

CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

WORK SESSION
March 19, 2012
6:00 PM

CALL TO ORDER BY MAYOR ROGERS

1 ROLL CALL BY THE CITY CLERK

2 CENTENNIAL FESTIVAL AND PARADE POST EVENT UPDATE

City Council will receive an After Action Report on the "Tale of Two Cities" Centennial Parade and Festival. For information and discussion only.

3 ADJOURNMENT

Respectfully submitted,

A handwritten signature in cursive script that reads "Carmen Martinez".

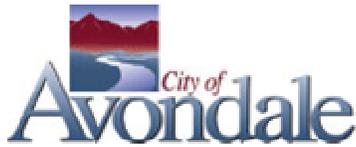
Carmen Martinez
City Clerk

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oído, o con necesidad de impresión grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos días hábiles antes de la junta del Concejo.

Notice is hereby given that pursuant to A.R.S. § 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council may be audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. § 1-602.A.9 have been waived.

De acuerdo con la ley A.R.S. § 1-602.A.9, y sujeto a ciertas excepciones legales, se da aviso que los padres tienen derecho a dar su consentimiento antes de que el Estado o cualquier otra entidad política haga grabaciones de video o audio de un menor de edad. Las juntas del Concejo de la Ciudad pueden ser grabadas y por consecuencia, existe la posibilidad de que si hay menores de edad presentes éstos aparezcan en estos videos o grabaciones de audio. Los padres pueden ejercitar su derecho si presentan su consentimiento por escrito a la Secretaria de la Ciudad, o pueden asegurarse que los niños no estén presentes durante la grabación de la junta. Si hay algún menor de edad presente durante la grabación, la Ciudad dará por entendido que los padres han renunciado sus derechos de acuerdo a la ley contenida A.R.S. § 1-602.A.9.



CITY COUNCIL REPORT

SUBJECT:

Centennial Festival and Parade Post Event Update

MEETING DATE:

March 19, 2012

TO: Mayor and Council

FROM: Christopher Reams, Director of Parks, Recreation & Libraries (623) 333-2412

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is providing the City Council with an After Action Report on the "Tale of Two Cities" Centennial Parade and Festival.

BACKGROUND:

At the April 11, 2011 council budget work session, Council authorized \$73,505 in the proposed budget for events related to the state centennial. On May 9, 2011 Council provided staff with direction and approval of the following Centennial event initiatives:

- 1 Develop a joint parade and celebration with the City of Goodyear
- 1 Hire an event coordinator to assist staff with the event
- 1 Plan several miscellaneous smaller events throughout the community

The Tale of Two Cities Parade and Festival was held on Saturday, February 25, 2012 along Thomas Road from Litchfield to Dysart Roads. The Festival was held at the Estrella Mountain Community College (EMCC) site in Avondale. The parade and festival both have received very positive reviews from City Council, staff, vendors, participants, and residents of the Cities of Avondale and Goodyear. The event also received positive comments on Avondale's Facebook site, as well as in Letters to the Editor that ran in the West Valley View after the event.

The following after action report is provided for Council's information and direction regarding continuation of the Tale of Two Cities parade and festival.

DISCUSSION:

Both the parade and festival were very successful events. There were 83 parade entrants and over 5000 attendees throughout the day. The parade participants included: City Councils from both cities and other dignitaries, large balloon entries from Arizona Public Service, Charlie Chopper, local school bands and groups, community businesses and groups, city staff, a variety of flats and horse entries, and a flyover of vintage Bi-planes to start the event.

As successful as this event was, staff constantly seeks ways to enhance future City events. After every event staff reviews both the successes and opportunities for improvement to ensure that future City events are enhanced by any lessons learned. The following success and opportunities were observed:

The Parade Route - The route provided ease of viewing for participants, provided a very clear view corridor, and the business community and surrounding residential developments were not negatively impacted. In fact, all of the business, churches, and schools along the route were very supportive of the event and provided their assistance with notifications, changing of schedules where required,

and providing parking spaces for spectators. Many of these entities were involved in the event. Goddard School, YMCA, and the St. Thomas Aquinas Catholic Community allowed parking in their lots, and Fresh & Easy came on board as a sponsor. For future consideration, to prevent "gaps" in the flow of the parade, staff will look at options for entries that wish to stop along the route to "perform." We will also provide clearer direction for drop-off and pick-up of parade entrants to avoid congestion at the staging site.

The Festival Location - EMCC was a perfect host and excellent venue for the event. The space provided for the event was more than adequate, EMCC staff worked on the event with City staff as partners, and the festival location was a perfect companion site for the parade in terms of parking and access to both events. The City may wish to seek future opportunities to partner with the College for events.

Financial Advantage from Cost Sharing - The proposed budget for the Centennial parade and festival was approximately \$65,000. The overall budget for the parade came in under budget at \$41,500 because the cost of the event, staffing, and administration were all shared by the host cities. Avondale's direct share for the event is \$20,750. An additional \$3,500 is estimated for Public Safety and streets personnel. The total City of Avondale event cost will be \$24,250.

Goosebump, City Staffs, Volunteers - Staff can not say enough about the professionalism and innovative work done by Goosebump, the event coordinator. Goosebump staff brought a wealth of experience and their dedication to the event resulted in considerable time-saving to city staff involved in planning the event. In addition to excellent event management, Goosebump staff secured sponsorships to offset the cost of the event.

City staff and volunteers from both the City of Avondale and Goodyear were also instrumental in the event logistics, including: event set up, clean up, traffic control, and event management. The city of Avondale parade float was designed, constructed, and entered in the parade due to efforts of City staff and their families.

Sponsor and Vendor Recognition - The sponsors and vendors all commented on the success of the event from a participation perspective. All sponsor and vendor booths were well attended and site food vendors have requested participation in future festivals. The success of vendors and sponsors at an event can potentially translate into increased sponsorships and vendor participation at future events. This is especially helpful with event funding. The Tale of Two Cities event raised more than \$6,000 in cash and in-kind sponsorships. With a track record for success, future events could attract more sponsors seeking to engage a very diverse demographic offered by a joint Avondale/Goodyear event.

The event planners would like to recognize the following sponsors of the Tale of Two Cities Parade and Festival: Estrella Mountain Community College (festival partner); Arizona Lottery, APS, Southwest Ambulance/Rural Metro; A to Z Rentals; Mega 104.5/The Beat; Gateway Chevrolet, and Fresh & Easy.

Support from Cities - City Council and Senior Administration were also very supportive of the event. Staff was provided funding for the event through the City budget process and assistance was provided as needed to secure dignitary participation. The City of Goodyear has plans to include a supplemental to its City Budget through its Economic Development Department to fund a future parade and festival.

Zoom Shuttle Service - At the suggestion of the City Council, the Zoom circulator bus provided shuttle service to and from Historic Avondale to the event. Approximately 38 people rode the shuttle to the event, and 42 rode it back. Additionally, the Zoom provided service between the staging and de-staging area for approximately 100 people. Staff sees opportunities to use the Zoom at future events.

Community Goodwill - There was a great amount of goodwill created, as evidenced from comments at the festival, Avondale Facebook, and Letters to the Editor in the West Valley View. Incredibly, there were NO resident complaints; in fact, many people thanked city staff and dignitaries for hosting a parade to celebrate the Centennial.

FUTURE EVENT CONSIDERATIONS

Arizona's Centennial Celebration is intended to last throughout 2012. Staff is developing a series of smaller events to commemorate the Centennial, as well as mark Avondale's 66th "birthday," which takes place at the end of the year.

Staff seeks direction from the City Council on the following two items:

1. Additional Centennial and Avondale Birthday events to include:

- 1 Avondale Arts Walks and Birthday Celebration on Western Avenue
- 1 66th Anniversary Movie Night at City Center
- 1 Goodyear Farms Cemetery Historic Event
- 1 Monument Hill / Tres Rios Dedication Event

2. The Tale of Two Cities as an annual event

BUDGETARY IMPACT:

Funds for the event are included in the City of Avondale General Fund for the Parks, Recreation, and Libraries Department, Account Number: 101-8125-00-6181 - Special Events.

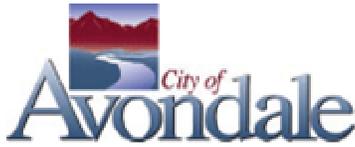
RECOMMENDATION:

Staff seeks council direction and approval on the upcoming centennial and birthday celebration events and input on making the Tale of Two Cities an annual event.

ATTACHMENTS:

[Click to download](#)

No Attachments Available



CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

REGULAR MEETING
March 19, 2012
7:00 PM

CALL TO ORDER BY MAYOR ROGERS
PLEDGE OF ALLEGIANCE
MOMENT OF REFLECTION

1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2 UNSCHEDULED PUBLIC APPEARANCES

(Limit three minutes per person. Please state your name.)

3 CONSENT AGENDA

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

a. APPROVAL OF MINUTES

1. Regular Meeting of March 5, 2012
2. Special Meeting of March 5, 2012

b. RESOLUTION 3033-312 - AMENDMENT TO THE GRANT AGREEMENT FOR JOB ACCESS REVERSE COMMUTE GRANT

City Council will consider a resolution authorizing the First Amendment to the Grant Agreement JPA-11-027 with Arizona Department of Transportation for a Job Access Reverse Commute Grant and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

c. RESOLUTION 3032-312 - COMMENCEMENT OF ANNEXATION OF STATE LAND

City Council will consider a resolution authorizing commencement of the annexation of approximately 2.5 miles of right-of-way along the Baseline Road alignment, a portion of which is within land owned by the Arizona State Land Department. The Council will take appropriate action.

4 PUBLIC HEARING AND RESOLUTION 3035-312 - 2010-11 ANNUAL ACTION PLAN AMENDMENT

City Council will consider a resolution amending the 2010-11 Annual Action Plan to expand the target areas eligible under the Neighborhood Stabilization Plan 3 Program, to modify the recapture requirement, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

5 TRANSFER OF CONTINGENCY FUNDS - AVONDALE POLICE HOUSING INCENTIVE PROGRAM

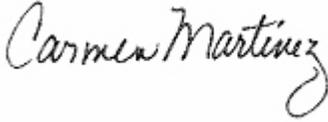
City Council will consider a request for a transfer of \$60,600 in contingency funds for use toward the Avondale Police Housing Incentive Program. The Council will take appropriate action.

6 **RESOLUTION 3034-312 - AUTHORIZING PARTICIPATION IN THE METROPOLITAN PHOENIX MUNICIPAL EMPLOYEE BENEFIT TRUST**

City Council will consider a resolution approving an agreement and declaration of trust and necessary ancillary documents to create an authorize the city's participation in the Metropolitan Phoenix Municipal Employee Benefit Trust and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

7 **ADJOURNMENT**

Respectfully submitted,



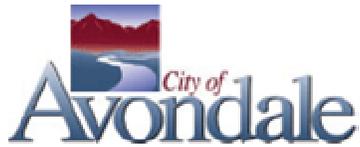
Carmen Martinez
City Clerk

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Notice is hereby given that pursuant to A.R.S. § 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council may be audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. § 1-602.A.9 have been waived.

De acuerdo con la ley A.R.S. § 1-602.A.9, y sujeto a ciertas excepciones legales, se da aviso que los padres tienen derecho a dar su consentimiento antes de que el Estado o cualquier otra entidad política haga grabaciones de video o audio de un menor de edad. Las juntas del Concejo de la Ciudad pueden ser grabadas y por consecuencia, existe la posibilidad de que si hay menores de edad presentes éstos aparezcan en estos videos o grabaciones de audio. Los padres puedan ejercitar su derecho si presentan su consentimiento por escrito a la Secretaria de la Ciudad, o pueden asegurarse que los niños no estén presentes durante la grabación de la junta. Si hay algún menor de edad presente durante la grabación, la Ciudad dará por entendido que los padres han renunciado sus derechos de acuerdo a la ley contenida A.R.S. § 1-602.A.9.



CITY COUNCIL REPORT

SUBJECT:
APPROVAL OF MINUTES

MEETING DATE:
March 19, 2012

TO: Mayor and Council
FROM: Carmen Martinez, City Clerk (623) 333-1214
THROUGH: Charlie McClendon, City Manager

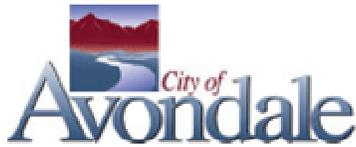
PURPOSE:

1. Regular Meeting of March 5, 2012
2. Special Meeting of March 5, 2012

ATTACHMENTS:

[Click to download](#)

No Attachments Available



CITY COUNCIL REPORT

SUBJECT:

Resolution 3033-312 - Amendment to the Grant Agreement for Job Access Reverse Commute Grant

MEETING DATE:

March 19, 2012

TO: Mayor and Council

FROM: Pier Simeri, Community Relations Director (623) 333-1611

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting the City Council adopt a Resolution authorizing the First Amendment to the Grant Agreement JPA-11-027 with Arizona Department of Transportation for a Job Access Reverse Commute Grant and to authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

The City of Avondale applied for and received a Job Access Reverse Commute Grant to help fund Route 131 which has now been replaced by the Zoom Circulator. Avondale was awarded \$80,000 from the Arizona Department of Transportation (ADOT) for these services.

DISCUSSION:

Arizona Department of Transportation is responsible for administering the Job Access and Reverse Commute Transportation Program. Route 131 and now the Zoom are eligible for JARC funding because it provides low to moderate income areas with a public transportation option to employment hubs in Avondale. After the original grant agreement was completed and signed, ADOT extended the time period on the grant from 365 days to a period of 24 months.

BUDGETARY IMPACT:

The proposed First Amendment to the Grant Agreement does not have any budgetary impact.

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution authorizing the First Amendment to the Grant Agreement JPA-11-027 with Arizona Department of Transportation for a Job Access Reverse Commute Grant and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

 [Resolution 3033-312](#)

RESOLUTION NO. 3033-312

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING AMENDMENT NO. ONE TO THE GRANT AGREEMENT WITH THE STATE OF ARIZONA RELATING TO THE JOB ACCESS AND REVERSE COMMUTE TRANSPORTATION PROGRAM FUNDING.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The Amendment No. One to the Grant Agreement with the State of Arizona relating to the Job Access and Reverse Commute Program, Special Needs Transportation Programs funding (the “Amendment No. One”) is hereby approved substantially in the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to cause the execution of the Amendment No. One and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, March 19, 2012.

Marie Lopez Rogers, Mayor

ATTEST:

Carmen Martinez, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 3033-312

[Amendment No. One]

See following pages.

AG Contract No P001-2011-001036
Agreement No **JPA-11-027**, AMENDMENT ONE
Advantage Project No Refer to Exhibit A
Project Name Special Needs Transportation Programs:
49 USC 5310, 5316, 5317

GRANT AGREEMENT
BETWEEN
THE ARIZONA DEPARTMENT OF TRANSPORTATION
MULTIMODAL PLANNING DIVISION acting for and on behalf of
THE STATE OF ARIZONA
AND
CITY OF AVONDALE

THIS GRANT AGREEMENT is entered into _____, 2011, between the ARIZONA DEPARTMENT OF TRANSPORTATION MULTIMODAL PLANNING DIVISION (ADOT) acting for and on behalf of THE STATE OF ARIZONA herein referred to as the STATE, established pursuant to Arizona Revised Statutes (A.R.S.) § 28-334 and CITY OF AVONDALE, herein referred to as the RECIPIENT. The STATE and the RECIPIENT are collectively referred to as the “Parties”, and individually as STATE, RECIPIENT, and “Party”.

I. RECITALS

- 1) STATE is authorized by Arizona Revised Statutes Section 28-334 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of STATE.
- 2) RECIPIENT is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of RECIPIENT.

