagh, Sen. Lesko, Sen. Quezada, Sen. Smith, Sen. Ward

S1287 Daily History

Date Action

BALLOT CONTENTS DISCLOSURE; PROHIBITION 1/29 referred to Senate gov.

#### S1340: VOTED EARLY BALLOTS; DELIVERY; IDENTIFICATION

Any person who delivers more than 10 early ballots to an election official for tallying is required to also provide a copy of the person's photo identification, or the election official must record information from the person's photo identification and retain the information as part of the records of the voting location. Elections officials are required to submit the information to the Secretary of State, who must compile a statewide report on early ballot submittals and make the report available to the public online.

First sponsor: Sen. Shooter

S1340 Daily History

Date Action

VOTED EARLY BALLOTS; DELIVERY; IDENTIFICATION 2/2 referred to Senate gov.

## **S1346: VOTER REGISTRATION; SOCIAL SECURITY NUMBER**

The list of items that constitute satisfactory evidence of U.S. citizenship for voter registration is expanded to include verification of the last four digits of the applicant's social security number. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Sen. Quezada

Others: Rep. Andrade, Rep. Velasquez

\$1346 Daily History

Date Action

VOTER REGISTRATION; SOCIAL SECURITY NUMBER 2/2 referred to Senate gov, fed-man-fiscal.

### S1347: VOTER IDENTIFICATION; PROOF OF CITIZENSHIP

Deletes the requirement for applications for voter registration to be accompanied by satisfactory evidence of U.S. citizenship. Deletes the requirement for a voter to present specified identification at a polling place. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Sen. Quezada

Others: Rep. Andrade, Rep. Velasquez

S1347 Daily History

Date Action

VOTER IDENTIFICATION; PROOF OF CITIZENSHIP 2/2 referred to Senate gov, fed-man-flscal.

### S1348: VOTER REGISTRATION DEADLINES; REGISTRATION METHOD

The deadline to register to vote in order to be eligible to vote in an election is modified so that the voter registration may be dated 29 days or more before the election and received by first class mail within 5 days after the last day to register to vote, completed in person at a county recorder's office before midnight on the 14th day before the election, electronically generated and transmitted to the Department of Transportation before midnight on the 14th day before the election, or submitted by other means and dated 29 days or more before the election, if the registration is received by the county recorder by 7:00 PM on the day of the election. Previously, the registration had to be received by the county recorder by midnight of the 29th day before the election.

First sponsor: Sen. Quezada

S1348 Daily History

Date Action

VOTER REGISTRATION DEADLINES; REGISTRATION METHOD 2/2 referred to Senate gov, fed-man-fiscal.

## **S1349: SAMPLE BALLOTS; VOTER'S NAME**

Sample ballots must be mailed in an envelope on which the voter's name is printed and the mailing face of the envelope must be imprinted with the seal of the state of Arizona or the appropriate local jurisdiction and the words "official voting materials."

First sponsor: Sen. Quezada

Others: Rep. Andrade, Rep. Velasquez

S1349 Daily History

Date Action

SAMPLE BALLOTS; VOTER'S NAME 2/2 referred to Senate gov.

### S1350: VOTER IDENTIFICATION; VA, STUDENT IDENTIFICATION

The list of valid forms of identification that voters may present in order to obtain a ballot is expanded to include a valid veterans administration health identification card and a valid identification card issued by an accredited postsecondary educational institution in Arizona. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Sen. Quezada

Others: Rep. Andrade, Rep. Velasquez

S1350 Daily History

Date Action

VOTER IDENTIFICATION; VA, STUDENT IDENTIFICATION 2/2 referred to Senate gov, pub-mil-tech, fed-man-

### S1354: CAMPAIGN FINANCE; ENFORCEMENT; REFERRAL

If the Secretary of State makes a reasonable cause finding regarding an election law violation by the Attorney General, the Secretary of State is required to notify the appropriate county attorney, who may serve on the Attorney General an order requiring compliance. If a county elections officer makes a reasonable cause finding regarding an election law violation by the county attorney, the officer is required to notify the Attorney General, who may serve on the county attorney an order requiring compliance.

First sponsor: Sen. Quezada Others: Rep. Andrade

S1354 Daily History

Date Action

CAMPAIGN FINANCE; ENFORCEMENT; REFERRAL 2/2 referred to Senate gov, jud.

#### S1355: PUBLIC OFFICERS; EMPLOYEES; PROMOTIONAL MATERIALS

For a period of one year before an election, public officers and employees are

prohibited from causing any promotional or informational material to be printed, mailed or broadcast at public expense that features the face or voice of a candidate for public office. Does not apply to lawful expenditures of clean elections monies.

First sponsor: Sen. Quezada Others: Rep. Velasquez

S1355 Daily History Date Action

PUBLIC OFFICERS; EMPLOYEES; PROMOTIONAL MATERIALS 2/2 referred to Senate gov.

#### S1356: INDEPENDENT EXPENDITURES; VIOLATIONS; CRIMINAL ENFORCEMENT

A person who knowingly makes a purported independent expenditure of \$25,000 or more and a person who knowingly receives the in-kind contribution of a purported independent expenditure of \$25,000 or more that does not meet the definition of independent expenditure are guilty of a class 5 (second lowest) felony.