The period to expend Other Capital and / or Operating Expenses is extended to 24 months.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

II. SCOPE

The item labeled "PROJECT-appropriate expenses..." is modified to extend the eligibility period from "365 days" to 24 months and shall now read:

PROJECT-appropriate expenses supported by receipts and other suitable and appropriate documentation are eligible for reimbursement beginning on October 1, 2010. Expenses incurred prior to this date are ineligible for reimbursement. Approved Capital and / or Operating Expenses must be incurred within 21 months from this eligible date. Final invoice must be received within 90 days of the end of the expenditure period or 24 months from eligibility date. No expenditures beyond that period are eligible for reimbursement under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

RECIPIENT
City of Avondale

STATE OF ARIZONA
Arizona Department of Transportation

By

Print Signatory Name:
and Title:
City of Avondale

By

Joseph S. Omer, Division Director
Multimodal Planning Division

Date Signed

Date Signed

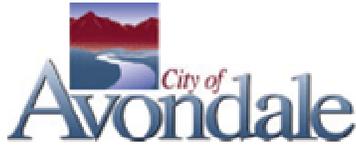
APPROVAL OF CITY OF AVONDALE

I have reviewed the above referenced proposed grant agreement, BETWEEN the STATE OF ARIZONA, by and through its ARIZONA DEPARTMENT OF TRANSPORTATION, MULTIMODAL PLANNING DIVISION and CITY OF AVONDALE, and declare this agreement to be in proper form and within the powers and authority granted to the CITY OF AVONDALE under the laws of the State of Arizona. No opinion is expressed as to the authority of the State to enter into this agreement.

DATED this _____ day of _____, 2011

Attorney for the CITY OF AVONDALE

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CITY COUNCIL REPORT

SUBJECT:
Resolution 3032-312 - Commencement of
Annexation of State Land

MEETING DATE:
March 19, 2012

TO: Mayor and Council
FROM: Carmen Martinez, City Clerk (623) 333-1214
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is recommending Council adoption of a resolution authorizing commencement of the annexation of approximately 2.5 miles of right-of-way along the Baseline Road alignment, a portion of which is within land owned by the Arizona State Land Department.

DISCUSSION:

The proposed right of way annexation consist of a strip of right-of-way which varies in width from 40 to 110 feet extending for about 2.5 miles along the south bank of the Gila River from about ¼ mile west of Dysart Road alignment extending east through the curve on the original 115th Avenue. This right-of-way is a gap contiguous with and within the existing annexation boundary of the City of Avondale.

The proposed annexation is one of several actions the Council will need to take to meet the objectives of the 2010 Development Agreement with PIR. The subject annexation is necessary to close a gap that currently exists in the area and will be needed in the future as the city builds the required infrastructure in the area.

Because the proposed annexation includes a portion of land that is within state land, the city is required to follow a different set of procedures.

Council adoption of the proposed resolution is the first step the city should take to give notice to the state of the city's desire to proceed with the annexation. The State Selection Board, made up of the Governor, Attorney General and State Treasurer, will consider the City's request at a meeting yet to be scheduled. Once approval is received from the State Selection Board, staff will return to Council with a recommendation to adopt the annexation ordinance.

RECOMMENDATION:

Staff is recommending Council adoption of a resolution authorizing commencement of the annexation of approximately 2.5 miles of right-of-way along the Baseline Road alignment, a portion of which is within land owned by the Arizona State Land Department.

ATTACHMENTS:

Click to download

- 📄 [Resolution 3032-312](#)
- 📄 [Vicinity Map](#)

RESOLUTION NO. 3032-312

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AUTHORIZING COMMENCEMENT OF AN ANNEXATION RELATING TO 2.5 MILES OF RIGHT-OF-WAY GENERALLY LOCATED ALONG THE SOUTH BANK OF THE GILA RIVER, GENERALLY ADJACENT TO BASELINE ROAD, EXTENDING FROM DYSART ROAD TO THE FORMER 115TH AVENUE ALIGNMENT IN PORTIONS OF SECTIONS 34 THROUGH 36, TOWNSHIP 1 NORTH, RANGE 1 WEST, MARICOPA COUNTY, ARIZONA.

WHEREAS, the Council of the City of Avondale (the “City Council”) has determined that it is in the best interests of the City of Avondale (the “City”) to annex into the corporate limits of the City certain remnant right-of-way parcels, portions of which are no longer utilized for right-of-way purposes as more particularly described and depicted on Exhibit A attached hereto and incorporated herein by reference (the “Annexation Area”); and

WHEREAS, the Annexation Area includes parcels of land owned by the State of Arizona (the “State Land Parcels”) as shown on Exhibit A, the annexation of which requires approval by the State Land Commissioner and the Selection Board established pursuant to ARIZ. REV. STAT. § 37-202 (the “Selection Board”); and

WHEREAS, the City Council desires to (i) begin the annexation process for the Annexation Area and (ii) request that the State Land Commissioner and the Selection Board approve annexation of the State Land Parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The City Council hereby approves (i) commencing with the annexation for the Annexation Area and (ii) submittal of a request to the Arizona State Land Department (the “ASLD”) for approval of annexation of the State Land Parcels by the State Land Commissioner and the Selection Board.

SECTION 3. Once permission to annex is received from the Selection Board and ASLD Commissioner, the City Council hereby authorizes and directs the appropriate City staff to complete any and all necessary tasks under ARIZ. REV. STAT. § 9-471 *et seq.* to complete the

annexation process, including the filing of an annexation petition and scheduling hearings and consideration of a Final Annexation Ordinance.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, March 19, 2012.

Marie Lopez Rogers, Mayor

ATTEST:

Carmen Martinez, City Clerk

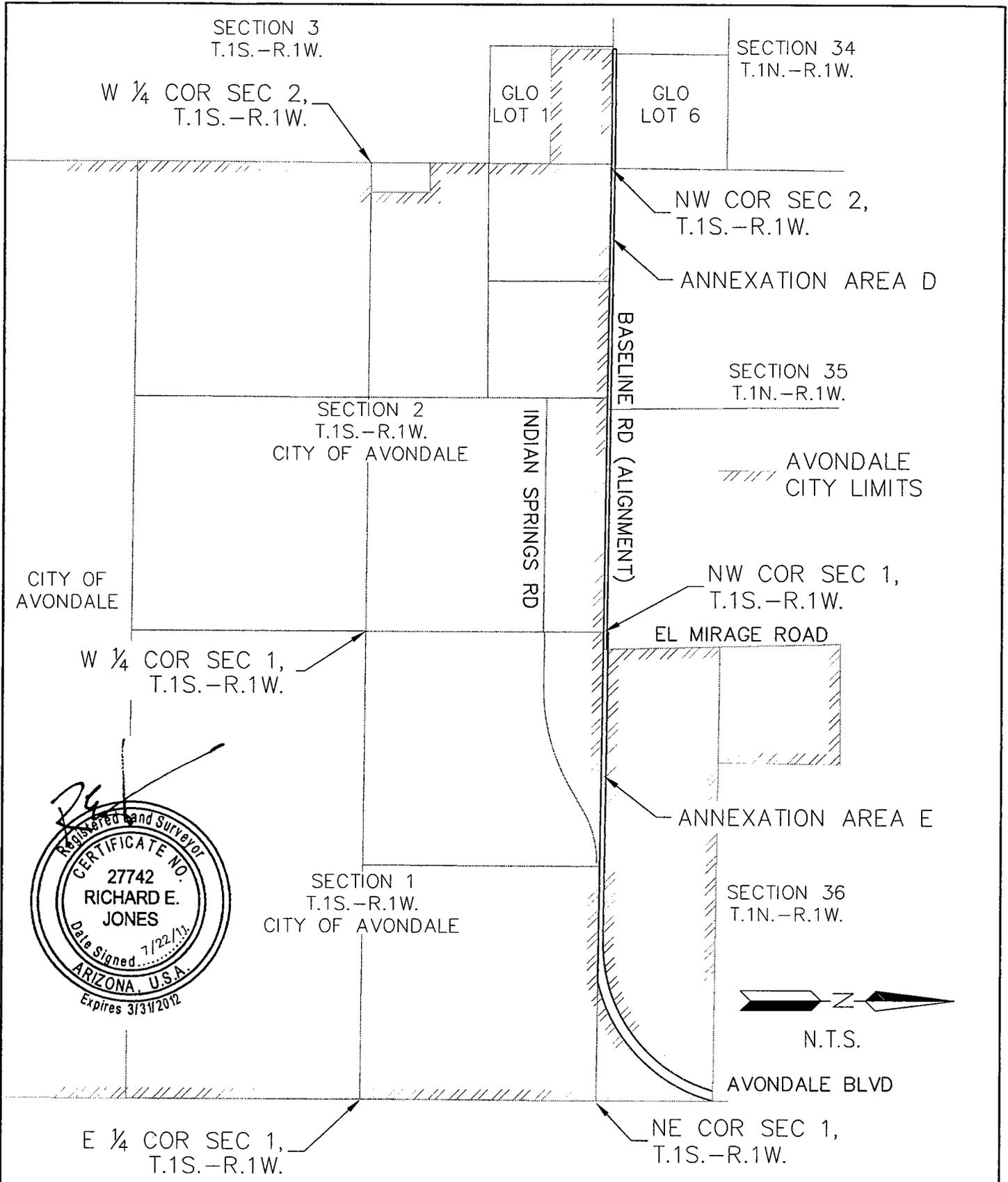
APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
RESOLUTION 3032-312

[Legal Description and Maps of Annexation Areas]

See following pages.



PROJ #:	2080
DATE:	7/2011
SCALE:	N.T.S.
DRAWN:	SKF
SHT. 1 OF 1	



3010 SOUTH PRIEST DR.
STE 102
TEMPE, ARIZONA 85282
PH (480) 629-8830

SOUTH AVONDALE ANNEXATION AREA
AVONDALE BLVD & EL MIRAGE RD
AVONDALE, ARIZONA
ANNEXATION KEY MAP

**LEGAL DESCRIPTION
ANNEXATION AREA D**

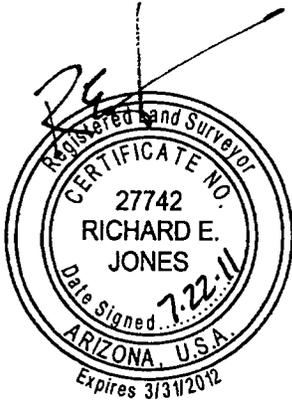
Portions of the South Half of Section 35 and G.L.O. Lots 5 and 6 of Section 34,
Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian,
Maricopa County, Arizona more particularly described as follows:

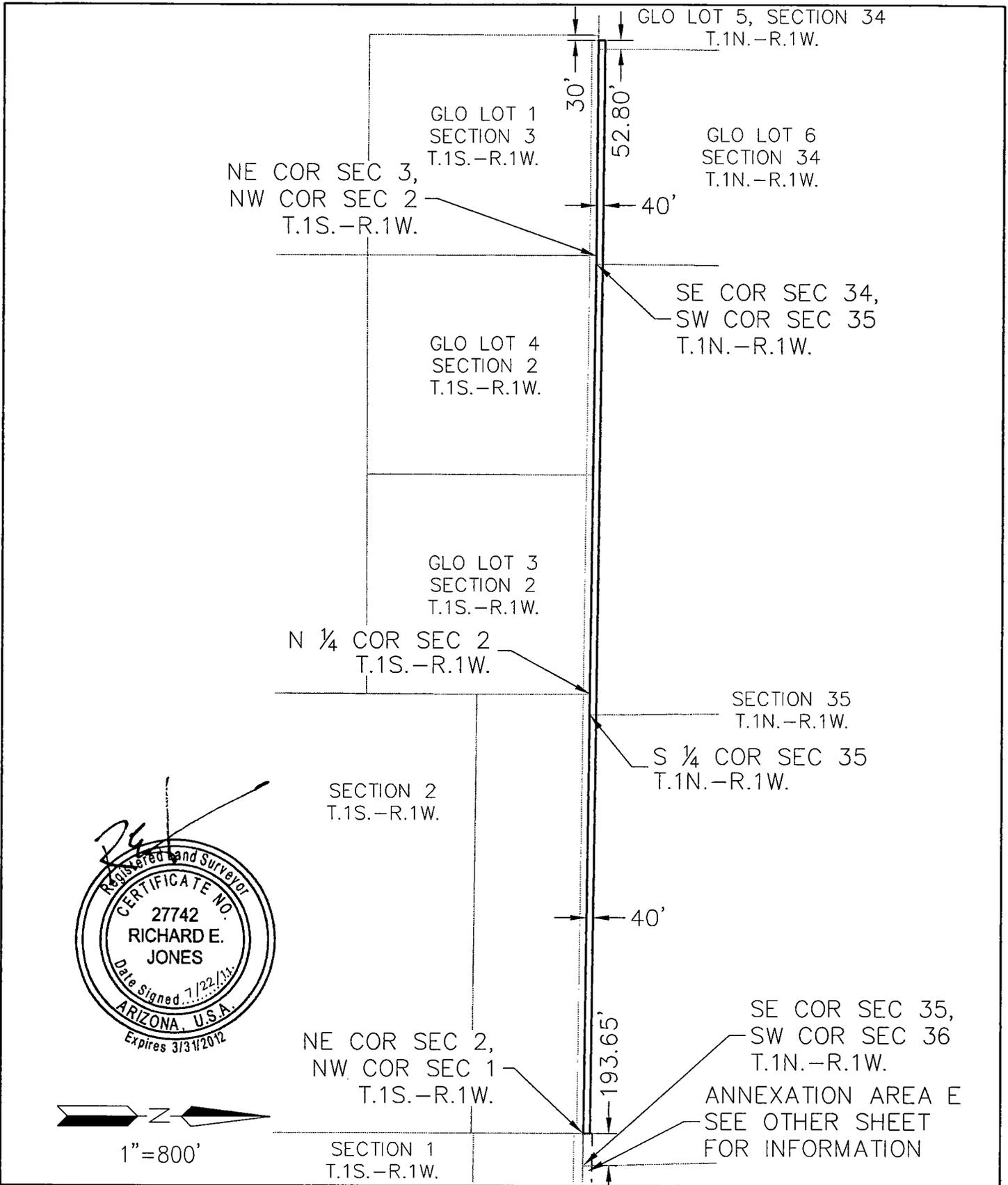
The South 40.00 feet of the East 52.80 feet of said G.L.O. Lot 5 together with;

The South 40.00 feet of said G.L.O. Lot 6 together with;

The South 40.00 feet of said Section 35.

Except the East 193.65 feet of the South 40.00 of said Section 35.





PROJ #:	2080
DATE:	7/2011
SCALE:	1"=500'
DRAWN:	SKF
SHT. 1 OF 1	



3010 SOUTH PRIEST DR.
STE 102
TEMPE, ARIZONA 85282
PH (480) 629-8830

SOUTH AVONDALE ANNEXATION AREA
AVONDALE BLVD & EL MIRAGE RD
AVONDALE, ARIZONA
ANNEXATION AREA D

**LEGAL DESCRIPTION
ANNEXATION AREA E**

Portions of Sections 35 and 36, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona more particularly described as follows:

BEGINNING at the Northwest corner of Section 1, Township 1 South, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

Thence North 00 degrees 44 minutes 20 seconds East a distance of 55.00 feet;

Thence South 89 degrees 15 minutes 40 seconds East parallel to and 55.00 feet north of the south line of said Section 36 a distance of 3496.27 feet to a point on a curve concave to the northwest having a radius of 1707.94 feet;

Thence northeasterly through a central angle of 75 degrees 05 minutes 54 seconds an arc length of 2238.62 feet to a point of non-tangency on the North line of the south half of the south half of said Section 36;

Thence South 89 degrees 19 minutes 20 seconds East along said north line a distance of 113.62 feet to a point on a non-tangent curve concave to the northwest having a radius of 1817.94 feet the center of which bears North 75 degrees 17 minutes 02 seconds West;

Thence southwesterly through a central angle of 61 degrees 53 minutes 36 seconds an arc length of 1963.82 feet to a nontangent point on the south line of said Section 36;

Thence North 89 degrees 15 minutes 40 seconds West along the south line of said Section 36 a distance of 3940.06 feet to the **POINT OF BEGINNING**.

Excepting the following three areas from the above-described Annexation Area E boundary:

The North 15.00 feet of the South 55.00 feet of the East 193.65 feet of said Section 35;

The West 35.00 feet of the South 55.00 feet of said Section 36; and

That portion of the West 25.00 feet of the East 58.00 feet of said Section 36.



SECTION 2 T.1S.-R.1W.

NW COR SEC 1,
T.1S.-R.1W. P.O.B.

ANNEXATION AREA D

SEE OTHER SHEET
FOR INFORMATION

SECTION 35
T.1N.-R.1W.

AREA TO BE ANNEXED
COUNTY ROADWAY

SEE DETAIL A
(SHT 2 OF 2)



NORTH LINE S 1/2,
S 1/2 SECTION 36

N89°15'40"W 3940.06'
S89°15'40"E 3496.27'

SECTION 36
T.1N.-R.1W.

Line Table		
Line #	Length	Bearing
L1	55.00	N00°44'20"E
L2	113.62	S89°19'20"E
RB1	1817.94	N75°17'02"W

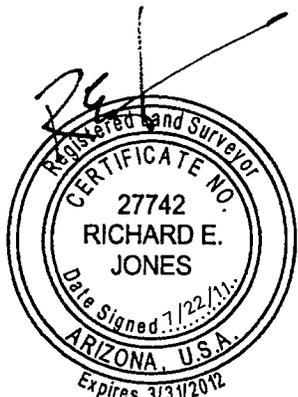
SECTION 1
T.1S.-R.1W.

55'

N 1/4 COR SEC 1,
T.1S.-R.1W.

S 1/4 COR SEC 36,
T.1N.-R.1W.

Curve Table			
Curve #	Length	Radius	Delta
C1	2238.62	1707.94	75°05'54"
C2	1963.82	1817.94	61°53'36"



N LINE SEC 1
T.1S.-R.1W.

NE COR SEC 1,
T.1S.-R.1W.

1339.64'

C1 110'
C2

RB1
L2

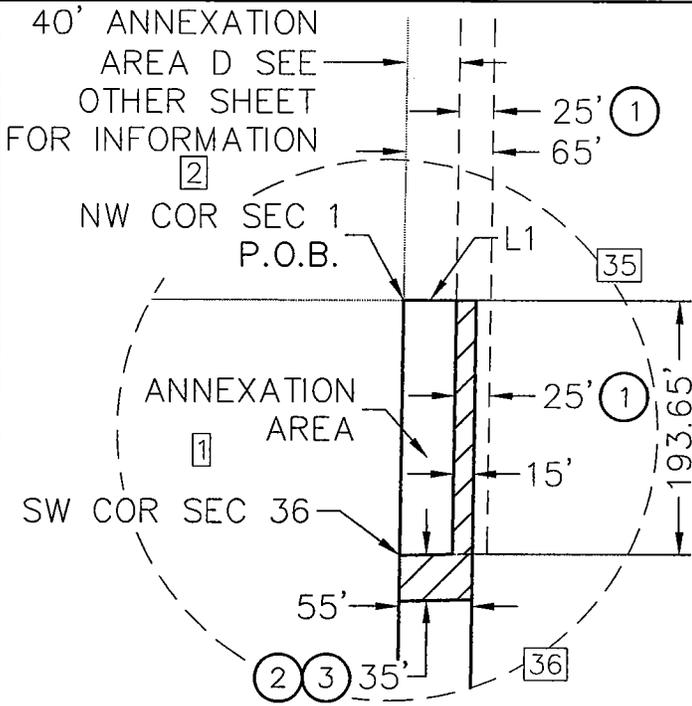
SEE DETAIL B
(SHT 2 OF 2)

PROJ #: 2080
DATE: 7/2011
SCALE: N.T.S.
DRAWN: SKF
SHT. 1 OF 2

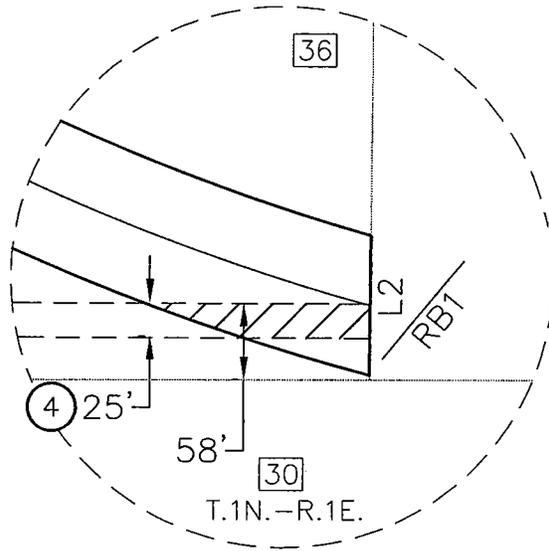


3010 SOUTH PRIEST DR.
STE 102
TEMPE, ARIZONA 85282
PH (480) 629-8830

SOUTH AVONDALE ANNEXATION AREA
AVONDALE BLVD & EL MIRAGE RD
AVONDALE, ARIZONA
ANNEXATION AREA E



DETAIL A



DETAIL B

- ① N 25' OF S 65' SECTION 35 PER ORDINANCE 240 DKT 11815 PG 870
- ② W 25' OF S 65' SECTION 36 PER ORDINANCE 240 DKT 11815, PG 870
- ③ E 10' OF W 35' PER ORDINANCE 484 DKT 90-394935
- ④ 25' ANNEXED PER ORD 240 DKT 11185 PG 870 (E 25' OF W 58' SEC 36)
- ③⑥ SECTION NUMBERS



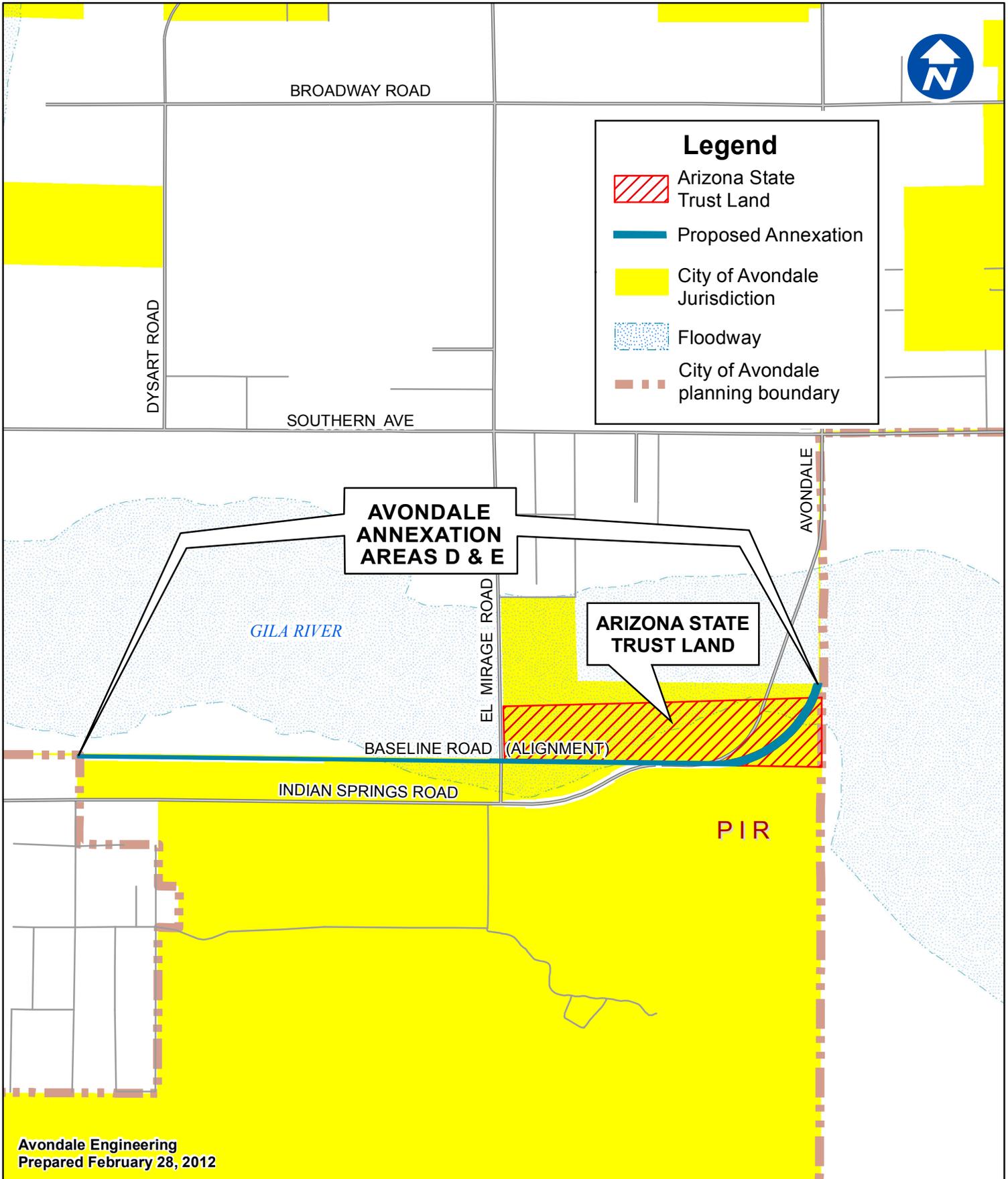
PROJ #:	2080
DATE:	7/2011
SCALE:	N.T.S.
DRAWN:	SKF
SHT. 2 OF 2	



3010 SOUTH PRIEST DR.
STE 102
TEMPE, ARIZONA 85282
PH (480) 629-8830

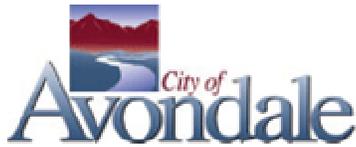
SOUTH AVONDALE ANNEXATION AREA
AVONDALE BLVD & EL MIRAGE RD
AVONDALE, ARIZONA
ANNEXATION AREA E

VICINITY MAP



0 1,000 2,000 4,000 Feet

**South Avondale Annexation Areas D & E
crossing Arizona State Trust Land**



CITY COUNCIL REPORT

SUBJECT:

Public Hearing and Resolution 3035-312 - 2010-11
Annual Action Plan Amendment

MEETING DATE:

March 19, 2012

TO: Mayor and Council

FROM: Gina Montes, Neighborhood & Family Services Director (623) 333-2727

THROUGH: Charlie McClendon, City Manager

PURPOSE:

City Council approval is requested for a resolution amending the Annual Action Plan to expand the target areas eligible under the Neighborhood Stabilization 3 Program (NSP3) and to modify the recapture requirement.

BACKGROUND:

The City of Avondale received \$1,224,903 from the U.S. Department of Housing and Urban Development through the third round of funding for the Neighborhood Stabilization Program (NSP3). The purpose of the program is to redevelop foreclosed homes and funds must be 50% expended within two years of receipt of funds and fully expended within three years. The Avondale program allows for downpayment and closing costs toward the purchase of a foreclosed home in one of the target areas. Since City Council approval of the original plan on February 22, 2011, Avondale conditions have changed such that substantially fewer foreclosed properties are currently on the market. In addition, overall distressed properties including foreclosures and pre-foreclosures is also lower. These conditions are making it difficult for NSP3 homebuyers to identify and purchase a foreclosed home. Given the expenditure deadline, there is a need to expand the target areas so that there is a reasonable opportunity for NSP3 homebuyers to identify a home and for the funds to be expended timely. Additionally, decreasing the recapture requirement will serve in making Avondale's homebuyer program more competitive with other programs in the area.

DISCUSSION:

HUD requires that target areas meet a minimum needs threshold score and that funds be directed to the areas of greatest need. For the state of Arizona, the minimum threshold score has been set by HUD at 17. NFS staff seeks to expand the target area as a result of significant decrease in foreclosures that are currently available and on the market within the targeted areas. To meet the demand of potential homebuyers, the inventory of available properties needs to be increased. NFS staff and the NFS Commission recommend expanding the targeted areas as broadly as HUD will allow. City Council approval is sought allowing NFS staff to request from HUD the broadest expansion which would include all subdivisions containing foreclosed properties. Should HUD consider this expansion too broad, NFS staff would use a secondary approach that would include all but the following subdivisions with the lowest numbers of foreclosures and delinquencies: Rancho Santa Fe, Fieldcrest, Corte Sierra, Crystal Ridge, Diamond Ridge, Garden Lakes, Crystal Gardens, Litchfield Mountain View Homes, Upland Park, Fulton Estates, Glenarm Farms, Crystal Park Estates, Tierra Ranchettes.

In addition, NSP3 regulations require that grantees adopt, at a minimum, HOME program standards for continued affordability. Homebuyer activities, according to HOME require a tiered period of affordability based on the amount of investment. The maximum period is 15 years. The City originally

designed the NSP3 Action Plan with a "due upon sale" 100% recapture requirement for all homebuyer activities which well exceeded the regulatory requirement. NFS staff recommends that the recapture period be set at 20 years thus allowing for homebuyers that stay in their home for this extended period of time to be rewarded for their longevity. Homeowners remaining in their home after this period of time would not be required to repay the downpayment assistance amount as it would then be forgiven.

BUDGETARY IMPACT:

The NSP funds are provided to the City in the form of a grant and do not require matching funds.

RECOMMENDATION:

Staff recommends that the City Council approve a resolution amending the Annual Action Plan to expand the target areas eligible under the Neighborhood Stabilization 3 Program (NSP3) and to modify the recapture requirement.

ATTACHMENTS:

Click to download

 [Resolution 3035-312](#)

 [Draft NSP3 Action Plan Amendment #1](#)

RESOLUTION NO. 3035-312

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING AN AMENDMENT TO THE 2010-2011 ANNUAL ACTION PLAN PORTION OF THE 2010-2014 CONSOLIDATED PLAN AND AUTHORIZING ITS SUBMISSION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR RECEIPT OF NEIGHBORHOOD STABILIZATION FUNDS.