First sponsor: Sen. Quezada

Others: Rep. Andrade, Rep. Velasquez

S1356 Daily History Date Action

INDEPENDENT EXPENDITURES; VIOLATIONS; CRIMINAL ENFORCEMENT 2/2 referred to Senate gov, jud.

### S1357: CAMPAIGN FINANCE; PUBLIC SERVICE CORPORATIONS

Any public service corporation that makes a contribution of a specified amount to a political committee or to another corporation in an attempt to influence an election for an office that regulates that corporation is required to register and notify the appropriate filing officer no later than one business day after making the contribution. The contribution amount that triggers this requirement is based on the office which is up for election. The corporation is also required to notify the filing officer of each additional accumulation of contributions that exceeds the threshold amount. Public service corporations that fail to meet these requirements are liable in a civil action for a civil penalty of up to three times the total amount of the contributions.

First sponsor: Sen. Quezada Others: Rep. Andrade

S1357 Daily History Date Action

CAMPAIGN FINANCE; PUBLIC SERVICE CORPORATIONS 2/2 referred to Senate gov, jud.

### S1358: EARLY VOTING LOCATIONS; EXTENDED HOURS

On-site early voting locations are required to be open until 7:00 PM each business day during the early voting period through the Monday preceding election day (instead of until 5:00 PM through the Friday preceding election day), and must also be open on Saturdays and Sundays until 7:00 PM during the two weekends immediately preceding election day.

First sponsor: Sen. Quezada

Others: Rep. Andrade, Rep. Cardenas, Rep. Clark, Rep. Fernandez, Rep. Mendez, Rep. Rios,

Rep. Velasquez

S1358 Daily History Date Action

EARLY VOTING LOCATIONS; EXTENDED HOURS 2/2 referred to Senate gov, appro.

### S1365: INITIATIVE; REFERENDUM; NOTARY REQUIREMENT

A circulator of initiative or referendum petitions is no longer required to swear to the validity of signatures before a notary public. Requirements for petitions relating to the notarized affidavit are replaced with a signed statement of verification.

First sponsor: Sen. Qu**eza**da Others: Rep. Andrade

S1365 Daily History Date Action

INITIATIVE; REFERENDUM; NOTARY REQUIREMENT 2/2 referred to Senate gov, jud.

## S1376: POLITICAL SIGNS; REMOVAL; DISPOSALS

The time period during which candidate political signs and candidate political printed materials delivered by hand to a residence cannot be removed, defaced or covered begins 90 days before the first day of early voting for the primary election, instead of 45 days before the primary election. If a candidate or political committee that paid for a sign does not remove its political signs by the 10th day after the election, any other candidate or political committee may remove and keep the signs and related materials. If the signs have not been removed by the 15th day after the election, the signs are subject to removal by the municipality or county. Solid waste disposal or transfer facilities that are open to the public are required to receive for disposal political signs and other election materials without charge.

First sponsor: Sen. Dial

S1376 Daily History Date Action

POLITICAL SIGNS; REMOVAL; DISPOSALS 2/3 referred to Senate gov.

### S1377: JOINT CANDIDATE FUND-RAISING; ALLOCATION

Candidate campaign committees may agree in writing to a method for dividing the contributions and expenses for a joint fund-raising effort than dividing the contributions in direct proportion to each committee's share of the expenses. A single candidate is authorized to engage in joint fund-raising by combining the fund-raising for payment of debt from a prior campaign with fund-raising for a current or future campaign.

First sponsor: Sen. Dial

S1377 Daily History Date Action

JOINT CANDIDATE FUND-RAISING; ALLOCATION 2/3 referred to Senate gov.

## S1388: INDEPENDENT EXPENDITURES; CORPORATE REGISTRATION; 501(C)

An entity that is recognized under section 501(c) of the Internal Revenue Code is exempt from the requirement for any entity that is organized primarily for the purpose of influencing an election and that makes an independent expenditure to file with the filing officer as a political committee.

First sponsor: Sen. Pierce

S1388 Daily History Date Action

INDEPENDENT EXPENDITURES; CORPORATE REGISTRATION; 501(C) 2/3 referred to Senate gov.

### **S1410: MAIL BALLOT ELECTIONS; COUNTIES**

On approval of the county board of supervisors, a county is authorized to conduct a mail ballot election for all elections administered by that county, including elections for statewide and legislative office.

First sponsor: Sen. Quezada Others: Rep. Velasquez

S1410 Daily History Date Action

MAIL BALLOT ELECTIONS; COUNTIES 2/3 referred to Senate jud, gov.

## S1418: POLITICAL COMMITTEES; EXPENDITURES; CONTRIBUTIONS; DEFINITIONS

For the purpose of statutes regulating campaign contributions and expenditures, the definitions of "contribution" "expenditures" and "political committee" are deleted and replaced. Factors used to evaluate whether a political expenditure is an independent expenditure are also deleted and replaced. Impossible to determine new provisions without a line by line comparison. The definitions of "candidate's campaign committee" and "exploratory committee" are also modified to exclude committees with total income or expenses of \$1,000 or less, instead of \$500 or less.

First sponsor: Sen. Dial

S1418 Daily History

Date Action

POLITICAL COMMITTEES; EXPENDITURES; CONTRIBUTIONS; DEFINITIONS 2/3 referred to Senate gov, jud.