WHEREAS, Section 1497 of the Wall Street and Consumer Protection Act of 2010, a/k/a the “Dodd-Frank Act” (Public Law 111-203, approved July 21, 2010), provides for an additional allocation (third round) of funding for the Neighborhood Stabilization Program (“NSP3”) for the purpose of assisting in the redevelopment of abandoned and foreclosed homes. Except where provided for otherwise, these amounts are distributed based on funding formulas for such amounts established by the Secretary in accordance with Housing and Economic Recovery Act of 2008 and unless otherwise stated, the grants are to be considered Community Development Block Grant (“CDBG”) funds; and

WHEREAS, HUD has issued regulations in the Federal Register under Docket No FR-5447-N-01 (the “Regulations”) that define the statutory requirements of NSP3 and which require an Amendment to the City’s 2010-2011 Annual Action Plan as a condition of receiving NSP3 funds; and

WHEREAS, the City of Avondale 2010-2014 Consolidated Plan (the “Consolidated Plan”) was approved by Council of the City of Avondale (the “City Council”) on April 19, 2010 and by HUD in June 2010; and

WHEREAS, the City of Avondale 2010-2011 Annual Action Plan (the “Action Plan”) component of the Consolidated Plan was approved by the City Council on April 19, 2010; and

WHEREAS, on February 22, 2011, the City Council adopted an amendment to the Action Plan to accommodate the NSP3 funds (the “First Amendment”); and

WHEREAS, the City of Avondale (the “City”) entered into an agreement with the U.S. Department of Housing and Urban Development (“HUD”) on March 9, 2011 to provide \$1,224,903 in NSP3 funds to the City to use within a three-year period from the date of receipt; and

WHEREAS, the City has prepared a second amendment to the Action Plan (the “Second Amendment”) in accordance with the Regulations to (i) add new areas to the Target Neighborhoods and (ii) modify the provisions relating to ensuring continued affordability to allow for loan forgiveness after 20 years; and

WHEREAS, the City has completed public participation requirements in accordance with the Regulations, including a 15-day comment period in which the draft amendment was posted on the City website (March 2, 2012 through March 17, 2012), during which time comments were able to be received from City residents and incorporated into the Second Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Action Plan is hereby amended by adding to the NSP3 Targeted Areas Map the following:

NSP3 Proposed Additions to Targeted Areas	
Existing Areas by Census Tract/Block Group	Proposed Additions by Census Tracts/Block Groups
Portions of the following Census Tracts/Block Groups:	All Avondale portions of Census Tracts/Block Groups
082014 – 1	082014 – 1,2,3,4
082014 – 3	082201 – 1,3
082014 – 4	082202 – 1,2
082201 – 1	061003 – 1,2
082201 – 3	061002 – 2
082202 – 1	082013 – 1,2,3,4,5
082202 – 2	
All Avondale portions of Census Tracts/Block Groups:	
061200 – 2,3,4	
061400 – 1,2,3,4	

SECTION 3. The Action Plan is hereby amended by modifying the “Ensuring Continued Affordability” provisions to read as follows:

Homebuyer assistance will be provided as a no-interest, soft-second mortgage that is due upon: (i) sale, subject to the conditions set forth below; (ii) refinance, if refinance does not result in a lower monthly payment or if there is any cash out; or (iii) a change in circumstances causing the home to no longer be the primary residence of the owner. The City shall be listed as the beneficiary for all loans. All down payments loans will be secured by a Promissory Note and Deed of Trust recorded against the assisted property. The City will ensure affordability through

a recapture of down payment assistance funds to be used to assist subsequent qualified low, moderate and middle income households. The due upon sale requirement set forth in (i) above shall be removed, and the debt forgiven, after the owner has owned and occupied the property for a period of 20 years.

SECTION 4. The City Council hereby finds that all expenditures as set forth in the Second Amendment are necessary and appropriate and further that said expenditures for the NSP3 program will meet the low-moderate and middle income national objective.

SECTION 5. The Mayor, the City Manager or authorized designee, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, March 19, 2012.

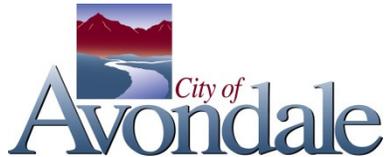
Marie Lopez Rogers, Mayor

ATTEST:

Carmen Martinez, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney



CITY OF AVONDALE
PUBLIC MEETING NSP3 PLAN AMENDMENT #1

Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 allocated \$1,224,903 to Avondale to assist in the redevelopment of foreclosed homes. The Avondale City Council approved the use of NSP3 funds and the amendment to the 2010/2011 Annual Action Plan on February 22, 2011. The City of Avondale is proposing an amendment to its NSP plan and is requesting public input regarding the amendment. The City proposes the following changes to its NSP Plan 1) Add additional areas to the Target Neighborhoods; and 2) decrease the period of affordability from due upon sale to forgivable at 20 years. The City of Avondale is hereby providing a 15 day comment period on the proposed NSP3 Amendment beginning on March 2, 2012 and extending through March 17, 2012.

NSP3 Proposed Additions to Targeted Areas	
Existing Areas by Census Tract/Block Group	Proposed Additions by Census Tracts/Block Groups
<i>Portions</i> of the following Census Tracts/Block Groups:	All Avondale portions of Census Tracts/block groups:
082014-1	082014 – 1,2,3,4
082014-3	082201 – 1,3
082014-4	082202 – 1,2
082201-1	061003 – 1,2
082201-3	061002 – 2
082202-1	082013 – 1,2,3,4,5
082202-2	
All Avondale portions of Census Tracts/Block Groups:	
061200 – 2,3,4	
061400 – 1,2,3,4	

A copy of the NSP3 Plan Amendment #1 may be reviewed at the Avondale Community Center, 1007 S. Third Street, Avondale, 85323 or at <http://www.avondale.org/index.aspx?NID=1112>. Written comments will be accepted until 5:00 p.m. on March 17, 2012 and should be directed to:

Sandy Lopez, CDBG Program Manager
1007 S. Third Street
Avondale, Arizona 85323
(623) 333-2726

The City Council will take action on the plan at 7:00 P.M. on March 19, 2012 at the Council Meeting to be held in the Council Chambers, 11465 W. Civic Center Drive, Avondale, 85323. This is a public meeting and you are encouraged to attend.

PERSONS REQUIRING HEARING, VISUAL, MOBILITY, LANGUAGE OR OTHER ACCOMMODATIONS MAY CONTACT THE CITY AT 623-333-2726 OR TDD 623-333-0010 TO MAKE SPECIAL ARRANGEMENTS. PARA ASISTENCIA EN ESPANOL LLAME 623-333-2726

Published March 2, 2012



Project Summary for NSP3

Project Name	Total Housing Units	NSP3Need Score
Southwest	2120	19.4
South East	1119	19
North	10169	17.37
Roosevelt - Waterford	473	18
Southcentral 2012	2528	18.11
South central	405	18

Total Housing Units for All Shapes: 16814

Total NSP3 Need Score: 17.88

Neighborhood ID: 4133300

NSP3 Planning Data

Grantee ID: 0400180E,0401300C

Grantee State: AZ

Grantee Name: AVONDALE CITY, MARICOPA COUNTY

Grantee Address: 1007 S 3rd Street Avondale AZ 85323

Grantee Email: slopez@avondale.org

Neighborhood Name: Southwest

Date: 2011-01-31 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19.4

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 2120

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 90.82

Percent Persons Less than 80% AMI: 69.8

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current or potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 2508

Residential Addresses Vacant 90 or more days (USPS, March 2010): 199

Residential Addresses NoStat (USPS, March 2010): 94

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 815

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 40.39

Percent of Housing Units 90 or more days delinquent or in foreclosure: 19.42

Number of Foreclosure Starts in past year: 97

Number of Housing Units Real Estate Owned July 2009 to June 2010: 63

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 19

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005*: 3.7

Place (if place over 20,000) or county unemployment rate June 2010*: 8.2

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-112.345419 33.445336 -112.349796 33.445265 -112.349882 33.441254 -112.353916 33.441039
-112.353916 33.435524 -112.352886 33.435453 -112.352629 33.430367 -112.349625 33.430510
-112.349625 33.429006 -112.351685 33.427931 -112.352457 33.424636 -112.352285 33.420768
-112.344561 33.420696 -112.344818 33.424565 -112.338467 33.424421 -112.335377 33.431799
-112.335634 33.435309 -112.340956 33.434665 -112.341127 33.439463 -112.344732 33.439678

Blocks Comprising Target Neighborhood

040130612001014, 040130612002000, 040130612002001, 040130612002003, 040130612002005,
040130612002007, 040130612002016, 040130612002015, 040130612002014, 040130612002013,
040130612002012, 040130612002011, 040130612002010, 040130612002009, 040130612002008,
040130612002023, 040130612002022, 040130612002021, 040130612002020, 040130612002019,
040130612002018, 040130612002017, 040130612002006, 040130612002004, 040130612002002,
040130612003004, 040130612003006, 040130612003008, 040130612003015, 040130612003014,
040130612003012, 040130612003011, 040130612003010, 040130612003009, 040130612003007,
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040130614001005, 040130614001003, 040130614001002, 040130614002001, 040130614002007,
040130614002020, 040130614002019, 040130614002012, 040130614002011, 040130614002010,
040130614002009, 040130614002008, 040130614002006, 040130614002002, 040130614003000,
040130614003001, 040130614003003, 040130614003005, 040130614003007, 040130614003014,
040130614003013, 040130614003012, 040130614003011, 040130614003010, 040130614003009,
040130614003008, 040130614003006, 040130614003004, 040130614003002, 040130614004000,
040130614004006, 040130614004007, 040130614004005, 040130614001026, 040130614002018,

Neighborhood ID: 2003601

NSP3 Planning Data

Grantee ID: 0400180E,0401300C

Grantee State: AZ

Grantee Name: AVONDALE CITY,MARICOPA COUNTY

Grantee Address: 1007 S 3rd Street Avondale AZ 85323

Grantee Email: slopez@avondale.org

Neighborhood Name: South East

Date:2011-01-31 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 1119

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 87.96

Percent Persons Less than 80% AMI: 70.84

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 1067

Residential Addresses Vacant 90 or more days (USPS, March 2010): 0

Residential Addresses NoStat (USPS, March 2010): 33

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 2337

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 29.3

Percent of Housing Units 90 or more days delinquent or in foreclosure: 17.3

Number of Foreclosure Starts in past year: 249

Number of Housing Units Real Estate Owned July 2009 to June 2010: 162

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 49

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005*: 3.7

Place (if place over 20,000) or county unemployment rate June 2010*: 8.2

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-112.302418 33.435596 -112.302246 33.428003 -112.298040 33.428003 -112.297955 33.420911
-112.289715 33.421054 -112.289715 33.435739 -112.306452 33.436240 -112.306709 33.441755
-112.315035 33.441469 -112.314863 33.428003 -112.306280 33.428075 -112.306280 33.435381

Blocks Comprising Target Neighborhood

040130820144017, 040130822021001, 040130822021002, 040130822021004, 040130822021006,
040130822021008, 040130822021022, 040130822021019, 040130822021018, 040130822021017,
040130822021016, 040130822021015, 040130822021014, 040130822021011, 040130822021010,
040130822021009, 040130822021007, 040130822021005, 040130822021003, 040130822022000,
040130822022001, 040130822022003, 040130822022005, 040130822022007, 040130822022013,
040130822022011, 040130822022010, 040130822022009, 040130822022008, 040130822022006,
040130822022004, 040130820144018, 040130822011000, 040130822011078,

Neighborhood ID: 9712432

NSP3 Planning Data

Grantee ID: 0400180E,0401300C

Grantee State: AZ

Grantee Name: AVONDALE CITY,MARICOPA COUNTY

Grantee Address: 1007 S 3rd Street Avondale AZ 85323

Grantee Email: slopez@avondale.org

Neighborhood Name: North

Date:2012-02-27 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 17.37

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 10169

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 58.66

Percent Persons Less than 80% AMI: 31.63

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 13983

Residential Addresses Vacant 90 or more days (USPS, March 2010): 427

Residential Addresses NoStat (USPS, March 2010): 727

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 9590

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 23.63

Percent of Housing Units 90 or more days delinquent or in foreclosure: 15.2

Number of Foreclosure Starts in past year: 887

Number of Housing Units Real Estate Owned July 2009 to June 2010: 578

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 178

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005*: 3.7

Place (if place over 20,000) or county unemployment rate June 2010*: 8.2

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-112.323875 33.504473 -112.328682 33.504187 -112.328167 33.493594 -112.344818 33.493164
-112.354774 33.487008 -112.362328 33.484002 -112.358379 33.478990 -112.341213 33.478847
-112.341213 33.459229 -112.306366 33.460805 -112.306709 33.464242 -112.279930 33.465530
-112.280960 33.471258 -112.281303 33.493737 -112.323790 33.493379

Blocks Comprising Target Neighborhood

040130610022001, 040130610022002, 040130610022033, 040130610022003, 040130610031010,
040130610031015, 040130610031013, 040130610032001, 040130610032002, 040130610032064,
040130610032054, 040130610032003, 040130610032005, 040130610032006, 040130610032008,
040130610032010, 040130610032012, 040130610032014, 040130610032017, 040130610032043,
040130610032042, 040130610032041, 040130610032040, 040130610032039, 040130610032038,
040130610032037, 040130610032036, 040130610032026, 040130610032025, 040130610032024,
040130610032023, 040130610032022, 040130610032021, 040130610032020, 040130610032019,
040130610032018, 040130610032035, 040130610032034, 040130610032033, 040130610032032,
040130610032031, 040130610032030, 040130610032029, 040130610032028, 040130610032027,
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040130820131004, 040130820131006, 040130820131008, 040130820131010, 040130820131035,
040130820131034, 040130820131033, 040130820131032, 040130820131031, 040130820131030,
040130820131029, 040130820131028, 040130820131027, 040130820131036, 040130820131026,
040130820131025, 040130820131024, 040130820131023, 040130820131022, 040130820131021,
040130820131020, 040130820131019, 040130820131018, 040130820131017, 040130820131016,
040130820131015, 040130820131014, 040130820131013, 040130820131012, 040130820131011,
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040130820135003, 040130820135005, 040130820135007, 040130820135016, 040130820135015,
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040130820135009, 040130820135008, 040130820135999, 040130820135020, 040130820135019,
040130820135018, 040130820135017, 040130820135006, 040130820135004, 040130820135002,
040130820143004, 040130820143016, 040130820141000, 040130820141003, 040130820141006,
040130820141002, 040130820141007, 040130820141011, 040130820141013, 040130820141015,
040130820141032, 040130820141031, 040130820141030, 040130820141028, 040130820141026,
040130820141025, 040130820141024, 040130820141023, 040130820141022, 040130820141021,
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040130820141014, 040130820141012, 040130820141010, 040130820142000, 040130820142001,
040130820142005, 040130820142009, 040130820142011, 040130820142019, 040130820142018,
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040130820142024, 040130820142023, 040130820142010, 040130820142006, 040130820142004,
040130820143005, 040130820143006, 040130820143007, 040130820143008, 040130610023032,
040130610022032, 040130610033042, 040130610022000, 040130610022004, 040130610022005,

040130610031006, 040130610031002, 040130610031014, 040130610031017, 040130610031018,
040130610031016, 040130610031009, 040130610032000, 040130610032016, 040130610032062,
040130610032057, 040130610032055, 040130610032056, 040130820023016, 040130820023017,
040130820121042, 040130820121041, 040130820121036, 040130820121035, 040130820121034,
040130820121033, 040130820131001, 040130820132000, 040130820133012, 040130820133013,
040130820143009, 040130820141001, 040130820141005, 040130820141008, 040130820141004,
040130820141009, 040130820141029, 040130820141027, 040130820142002, 040130820142003,
040130820142008, 040130820142007, 040130820143010,

Neighborhood ID: 1132659

NSP3 Planning Data

Grantee ID: 0400180E,0401300C

Grantee State: AZ

Grantee Name: AVONDALE CITY,MARICOPA COUNTY

Grantee Address: 1007 S 3rd Street Avondale AZ 85323

Grantee Email: slopez@avondale.org

Neighborhood Name: Roosevelt - Waterford

Date:2011-02-09 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 18

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 473

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 66.7

Percent Persons Less than 80% AMI: 66.7

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 769

Residential Addresses Vacant 90 or more days (USPS, March 2010): 12

Residential Addresses NoStat (USPS, March 2010): 41

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 458

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 24.3

Percent of Housing Units 90 or more days delinquent or in foreclosure: 15.8

Number of Foreclosure Starts in past year: 44

Number of Housing Units Real Estate Owned July 2009 to June 2010: 29

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 9

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005*: 3.8

Place (if place over 20,000) or county unemployment rate June 2010*: 8.5

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-112.302589 33.454933 -112.302589 33.449633 -112.298470 33.449526 -112.298384 33.442937

-112.289886 33.443116 -112.289972 33.449884 -112.298083 33.450099 -112.298427 33.454897

Blocks Comprising Target Neighborhood

040130820144013, 040130820144014,

Neighborhood ID: 3039886

NSP3 Planning Data

Grantee ID: 0400180E,0401300C

Grantee State: AZ

Grantee Name: AVONDALE CITY,MARICOPA COUNTY

Grantee Address: 1007 S 3rd Street Avondale AZ 85323

Grantee Email: slopez@avondale.org

Neighborhood Name: Southcentral 2012

Date:2012-02-28 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 18.11

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 2528

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 88.16

Percent Persons Less than 80% AMI: 71.05

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 3707

Residential Addresses Vacant 90 or more days (USPS, March 2010): 35

Residential Addresses NoStat (USPS, March 2010): 340

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 2798

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 26.41

Percent of Housing Units 90 or more days delinquent or in foreclosure: 16.22

Number of Foreclosure Starts in past year: 282

Number of Housing Units Real Estate Owned July 2009 to June 2010: 184

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 57

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005*: 3.7

Place (if place over 20,000) or county unemployment rate June 2010*: 8.2

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-112.302246 33.428146 -112.302332 33.435811 -112.298298 33.435667 -112.298470 33.443474
-112.305937 33.443259 -112.306452 33.450063 -112.314520 33.449848 -112.314692 33.453859
-112.319584 33.453715 -112.319584 33.449562 -112.331429 33.449633 -112.329798 33.435238
-112.327051 33.435238 -112.327137 33.427860 -112.323532 33.427788 -112.323704 33.420338
-112.297697 33.420911 -112.297955 33.427860 -112.314863 33.427717 -112.314777 33.440538
-112.312031 33.440538 -112.311687 33.441899 -112.306881 33.441684 -112.306366 33.435524
-112.306280 33.428218

Blocks Comprising Target Neighborhood

040130820144034, 040130820144030, 040130820144022, 040130820144021, 040130822011001,
040130822011010, 040130822011004, 040130822022012, 040130822022002, 040130820144031,
040130820144024, 040130820144023, 040130820144020, 040130820144018, 040130822011002,
040130822011003, 040130822011011,

Neighborhood ID: 1112884

NSP3 Planning Data

Grantee ID: 0400180E,0401300C

Grantee State: AZ

Grantee Name: AVONDALE CITY,MARICOPA COUNTY

Grantee Address: 1007 S 3rd Street Avondale AZ 85323

Grantee Email: slopez@avondale.org

Neighborhood Name: South central

Date:2011-01-31 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 18

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 405

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 85.14

Percent Persons Less than 80% AMI: 67.19

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 548

Residential Addresses Vacant 90 or more days (USPS, March 2010): 0

Residential Addresses NoStat (USPS, March 2010): 105

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 412

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 29.3

Percent of Housing Units 90 or more days delinquent or in foreclosure: 16.8

Number of Foreclosure Starts in past year: 42

Number of Housing Units Real Estate Owned July 2009 to June 2010: 27

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 8

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005*: 3.7

Place (if place over 20,000) or county unemployment rate June 2010*: 8.21

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

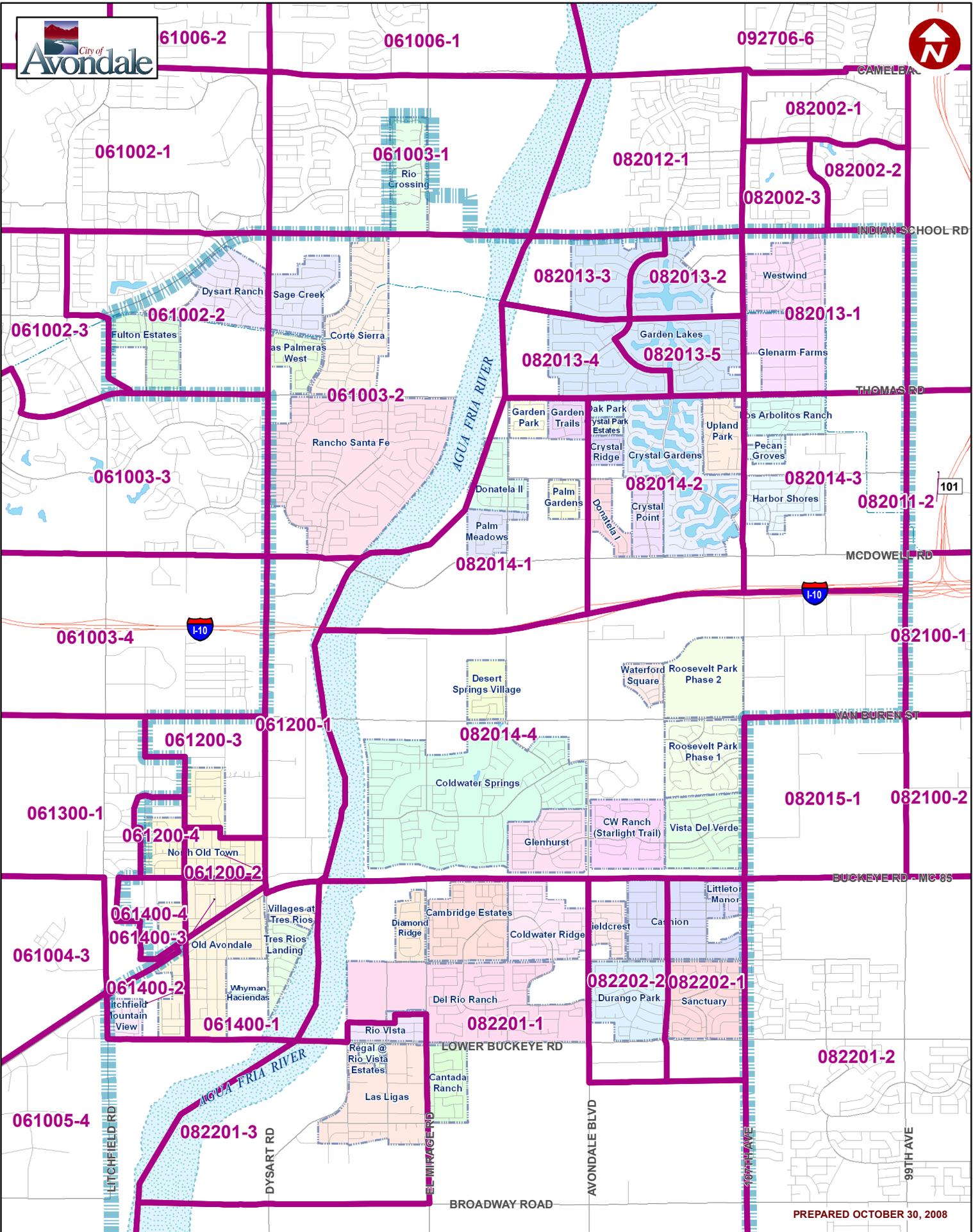
1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-112.319584 33.413102 -112.319584 33.420840 -112.323360 33.420696 -112.323875 33.423705
-112.328167 33.423992 -112.328167 33.422845 -112.332802 33.422845 -112.332630 33.415395
-112.337093 33.412529 -112.332287 33.412386 -112.329884 33.411239 -112.328854 33.412242

Blocks Comprising Target Neighborhood

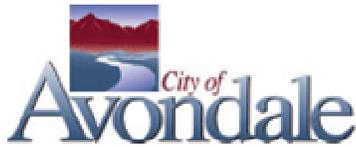
040130822011010, 040130822011008, 040130822011025, 040130822011009, 040130822013001,
040130822013003, 040130822013006, 040130822013008, 040130822013027, 040130822013026,
040130822013025, 040130822013023, 040130822013022, 040130822013021, 040130822013020,
040130822013019, 040130822013018, 040130822013017, 040130822013016, 040130822013015,
040130822013013, 040130822013012, 040130822013011, 040130822013007, 040130822013005,
040130822013002, 040130822013000, 040130822013004, 040130822013009, 040130822013010,



PREPARED OCTOBER 30, 2008



**CENSUS BLOCK - GROUPS
AVONDALE NEIGHBORHOODS**



CITY COUNCIL REPORT

SUBJECT:

Transfer of Contingency Funds - Avondale Police
Housing Incentive Program

MEETING DATE:

March 19, 2012

TO: Mayor and Council

FROM: Gina Montes, Neighborhood & Family Services Director (623) 333-2727

THROUGH: Charlie McClendon, City Manager

PURPOSE:

The purpose of this item is to request a transfer of \$60,600 in contingency funds to enable the implementation of the Avondale Police Housing Incentive Program.

BACKGROUND:

The Avondale Police Housing Incentive Program will provide \$20,000 to sworn Avondale police officers and sergeants toward the purchase of a home in Avondale. The program is designed to provide an incentive for Avondale police officers and sergeants to live in Avondale and stay with the Avondale police force. The home must be an existing single family residence used as the primary residence and not used as a rental property or for other family members. New construction is not eligible. The funds are to be provided for down-payment and closing costs at the time of closing. The program is administered by the Neighborhood & Family Services Department.

DISCUSSION:

The program is primarily a retention tool for the Police Department. It also will be a benefit to neighborhoods in which the program participants purchase a home by bringing more owner-occupants to the area.

An officer is eligible if he/she: 1) has completed the employee probationary period; 2) does not own another home in Avondale; 3) can qualify for a mortgage; 4) can provide personal funds (not a gift) of approximately 1% of the purchase price, depending on lender requirements.

The \$20,000 will be amortized or "paid off" over 5 years at a rate of 20% annually as long as the officer remains employed with Avondale as a sworn Avondale Police Department employee. If employment is severed with the City after 5 years of service, no funds would be owed to the City.

BUDGETARY IMPACT:

For the remainder of the fiscal year, a minimum of \$20,600 will be required out of contingency funds up to a maximum of \$60,600. The higher amount will be used if all officers in the pipeline close escrow before June 30.

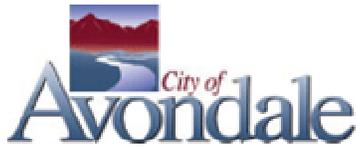
RECOMMENDATION:

Staff recommends approving the transfer of contingency funds in the amount of \$60,600 for the Avondale Police Housing Incentive Program.

ATTACHMENTS:

[Click to download](#)

No Attachments Available



CITY COUNCIL REPORT

SUBJECT:

Resolution 3034-312 - Authorizing Participation in the Metropolitan Phoenix Municipal Employee Benefit Trust

MEETING DATE:

March 19, 2012

TO: Mayor and Council

FROM: Cherlene Penilla, Human Resources Director (623) 333-2218

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is recommending Council adoption of a resolution approving an agreement and declaration of trust and necessary ancillary documents to create an authorize the city's participation in the Metropolitan Phoenix Municipal Employee Benefit Trust

BACKGROUND:

This item was discussed at the February 6, 2012 Council Work Session.

On March 1, 2011, the City of El Mirage hired a benefit consultant to initiate a study to determine the feasibility of developing a municipal pool to provide employee benefits, specifically, health insurance benefits.

In October of 2011 the City of Avondale Benefit Administrator and a member of the City of Avondale Employee Benefit Team along with 14 other Cities and Towns attended a meeting to learn about the opportunity for Avondale to participate in the study. On November 6, 2011, draft benefit schedules were reviewed and approved by four Cities and Towns. The cities and towns in the pool at this time are likely to be:

- 1 Avondale
- 1 Apache Junction
- 1 El Mirage
- 1 Youngtown
- 1 Maricopa

DISCUSSION:

The City of Avondale has approximately 396 (as of October 2011) members and approximately 990 dependents. Combined, the above named cities, including Avondale, would contain a pool of approximately 940 employees and approximately 2,350 dependents for a total of approximately 3,290 members. The pool has been named the Metropolitan Phoenix Municipal Employee Benefit Trust (MPMEBT).

For several years the City of Avondale has actively pursued alternatives to combat escalating costs associated with health care benefits for our City and its employees. After months of research on several options, staff believes the best option is to join the newly formed Metropolitan Phoenix Municipal Employee Benefit Trust Pool. The Cities of Apache Junction, El Mirage and Youngtown have all passed and signed their resolutions and are fully committed to the pool. The City of Maricopa will likely join MPMEBT later this month.

Kathy Reyes, our Benefits Administrator attended all of the exploratory and implementation meetings related to the pool. City Attorney, Andrew McGuire has reviewed all of the legal documents and worked directly with the pool's attorneys to finalize the documents.

BUDGETARY IMPACT:

The proposed FY 12-13 budget will include funding for the per employee per month (PEPM) premium.

RECOMMENDATION:

Staff is recommending Council adoption of a resolution approving an agreement and declaration of trust and necessary ancillary documents to create an authorize the city's participation in the Metropolitan Phoenix Municipal Employee Benefit Trust

ATTACHMENTS:

Click to download

 [Resolution 3034-312](#)

RESOLUTION NO. 3034-312

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING AN AGREEMENT AND DECLARATION OF TRUST AND NECESSARY ANCILLARY DOCUMENTS TO CREATE AND AUTHORIZE THE CITY'S PARTICIPATION IN THE METROPOLITAN PHOENIX MUNICIPAL EMPLOYEE BENEFIT TRUST.

WHEREAS, the Council of the City of Avondale (the "City Council") is empowered pursuant to ARIZ. REV. STAT. § 11-981(A) to procure health, accident, life or disability benefits for employees and officers of the City of Avondale (the "City") through either an insurer licensed by the State or a program of self-insurance; and

WHEREAS, ARIZ. REV. STAT. §§ 11-952 and 11-952.01 provide that two or more public agencies may join together to provide for health, accident, life or disability benefits for employees and officers of the City through either an insurer licensed by the State or a program of self-insurance; and

WHEREAS, the City desires to approve and enter into an agreement for the formation and operation of the Metropolitan Phoenix Municipal Employee Benefit Trust (the "Trust") to provide employee benefits of the type generally described under the provisions of ARIZ. REV. STAT. §§ 11-952 and 11-952.01; and

WHEREAS, joining the Trust requires acceptance by the City through a resolution adopted by the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The City Council hereby approves membership in the Trust, commencing July 01, 2012 and terminating June 30, 2015.

SECTION 3. The City Council hereby approves and agrees to be bound by the provisions of the Metropolitan Phoenix Municipal Employee Benefit Trust Agreement and Declaration of Trust (the "Trust Agreement") in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 4. The City Council hereby approves and accepts the Trust Bylaws effective July 01, 2012 in substantially the form attached hereto as Exhibit B and incorporated herein by reference.

SECTION 5. The City Council hereby approves and accepts the proposed schedule of contributions to be effective on July 01, 2012 in substantially the form attached hereto as Exhibit C and incorporated herein by reference.

SECTION 6. The City Council hereby appoints the Avondale City Manager as Trustee for the City to serve on the Board of Trustees of the Trust from July 01, 2012 until the appointment of a duly-qualified successor.

SECTION 7. The City Council hereby appoints the Avondale Assistant City Manager who has the longest tenure with the City as Alternate Trustee for the City to serve on the Board of Trustees of the Trust from July 01, 2012 until the appointment of a duly-qualified successor.

SECTION 8. This approval is contingent upon the Trust Agreement and Trust Bylaws reflecting compliance with ARIZ. REV. STAT. § 42-17106.

SECTION 9. The Mayor, the City Manager or authorized designee, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, March 19, 2012.

Marie Lopez Rogers, Mayor

ATTEST:

Carmen Martinez, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
RESOLUTION 3034-312

[Trust Agreement]

See following pages.

**METROPOLITAN PHOENIX MUNICIPAL EMPLOYEE BENEFIT
TRUST (MPMEBT)**

AGREEMENT AND DECLARATION OF TRUST

Effective:
July 01, 2012

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This Agreement and Declaration of Trust, with an effective date of July 1, 2012, is made and entered into by and between the Participating Entities who have been invited to Join this Trust and who have provided a Resolution adopted by the Governing Board of the Participating Entity accepting membership in this Trust, for the purposes set forth in A.R.S. § 11-952.01.

RECITALS

WHEREAS, The Participating Entities desire to enter into an agreement pursuant to A.R.S. § 11-952.01 et seq. to pool and maintain a program of employee benefits for the Employees of the Participating Entities and to certain other persons deemed eligible for coverage hereunder; and

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

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

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participating Entities hereby agree as follows:

ARTICLE I. DEFINITIONS

The following are definitions of terms as used in the By-Laws as well as this Trust Agreement. To the extent a term is not specifically defined in the By-Laws, but is defined in this Trust Agreement, the term shall have the meaning given to it in this Trust Agreement.

1.01 “A.R.S.” shall mean the Arizona Revised Statutes, as amended.

1.02 “Beneficiary” shall mean Employees, their dependents and such other persons designated by the Participating Entities as eligible for coverage as set forth in the Summary Plan Description and approved by the Board.

1.03 “Benefits Administrator” shall mean the person(s) or firm employed by the Board who is responsible for processing of claims and payment of benefits, and related services.

1.04 “Board of Trustees” or “Board” shall mean the Trustees of the Metropolitan Phoenix Municipal Employee Benefit Trust acting in their joint capacity as the governing board of the Trust.

1.05 “Employee” shall mean any person employed by a Participating Entity on a regular basis working not less than the number of hours per week required by the Participating Entities for eligibility, and who are not eligible for benefits under any other employee benefits to which the Participating Entity makes contributions.

1.06 “Employee Benefit Program” shall mean the program of benefits to be established by the Board pursuant to this Trust Agreement and A.R.S. § 11-952.01(c).

1.07 “Employee Contributions” shall mean any contributions made by Employees whether comprising part of the Entity Premium or whether made directly to the Fund in order to obtain coverage by the Employee Benefit Program.

1.08 “Entity Contributions” shall mean the contributions made by Participating Entities comprising all or part of the Entity Premium.

1.09 “Entity Premium” shall mean the total monies paid by each Participating Entity to the Fund for the Employee Benefit Program, and shall be equal to the sum of Entity Contributions and Employee Contributions.

1.10 “Fund” shall mean the Trust Fund created by this instrument, and shall mean generally, the monies, property, contracts or things of value, tangible or intangible, received and held by the Board for the uses and purposes of the Trust set forth herein, and those things of value which comprise the corpus and additions to the Fund.

1.11 “Governing Board” shall mean the policy making board of a Participating Entity duly elected or appointed to their respective positions in accordance with the laws and constitution of the State of Arizona.

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

1.13 “Summary Plan Description” shall mean the document(s) that generally describe the employee benefits to be provided by the Trust to the Beneficiaries.

1.14 “Trust” shall mean the entity established by the Trust Agreement pursuant to A.R.S. § 11-952.01 et seq., which shall be referred to as the Metropolitan Phoenix Municipal Employee Benefit Trust.

1.15 “Trust Agreement” shall mean this Agreement and Declaration of Trust and any modifications or amendments thereto.

1.16 “Trust Administrator” shall mean the employee benefit consultant retained by the Board to carry out the obligations of this Agreement in compliance with A.R.S. § 11-952.01(H)(5).

1.17 “Trustee or Trustees” shall mean the individual Trustees and their successors as provided for in this Trust Agreement.

ARTICLE II. PURPOSE OF TRUST AND APPLICATION OF THE FUND

2.01 Creation of Trust. There is hereby declared and created the Metropolitan Phoenix Municipal Employee Benefit Trust to provide employee benefits for the Beneficiaries of the Trust. Such benefits may include, but are not limited to those described under Article 4.05 of this Trust Agreement, whether provided through one or a combination of self-funded or insured programs or both.

2.02 Principal Office. The Principal Office of the Trust shall be located at the location specified in the Bylaws (hereinafter designated and referred to as the “Principal Office”).

ARTICLE III. BOARD OF TRUSTEES

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

3.02 Membership and Appointment. The Board of Trustees shall be comprised of one Trustee and one “Alternate Trustee” appointed by each participating entity. The Trustee shall be the City Manager (or that participating entity’s equivalent) and the Alternate Trustee shall be a management level staff member employed by the Participating Entity. The appointing Participating Entity may remove a Trustee at any time without cause. In the event of the removal or resignation of a Trustee, the appointing Participating Entity shall designate a successor to such Trustee to serve the remainder of the vacated term. The successor shall succeed to the legal interest of his/her predecessor and have the same powers and duties.

3.03 Votes. Each Participating Entity shall be entitled to cast one vote in matters requiring a vote of the Board of Trustees which vote may be cast by a duly-appointed Trustee or Alternate Trustee. In the event the Trustee and the Alternate Trustee are present at the same meeting, in person or by phone, only the Trustee shall cast the Participating Entity’s vote.

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

Alternate Trustee shall be designated by that Participating Entity.

ARTICLE IV. POWERS AND DUTIES OF THE BOARD OF TRUSTEES

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

4.02 Duties of the Board of Trustees. The Board of Trustees shall:

- (a) Hold, manage, care for and keep the Fund for the benefit of the Beneficiaries and collect the income and increments thereof, and shall keep and maintain adequate and proper records to render an annual audit, accounting and reports as hereinafter mentioned.
- (b) Employ or hire such agents, attorneys, accountants, actuaries, employees or other persons and shall purchase, lease or rent real or personal property as may be necessary or desirable in administering the Fund and carrying out its purposes. Agreements for such expenditures shall be in writing and formally approved by the Board. Fees, salaries, wages, emoluments or compensation of any and all such persons and other such expenses shall be paid from the Fund. When acting upon and consistent with advice of counsel for the Trust, the Board shall be relieved of all responsibility for acts performed or not performed.
- (c) Pay any and all taxes of whatever nature the Fund is, or may be, obligated to pay and incur any expenses for supplies, rental of space, or other items, or anything else determined to be necessary or desirable in administering the Fund and carrying out the objects and purposes of this Trust and Trust Agreement.
- (d) Establish terms and conditions of coverage within the plan document including the exclusions of coverage.
- (e) Ensure that all claims are paid promptly.
- (f) Take all necessary precautions to safeguard the assets of the Trust.

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

- (a) Enter into contracts, procure insurance policies, or provide such benefits through self-funding, and to place into effect and maintain the desired schedule of benefits.
- (b) Provide the intended benefits under this Trust by means of self-funding by the Trust and/or by the procurement of group insurance contracts (as permitted by the laws of the State of Arizona) including group insurance contracts issued to and in the name of

the Trust, together with such other forms of contracts issued by qualified insurance companies authorized to do business in the State of Arizona as may be selected by the Board for the purpose of providing for all or part of the benefits provided for under this Trust. The Board is hereby expressly authorized to pay to any insurance company as may be selected by the Board the required insurance premiums in connection with such group insurance contracts issued to the Trust. Whether or not benefits are provided by means of self-funding or by the procurement of group insurance, such decision shall be at the sole and exclusive discretion of the Board.

- (c) Should the Board select or provide for any policy or program of self-funding, no claims for benefits or claims for liabilities shall be brought against the Board or any individual Trustee. The sole and exclusive liability of said Board in the management and operation of any program of self-funding shall be limited to due care in the selection of administrators, claims representatives, actuaries or other officials charged with the administration of such a program of self-funding, subject to the limitations upon such liability based on actions taken with advice of counsel as provided in Section 4.03 of this Agreement. In the event that submitted claims of employees exceed the funds available, the claims shall be paid in the order received.
- (d) Do all those things that the Board determines to be necessary or desirable for the administration and operation of and accomplishment of the objectives and purposes of the Fund and this Trust and Trust Agreement.

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

- (a) Medical and Prescription Drug;
- (b) Long and Short-Term Disability;
- (c) Accidental Death and Dismemberment;
- (d) Dental Benefits;
- (e) Vision Benefits;
- (f) Life Insurance;
- (g) Health Savings Accounts, Health Reimbursement Accounts and Flexible Spending Accounts; and
- (h) Employee Wellness Programs, Employee Assistance Programs, utilization review programs, claims management programs and other programs intended to (i) improve Employee health, (ii) reduce costs to the Trust and to Employees and (iii) otherwise

control losses.

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

- (a) If not so deposited, any accumulated funds not currently required for the purposes of this Trust shall be invested by the Board in reasonably secure, reasonably liquid investments in a manner consistent with the adopted investment policy of the Trust and in compliance with the provisions of A.R.S. § 35-323 et seq.
- (b) The Board may accumulate dividends, experience rating refunds or other monies, if any, accruing from any insurance policy or policies, deposits or investments. Such dividends, refunds or other monies, or all of them, shall be held in the Fund, applied to the payment of self-funded claims, the payment of insurance premiums or held, used or applied as herein set forth.
- (c) The Board may enter into financial services agreements with banks and may authorize the Trust to issue checks in its own name as required to further the purposes and objectives of the Trust.

4.06 Trustees' Expense Reimbursement. The Trustees shall receive reimbursement for actual reasonable and necessary expenses incurred by the Trustees in carrying out their duties pursuant to the Trust Agreement. Expenses reimbursed under this provision shall be limited to those which would be reimbursable under the policies of the Participating Entity that the Trustee has been appointed to represent.

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

4.08 Presumption of Validity. No person transacting business with the Board shall be obligated to (i) ensure proper application of any monies or property of the Fund, (ii) ensure that the terms of this Trust Agreement have been complied with or (iii) inquire as to the necessity of expediency of any act by the Board. Every instrument executed by the Board shall be conclusive in favor of every person who in good faith relies upon it that:

- (a) At the time of the delivery of the instrument, this Trust Agreement was in full force and effect;
- (b) The instrument was executed in accordance with the terms and conditions of the Trust Agreement; and
- (c) The Board was duly authorized to execute the instrument or direct its execution.

4.09 Withdrawals. All checks, drafts, vouchers or other withdrawals from the fund or depositories and the transfer or liquidating of insurance policies of investments shall be signed by appropriate signatories as determined by the Board of Trustees.

4.10 Administrative Disputes. In the event of any dispute between the Board and the Benefits Administrator or any other parties providing services to the Trust over exercise of powers granted herein, the Board's interpretation shall prevail and the service organization shall have no liability to any person with respect to the disputed act or omission in the event that it gives written notice of its dissent from such act or omission to each Trustee and to the Participating Entities no later than thirty (30) calendar days from the date of such event or disputed act.

4.11 Selection of Chairperson. The Trustees shall elect from among themselves at their first meeting a Chairperson who shall preside at all meetings of the Board and who shall be empowered to perform ministerial duties of the Board as the Board may from time to time delegate to him/her.

4.12 Selection of Vice-Chairperson. The Trustees shall elect from among themselves at their first meeting a Vice-Chairperson who shall, in the absence or incapacity of the Chairperson, preside at all meetings of the Board and who shall, when acting as Chairperson, be empowered to perform ministerial duties of the Board as the Board may from time to time delegate to him/her.

4.13 Selection of Recording Secretary. The Chairperson shall appoint a Recording Secretary who shall keep minutes of all meetings, proceedings and acts of the Board, which record shall be available at the Principal Office for inspection by all the Trustees and interested persons during usual business hours. Such record and minutes need not be verbatim. The Recording Secretary need not be a Trustee.

4.14 Board of Trustees' Meetings. The Board shall hold an initial meeting as soon as practical after being appointed. The Board shall determine the time and place of the regular meetings which shall be held at least quarterly. Special meetings may be called by the Chairperson or by a number of Trustees equal to one less than a majority of the Board. Minutes of all meetings shall be taken. Meetings shall be conducted in accordance with applicable laws, rules, bylaws or regulations. At least seven (7) days written notice designating the time and place of an annual, regular or special meeting shall be given to the Trustees. In the event of an emergency, a special meeting may be held with such lesser notice as may be appropriate and otherwise permissible by law. Any meeting at which all Trustees are present, in person or concerning which all Trustees have waived notice in writing, shall be a valid meeting without requirement that notice be given to the Trustees.

4.15 Quorum Requirement and Voting. To constitute a quorum at any regular or special meeting of the Board, there must be present in person or telephonically at least one Trustee or Alternate Trustee from a majority of the Participating Entities. Unless otherwise specifically stated in this Agreement, or as required by applicable law, action of the Board of Trustees will be

by a majority vote of the quorum present when such action is taken.

4.16 Location of Meetings. All meetings of the Board shall be held at such location or locations as designated from time to time by the Board, and Trustees may appear by telephonic or other electronic means if necessary. When meetings are conducted electronically, reasonable efforts will be made to accommodate public participation at a publicly accessible location in the Principal Offices or at a facility owned or controlled by a Participating Entity and in a manner consistent with applicable federal and Arizona laws and regulations.

4.17 Fiscal Year and Audit. The accounting year of the Fund shall be on a fiscal year basis. The initial fiscal year shall commence on July 1, 2012 and end on June, 30 2013. Subsequent fiscal years shall commence on July 1 and end on June 30 of the following year. Any report required by law, city, county, State or Federal or the respective subdivisions thereof, shall be made by the Board. The Board shall have an annual audit and accounting of the Trust Fund by an independent Certified Public Accountant in accordance with generally accepted accounting practices, at the end of each fiscal year. The Accountant shall certify to the accuracy of the audit and accounting. A statement of the results of each audit shall be available for inspection by authorized persons at the Principal Office of the Trust. Copies of the audit and generalized statements of the accounting and reports shall be filed with the Arizona Department of Insurance and also delivered to the Clerk of the Governing Board of each Participating Entity and to each Trustee after each audit or as otherwise required. Copies of the audit shall be retained by the Board of Trustees for a period of at least five years.

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

4.19 Bonding Requirements. The Board shall procure or provide for the procurement of fidelity bonds for the Trust and persons and organizations authorized to receive handle, deal with or draw upon the monies in the fund for any purpose whatsoever, said bonds to be in such amount to aid in the reimbursing of bondable loss of money, and in the event shall meet the requirements as may be required, from time to time as applicable under United States or State law. Such bonds are to be obtained from reputable fidelity or surety companies as the Board shall determine. If convenient, and in conformity with the law, such bonds may be position bonds. The cost of the premiums on such bonds may be paid out of the corpus or income of the fund or paid for by the persons or organizations required to purchase such bonds. If any fidelity or surety company refuses to bond or write a bond for any Trustee, or other person described in this section, said Trustee or person shall not serve and shall resign.

ARTICLE V. PAYMENTS TO THE FUND

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

5.02 Interest on Premiums in Arrears. Entity Premiums not paid as of the due date as provided in Section 5.01 shall be subject to the late payment process as outlined in the Bylaws.

5.03 Employer Contributions Not Wages. Employer Contributions paid or accrued to the order of the Fund through Entity Premiums shall not constitute or be deemed wages due employees, nor shall such contributions in any manner be subject to the debts, contracts or liabilities of the Participating Entity. No Participating Entity, Employee, or Beneficiary under the Plan shall have any rights, title or interest in the Fund, except as specifically provided in this Trust Agreement.

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

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

5.06 Payroll Deductions. All Employee Contributions shall be paid by payroll deductions. The Participating Entity shall remit all monies obtained through payroll deductions in a lump sum to the Fund as part of the Entity Premium described herein.

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

5.08 Wage Reports/Audits. The Participating Entity shall provide to the Trust or make available to the Trust for inspection all payroll or wage reports required by the Board upon request. The Board may at any time vote to have an audit of a Participating Entity's payroll records performed by an independent Certified Public Accountant or other qualified individual or organization as determined by the Board to confirm the accuracy of required reports and to confirm the correct levels of contributions.

5.09 Contributions Irrevocable. Subject to the provisions of Article XVII with respect to

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

5.10 Assessments. In the event a deficit shall develop which is creditable to any plan or fiscal year, the Board shall specifically notify each Participating Entity of such deficit and vote to order an assessment to the Participating Entities sufficient to cure the deficit. Assessments shall be distributed among the Participating Entities on a pro-rata basis, as calculated by the amount of each member's contributions for the plan or fiscal year to which the deficit is credited. Assessments shall not exceed the amount of the member's annual contribution to the pool. All such assessments shall be made to comply with applicable provisions of A.R.S. § 11-952.01 et seq.

ARTICLE VI. PAYMENT OF BENEFITS

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

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

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

6.04 Summary Plan Description. The Benefits to be provided pursuant to the Trust Agreement, whether by self-funding or by insurance contract, shall be set forth in one or more Summary Plan Descriptions which shall also explain the eligibility rules for coverage for employees and dependents.

6.05 Protection of Employees. Prior to payment to an Employee or other Beneficiary, all assets of the Trust shall be owned by the Trust and shall not be liable in any way for any debt or obligation of any Employee. To the extent permitted by law, all Trust benefits shall be exempt from attachment, garnishment, levy of execution, bankruptcy proceedings, or other legal process at any time subject to the Trustee's possession and control; but in any event, such assets shall be

subject to such process only to the extent of such Employee's benefits hereunder as they come due.

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

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

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

ARTICLE VII. CONTROVERSIES AND DISPUTES

7.01 Interpretation of Trust Documents. The Board of Trustees shall have the power to construe, interpret and apply the provisions of the Agreement and Declaration of Trust or any amendments, rules or regulations adopted pursuant thereto and the terms used herein and any construction, interpretation or application adopted in good faith shall be final and binding upon the Participating Entities, and upon Employees and their respective families, dependents, successors, assigns, executors, administrators and/or their legal representatives.

7.02 Settlement of Benefit Claims. The Board may, in its sole discretion, compromise or settle any disputed benefits claim controversy in such manner as it deems appropriate and consistent with applicable law and regulation. All decisions made by the Board shall be conclusive and binding upon all parties.

ARTICLE VIII. RESPONSIBILITIES AND LIABILITIES

8.01 Responsibilities and Liabilities of the Board of Trustees. The Board shall only be responsible for monies when and if said monies are received in accordance with the provisions of this Trust Agreement. The Trustees shall only be responsible for any liability arising from their respective gross negligence, bad faith or willful misconduct in handling of the monies received in hand by them for execution and administration of the terms of the Fund. The Trustees shall not be responsible for the actions or omissions of their Co-Trustees, nor for the acts or omissions of other agents, or for any of the acts or omissions of any insurance company or its agents, servants or representatives, including, but not limited to non-payment of claims by an insurance company or companies for any reason. No Trustee shall be entitled to any indemnifications of court costs or attorneys' fees from any liability arising from his/her own willful misconduct, bad faith or gross negligence. To the extent that their actions do not constitute willful misconduct, bad faith or gross negligence, Trustees shall not be liable for actions taken on advice of counsel for the Trust as provided in Section 4.03.

8.02 Successors' Liability. No Successor Trustee shall be liable or responsible for any acts or defaults of his/her predecessor(s), or for any losses or expenses resulting from or occasioned by acts or omissions of the prior administration of the Fund or the Trust. A Successor Trustee is responsible solely for his/her actions as set forth in Section 8.01 herein.

ARTICLE IX. AMENDMENT OF THE TRUST AGREEMENT

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

9.02 Procedures. Prior to amendment of this Trust Agreement, the Board shall notify each Participating Entity not less than thirty (30) calendar days prior to the date on which such proposed amendments are to be considered by the Board of Trustees. Such notice shall set forth in sufficient detail the nature of the proposed amendments and shall invite questions or comments. Amendments to the Trust Agreement shall require a 2/3 vote of the Board of Trustees. Approved amendments shall be signed by the Chairperson of the Board of Trustees. Amendments to the Trust Agreement shall be filed with the governmental entity or entities as required by law and in the manner provided by law for such agreements. Proposed amendments to the Trust Agreement shall be reviewed and approved in writing as to form by counsel for the Trust prior to consideration by the Board of Trustees. Following approval by the Board of Trustees, proposed amendments shall be submitted to the Governing Boards of the Participating Entities. A proposed amendment shall become effective on the date specified after approval by the Governing Boards of no less than $\frac{3}{4}$ of the total number of Participating Entities. Upon

approval of a proposed amendment by the requisite number of Governing Boards as provided herein, a Participating Entity whose Governing Board fails to approve the proposed amendment may elect to voluntarily terminate its membership in the Trust pursuant to the provisions of Article XV of this Trust Agreement.

ARTICLE X. NON-VESTING OF RIGHTS

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

ARTICLE XI. PROVISIONS RELATING TO INSURANCE COMPANIES

11.01 Status of Insurance Companies. No insurance company that issues any policies or contracts for the purpose of fulfilling the terms of the Agreement shall be deemed to be a party to this Agreement, nor shall it be responsible for the validity of this Agreement, nor is this Agreement in any manner for the benefit of any insurance company or companies. No insurance company shall be required to determine the validity of this Agreement or to question the authority of or action of the Board, or be responsible to confirm that any action taken by the Board is authorized by the terms of this Agreement.

ARTICLE XII. PROGRAM ADMINISTRATION

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

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

12.02 Termination of Agents. The Board may remove any agent for administration at any time, without cause, after thirty (30) calendar days written notice to the agent unless otherwise provided in contracts for employment of such agents that were approved by the Board.

12.03 Consultant/Administrator. The Board shall retain a Benefits Administrator and a Trust Administrator, both of whom must be licensed pursuant to Title 20, Chapter 2, Article 3 or 9 or such other law as may be applicable. Such licensing shall be verified by the Board prior to any appointment pursuant to this section. The Board shall keep minutes of its actions and shall reflect in those minutes the retention of these Administrators and the areas of their authority as required by A.R.S. § 11-952.01(H)(5).

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

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

ARTICLE XIII. ADDITIONAL MEMBERS

13.01 Eligibility for Membership. Effective July 02, 2012, cities, towns, counties, fire districts, municipal corporations and any other political subdivisions of these types of entities as may be eligible for membership pursuant to A.R.S. § 11-952 et seq. located within the State of Arizona shall be eligible to be considered for membership as a Participating Entity.

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

13.03 Approval of Applications. Completed applications will be reviewed and evaluated based on standards established by the Board to ensure that approvals of applications are based on the best interest of the Trust, its Participating Entities and their Employees. Decisions of the Board may be based upon recommendations of their employees or agents. The Board, in a regularly convened meeting, may, by two-thirds vote, approve the application for membership subject to such terms and conditions as may be established by the Board in their sole discretion. Decisions of the Board with respect to membership applications will be final. If accepted for membership, an entity will be bound by all applicable terms and conditions of this Agreement and Declaration of Trust as well as all policies, procedures and regulations established pursuant to this Agreement. Representatives of Participating Entities approved for membership may attend meetings of the Board of Trustees, but will not be allowed to vote or otherwise formally participate in the governance or benefits of the Trust until the date on which the Entity's Employees become eligible to receive benefits under the Employee Benefit Program.

ARTICLE XIV. DURATION OF AGREEMENT

14.01 Term of Agreement. This Declaration of Trust shall continue in full force and effect until terminated as provided in accordance with the procedures set forth in Article XVII of this Trust Agreement.

14.02 Initial Term of Participation; Renewals. The initial membership term for new members shall be for a period of not less than thirty six (36) calendar months. The length of the initial term shall be set to align the Participating Entity's membership term with the July 01 to June 30 Fiscal Year of the Trust at the earliest possible date. Membership in the Trust may not be terminated by any Participating Entity during the initial membership term except as expressly provided herein. Notwithstanding these limitations on voluntary termination, coverage under the Employee Benefit Plan may be suspended or terminated as provided herein for nonpayment of Entity Premiums or other violations of the terms of this Agreement and Declaration of Trust. After expiration of the initial membership term, a Participating Entity may terminate its participation as provided in Article XV herein or may request that the Board of Trustees approve an additional Renewal Term. Renewal terms shall be for thirty six (36) calendar months. Approval of Renewal Terms requires a 2/3 vote of the Board of Trustees. Membership in the Trust may not be voluntarily terminated during Renewal Terms except as expressly provided herein.

14.03 Non-Appropriation Penalty. In the event a Participating Entity fails to appropriate the funds for any particular plan year, or portion of a plan year, within that Participating Entity's initial term of participation, or the current renewal term, which is applicable, the Participating Entity agrees to pay a penalty in an amount equal to what that Participating Entity's obligations would have been for the entire remainder of the initial term of participation, or the current renewal term, whichever is applicable, had the appropriation been made. The "initial term of participation" and the "renewal term" are set forth in Section 14.02 above.

ARTICLE XV. VOLUNTARY TERMINATION OF MEMBERSHIP

15.01 Procedure. Membership in the Trust may be voluntarily terminated by a Participating Entity upon conclusion of its Initial Term of Participation or a subsequent Renewal Term, subject to the following conditions:

- (a) Written notice of voluntary termination must be received no later than ninety (90) calendar days prior to the last day of the Participating Entity's Initial Term of Participation or current Renewal Term, as applicable.
- (b) Termination will be effective as of the last day of the Participating Entity's Initial Term of Participation or current Renewal Term, as applicable.
- (c) Once termination is effective, a former Participating Entity shall not be eligible for readmission to the Trust for a minimum of three fiscal years. Application for readmission shall be made according to the procedures set forth in Article XIII of this Agreement.
- (d) Termination will not relieve a former Participating Entity of any obligations, financial or otherwise, imposed upon Participating Entities pursuant to this Agreement for the period during which the former Participating Entity was a member of the Trust.
- (e) Participating Entities terminating their membership in the Trust in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.02 of this Agreement.

15.02 Termination Due to Amendment of the Trust Agreement. Notwithstanding the provisions of Article 15.01 a Participating Entity may elect to voluntarily terminate its membership prior to the end of their Initial Term of Participation or their subsequent Renewal Term provided the Participating Entity provides a ninety (90) calendar days advance notice as required by A.R.S. § 11-952.01(L), under the following conditions:

- (a) The Governing Board of the Participating Entity wishing to terminate its membership pursuant to this Article must have failed to approve a proposed amendment to the Trust Agreement which was approved by the requisite number of Governing Boards pursuant to Article 9.02 of this Trust Agreement.
- (b) The approved amendment to the Trust Agreement is to become effective prior to the end of the current renewal period.
- (c) The proposed date of termination of membership is to be on or before the effective date of the approved amendment to the Trust Agreement or upon such later date as

may be approved by the Board of Trustees during which period the terminating entity shall not be subject to the provisions of the approved amendment to the Trust Agreement.

- (d) Any voluntary termination pursuant to this Article 15.02 shall also be subject to the provisions of Article 15.01(c) of this Trust Agreement.
- (e) Participating Entities voluntarily terminating their memberships in the Trust in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.02 of this Trust Agreement.

ARTICLE XVI. SUSPENSION AND EXPULSION

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

- (a) Unless the default is cured within ten (10) calendar days of receipt of the notice, coverage may be suspended for a period of up to eighty (80) calendar days without further notice or administrative process.
- (b) During the eighty (80) day suspension period, the Board of Trustees shall determine if the Participating Entity should be expelled as a Participating Entity effective ninety (90) calendar days following receipt of notice of expulsion.
- (c) That prior to removal of any previously-imposed suspension, the Board may impose specific reasonable conditions for reinstatement of coverage and continued membership in the Trust.
- (d) That the defaulting Participating Entity will be liable for unpaid premiums and/or benefit payments, administrative costs and other costs incurred by the Trust between the date that premium payments became in arrears and the date of suspension of benefits plus interest accrued as provided in Section 5.02 of this Trust Agreement.

16.02 Expulsion. Participating Entities may only be expelled from the Trust upon a majority vote of a quorum of Trustees and upon the statutory required ninety calendar (90) notice prior to the effective date of expulsion. Participating Entities that are expelled from membership in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.03 of this Agreement.

ARTICLE XVII. TERMINATION OF TRUST

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

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

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

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

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

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

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

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

- (a) Surpluses payable to the former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75%) of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination, and any remaining surplus balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Board.
- (b) Deficits payable to the Trust from the former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75%) of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination and any remaining deficit balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Trustees.
- (c) At the time of the final distribution of surpluses or deficits as provided for in this section 18.02, the Board shall render a final accounting of the affairs of the Trust to the former Participating Entity whose membership terminated as provided hereunder.

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

- (a) Former Participating Entities shall remain liable for the full amount of contributions that would otherwise have been due to the Trust during the period of time between the date of such Entity's expulsion and the scheduled end of such Entity's Initial or Renewal Term of Participation. Amounts due to the Trust under this Article may be collected through reduction of any surpluses otherwise due to the former Participating Entity in accordance with Article 18.03 (b) or, in the event the former Participating Entity has no surplus due to it, or that the amount due to the Trust under this Article exceeds the amount of surplus due to the former Participating Entity, through assessment in accordance with Article 18.03(c) of this Trust Agreement.
- (b) Surpluses payable to former Participating Entities that were expelled in accordance

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

- (c) Deficits payable to the Trust from an expelled former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75%) of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination and any remaining deficit balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Board.
- (d) At the time of the final distribution of surpluses or deficits as provided for in this section 18.03, the Board shall render a final accounting of the affairs of the Trust to the former Participating Entity whose membership terminated as provided hereunder.

ARTICLE XIX. MISCELLANEOUS

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

19.02 Fiduciary Liability. The fiduciary liability and funding of all eligible benefits as determined by the Plan Document shall be the sole responsibility of the Board acting in their official capacity and shall not be determined to be a fiduciary duty of any Participating Entity.

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

19.04 Situs of Trust. The City of Phoenix, County of Maricopa, State of Arizona, shall be deemed the situs of the Trust created hereunder. All questions pertaining to validity, construction and administration shall be determined in accordance with the laws of such State and County. This Trust Agreement is deemed made, executed and delivered in such State.

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

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

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

19.08 Taxation of Contributions, Assets, Income and Benefits. This Trust Agreement is being entered into and contributions are being made based upon the expectation that contributions made hereunder will not be subject to taxation and that benefits received by employees or other beneficiaries will not be deemed compensation in determination of federal, state or local tax liability. The parties hereto, individually and collectively, agree to take or cause to be taken any and all steps that may be necessary or advisable in order to obtain and/or maintain a tax-exempt status for this Trust. In the event that any provisions of this Trust Agreement are determined to impose tax obligations on any Participating Entity or Employees or other Beneficiaries, any steps necessary to eliminate such obligations shall be taken immediately. Nothing in this section shall be deemed to impose liability on the Board, the Trust or Participating Entities in the event that

contributions or benefits are deemed taxable or in the event that investment income received by the Trust is determined to be subject to taxation.

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

ARTICLE XX. STOP LOSS PROVISIONS

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

ARTICLE XXI. LOSS CONTROL PROGRAM

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

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

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

22.01 The Participating Entities in the Metropolitan Phoenix Municipal Employee Benefit Trust shall only use protected health information (“PHI”) to the extent of and in accordance with the uses and disclosures permitted by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). Specifically, the Participating Entities may use and disclose PHI for purposes

related to health care treatment, payment for health care and health care operations.

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

- (a) Determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums and copayments as determined for an individual's claim);
- (b) Adjudication of health benefit claims (including appeals and other payment disputes);
- (c) Subrogation of health benefit claims;
- (d) Establishing Employee Contributions;
- (e) Risk adjusting amounts due based on enrollee health status and demographic characteristics;
- (f) Billing, collection activities and related health care data processing;
- (g) Claims management and related health care data processing, including auditing payments, investigating and resolving payment disputes and responding to Beneficiary inquiries about payments;
- (h) Obtaining payment under a contract for reinsurance (including stop-loss and excess of loss insurance);
- (i) Medical necessity reviews or reviews of appropriateness of care or justification of charges;
- (j) Utilization review, including precertification, preauthorization, concurrent review and retrospective review;
- (k) Disclosure to consumer reporting agencies related to the collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number and name and address of the provider and/or health plan); and
- (l) Reimbursement to the Trust.

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

- (a) Quality assessment;

- (b) Population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, disease management, contacting health care providers and patients with information about treatment alternatives and related functions;
- (c) Rating provider and plan performance, including accreditation, certification, licensing or credentialing activities;
- (d) Underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing or placing a contract for reinsurance of risk relating to health care claims (including stop-loss insurance and excess of loss insurance);
- (e) Conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;
- (f) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Trust, including formulary development and administration, development or improvement of payment methods or coverage policies;
- (g) Business management and general administrative activities of the Trust, including, but not limited to:
 - (i) Management activities relating to the implementation of and compliance with HIPAA's administrative simplification requirements, or
 - (ii) Customer service, including the provision of data analyses for Employees, the Trust or other Beneficiaries; and
- (h) Resolution of internal grievances.

22.04 The Participating Entity agrees to:

- (a) Not use or further disclose PHI other than as permitted or required by the Plan Document or as required by law;
- (c) Ensure that any agents, including a subcontractor to whom the Participating Entity provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Participating Entity with respect to PHI;
- (d) Not use or disclose PHI for employment-related actions and decisions unless authorized by a Beneficiary;
- (e) Not use or disclose PHI in connection with any other benefit or employee benefit plan of

the Participating Entity unless authorized by a Beneficiary;

- (f) Report to the Trust any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;
- (g) Make PHI available to a Beneficiary in accordance with HIPAA's access requirements;
- (h) Make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;
- (i) Make available the information required to provide an accounting of disclosure;
- (j) Make internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the HHS Secretary for the purposes of determining the Trust's compliance with HIPAA; and
- (k) If feasible, return or destroy all PHI received from the Trust that the Participating Entity still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

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

- (a) The human resources director or the individual assigned by the governing body of a Participating Entity to perform said function; and
- (b) Staff designated by the person assigned pursuant to Article 22.05(a).

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

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

EXHIBIT A

Participating Entities – Metropolitan Phoenix Municipal Employee Benefit Trust as authorized and approved by the Board of Trustees as of July 1, 2012 including Initial Terms of Participation established pursuant to Article 14.02 of the Trust Agreement.

	<u>Participating Entity</u>	<u>Membership Term</u>
1.	City of Apache Junction	July 01, 2012 - June 30, 2015
2.	City of Avondale	July 01, 2012 - June 30, 2015
3.	City of El Mirage	July 01, 2012 - June 30, 2015
4.	Town of Youngtown	July 01, 2012 - June 30, 2015

EXHIBIT B
TO
RESOLUTION 3034-312

[Trust Bylaws]

See following pages.

**Metropolitan Phoenix Municipal Employee Benefit Trust
(MPMEBT)**

Bylaws

Effective:
July 01, 2012

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Section 1. Definitions

The following are definitions of terms as used in these By-Laws as well as the Trust Agreement. To the extent a term is not specifically defined in these By-Laws, but is defined in the Trust Agreement, the term shall have the meaning given to it in the Trust Agreement.

1.01 “A.R.S.” shall mean the Arizona Revised Statutes, as amended.

1.02 “Beneficiary” shall mean Employees, their dependents and such other persons designated by the Participating Entities as eligible for coverage as set forth in the Summary Plan Description and approved by the Board.

1.03 “Benefits Administrator” shall mean the person(s) or firm employed by the Board who is responsible for processing of claims and payment of benefits, and related services.

1.04 “Board of Trustees” or “Board” shall mean the Trustees of the Metropolitan Phoenix Municipal Employee Benefit Trust acting in their joint capacity as the governing board of the Trust.

1.05 “Employee” shall mean any person employed by a Participating Entity on a regular basis working not less than the number of hours per week required by the Participating Entities for eligibility, and who are not eligible for benefits under any other employee benefits to which the Participating Entity makes contributions.

1.06 “Employee Benefit Program” shall mean the program of benefits to be established by the Board pursuant to this Trust Agreement and A.R.S. § 11-952.01(c).

1.07 “Employee Contributions” shall mean any contributions made by Employees whether comprising part of the Entity Premium or whether made directly to the Fund in order to obtain coverage by the Employee Benefit Program.

1.08 “Entity Contributions” shall mean the contributions made by Participating Entities comprising all or part of the Entity Premium.

1.09 “Entity Premium” shall mean the total monies paid by each Participating Entity to the Fund for the Employee Benefit Program, and shall be equal to the sum of Entity Contributions and Employee Contributions.

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

1.11 “Governing Board” shall mean the policy making board of a Participating Entity duly

elected or appointed to their respective positions in accordance with the laws and constitution of the State of Arizona.

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

1.13 “Summary Plan Description” shall mean the document(s) which generally describe the employee benefits to be provided by the Trust to the Beneficiaries.

1.14 “Trust” shall mean the entity established by the Trust Agreement pursuant to A.R.S. § 11-952.01 et seq., which shall be referred to as the Metropolitan Phoenix Municipal Employee Benefit Trust.

1.15 “Trust Agreement” shall mean this Agreement and Declaration of Trust dated July 01, 2012 and any modifications or amendments thereto.

1.16 “Trust Administrator” shall mean the employee benefit consultant retained by the Trust to carry out the obligations of this Agreement in compliance with Arizona Revised Statute § 11-952.01(H)(5).

1.17 “Trustee or Trustees” shall mean the individual Trustees and their successors as provided for in this Trust Agreement.

Section 2. Investments

Investments of Trust cash assets not required for immediate operating expenses may be invested by the Trust, but the investments are to be limited to the following investments:

- A. Government Securities;
- B. State of Arizona Local Government Investment Pool (LGIP); and
- C. Other investments allowable under A.R.S. § 35-323.

Notwithstanding the provisions of this section, each type of investment actually utilized shall be subject to prior approval of the Board of Trustees.

Section 3. Expense Reimbursement

Trustees shall be entitled to receive reimbursement for actual reasonable expenses incurred in carrying out their duties as a Trustee and which are consistent with the Trust Agreement including, but not limited to:

- A. **Meals, Lodging, Air Travel.** Reimbursement for the actual amount of meals, lodging and

air travel expenses as evidenced by receipts.

- B. **Automobile Mileage.** Reimbursement for automobile travel expenses at the rate established by the Internal Revenue Service for purpose of travel expense deductions.
- C. **Other Expenses.** Expenses reimbursed under this provision shall be limited to those which would be reimbursable under the policies of the Participating Entity that the Trustee has been appointed to represent.

Section 4. Meetings

- A. **Open Meeting Laws.** All meetings of the Trust shall comply with the requirements of the Arizona Open Meetings Law.
- B. **Annual Meeting.** The Trust shall designate one of its regular quarterly meetings as the Trust's Annual Organization Meeting for the purpose of selecting officers and to conduct such other business as may be necessary. To the extent possible, the Board of Trustees shall utilize the same quarterly meeting each year as the annual meeting.
- C. **Special Meeting.** The Chairperson may call a special meeting upon seven (7) days notice to Trustees. A special meeting may be also be called by a number of Trustees equal to one less than a majority of the Board. In the event of an emergency, a special meeting may be held with such lesser notice as may be appropriate and otherwise permissible by law. Upon calling a special meeting, the Chairperson or Trust Administrator shall promptly notify all Participating Entities and shall prepare and distribute a written agenda in compliance with the requirements of the Open Meeting Law.

Section 5. Officers

- A. **Election of Officers.** At the Annual Organization Meeting, there shall be selected from the Board of Trustees of the Trust, a Chairperson and a Vice Chairperson. In addition, the Chairperson shall designate a Recording Secretary. These officers shall have the authority to act in those circumstances and on those matters as specified in the Trust Agreement, in these Bylaws or as otherwise directed by a majority of the Board of Trustees acting in a public meeting.
- B. **Term of Office.** Each officer selected shall serve for a period of one year, and be eligible for re-election for successive terms, or until his/her successor is duly elected and takes office.
- C. **Duties of Officers.** The officers of the Trust shall have the following duties:
 - 1. **Chairperson.** The Chairperson shall preside at all meetings of the Board of Trustees and perform the usual and customary duties of the Chairperson and such other duties as may be prescribed by the Board of Trustees from time to time. The Chairperson, alone or

together with such officer or officers as the Board of Trustees may designate by resolution or bylaw, may sign any contracts or other instruments which the Board of Trustees have authorized to be executed.

2. Vice-Chairperson. The Vice Chairperson will, in the absence of the Chairperson or in the event of the inability or refusal of the Chairperson to act, perform the duties of the Chairperson.
3. Recording Secretary. The Chairperson shall appoint a Recording Secretary who shall keep minutes of all meetings, proceedings and acts of the Board of Trustees, which records shall be available at the Principal Office for inspection by all the Trustees and interested persons during usual business hours. Such records and minutes need not be verbatim. The Recording Secretary need not be a Trustee.

Section 6. Audits

- A. **Mandatory Financial Audit.** The Board of Trustees shall retain the appropriate independent professional to perform an annual financial audit as provided by applicable law and the Trust Agreement. In addition to complying with the requirements imposed by statute and the Trust Agreement, the financial auditor shall perform such additional duties as may be directed by the Board of Trustees.
- B. **Recommended Audits.** In addition to the mandatory audit, the Board of Trustees may conduct the following audits at such intervals as they may determine is in the best interest of the Trust:
 1. Claims Audit. The performance of the Benefits Administrator may be audited to determine whether claims have been paid in accordance with applicable provisions of the Plan Document or to otherwise evaluate the general or specific performance of the Benefits Administrator as deemed appropriate or desirable by the Board of Trustees.
 2. Operational Audit. The Board of Trustees may direct that an independent party conduct an operational audit of the Trust, its individual service providers or any aspect or operation of the Trust.

Section 7. Entity Contribution

- A. **Entity Contribution Payments.** Participating Entity Contribution payments shall be due and payable as of the last business day of each month.
- B. **Entity Contribution Rates.** Contribution rates shall be established annually or at other intervals if determined by the Board of Trustees to be in the best interest of the Trust and its beneficiaries. Rates shall be based upon sound actuarial principles consistent with fiscal stability of the Trust and the interest of the Beneficiaries.

C. **Past Due Entity Contribution Payments.** Entity Contributions not paid as of the date specified in Paragraph A of this Section shall be subject to the following late payment process which shall be in addition to any penalties set forth in the Trust Agreement:

- 1st Late Payment – Letter of Warning;
- 2nd Late Payment – Shall accrue a late payment penalty equal to 0.5% of the Entity’s current monthly billing amount;
- 3rd Late Payment – Shall accrue a late payment penalty equal to 1.0% of the Entity’s current monthly billing amount;
- 4th Late Payment – Shall accrue a late payment penalty equal to 1.5% of the Entity’s current monthly billing amount;
- 5th Late Payment and thereafter – Shall accrue a late payment penalty equal to 2.0% of the Entity’s current monthly billing amount.

1. **Late Payment Penalty Timing.** The late payment penalty shall be added by the Benefits Administrator, or Trust Administrator, to the Entity's monthly contribution statement and shall be due and payable as part of the Entity’s next monthly contribution.

2. **Penalties Cumulative.** The late payment penalties set forth above are cumulative, such that any late payments during the term of the Trust Agreement, including payments that remain unpaid over more than one payment period, shall be counted for purposes of determining the total number of late payments. The following are two examples of the manner in which penalties may be cumulated:

Example 1: A Participating Entity’s first late payment receives a letter of warning. If the first late payment is not paid by the next payment due date, a late payment penalty of 0.5% shall be applied to any outstanding late balances. If the first late payment remains unpaid by the next succeeding payment due date, a late payment penalty of 1.0% shall be applied to any outstanding late balances, including any penalty amounts.

Example 2: A Participating Entity makes the first three payments timely, but is late with the fourth, which results in a letter of warning. The Participating Entity then timely makes the next three payments, but is late with the eighth payment; a 0.5% penalty shall be assessed.

3. **Discretionary Penalty Waiver.** The Board of Trustees retains the authority to waive, at its sole discretion, the late payment penalty in the case of extenuating circumstances if requested by the Participating Entity. The decision whether to waive the late penalty shall be made at the Board’s next-available regularly-scheduled meeting following the Participating Entity’s request and such decision shall be final and binding.

Section 8. Membership

- A. **Eligibility.** Effective July 02, 2012, cities, towns, counties, fire districts, municipal corporations and any other political subdivisions of these types of entities as may be eligible for membership pursuant to A.R.S. § 11-952 et seq. located within the State of shall be eligible to be considered for membership as a Participating Entity.
- B. **Application for Membership.**
1. **Form of Application.** Application for membership shall be made on forms provided by the Trust.
 2. **Deadline for Application.** Completed applications, as defined by the Board of Trustees, shall be received by the Trust no less than sixty (60) calendar days prior to the proposed date that membership would be effective.
 3. **Evaluation Criteria.** Application for membership in the Trust shall be based upon criteria approved by the Board of Trustees.
 4. **Board of Trustees Action.** The Board of Trustees shall act on applications no less than ten (10) business days after notification to the applicant that its application is complete. This limit may be extended in order to obtain additional information required by the Trust or other parties involved in the underwriting/selection process.
- C. **Acceptance of Membership Invitation.** Upon notification to an applicant of an offer for membership in the Trust, the applicant shall provide to the Trust a resolution of its Governing Body, no more than thirty (30) calendar days following such notification accepting the offer to become a member of the Trust. The resolution shall include:
1. Approval of the Trust Agreement and designation of a representative to execute the agreement;
 2. Acceptance of the proposed schedule of premiums as determined by the Board of Trustees;
 3. Acceptance of the Trust Bylaws as approved and adopted; and
 4. Determination by legal counsel for the entity that the resolution and agreements are in proper form and are within the powers of the entity to approve.

Section 9. Operations

- A. **Applicable Laws.** The Trust and its officers, employees and contractors will conform to all applicable state and federal laws, rules and regulations.

B. **Principal Office.** The Principal Office of the Trust shall be the office of the Trust's legal counsel as follows:

Jones, Skelton & Hochuli, P.L.C.
ATTN: Michael Hensley, Esq.
2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012

C. **Risk Management Plan.** The Board of Trustees shall prepare, or cause to be prepared, a Plan of Risk Management for the Trust. The Plan shall include one or combinations of the following:

1. The employee benefits to be offered through the Trust;
2. Limits of coverage, whether through self-insurance, conventional insurance purchased from a commercial carrier or reinsurance;
3. The amount of risk to be retained by the Trust;
4. Major loss control techniques to be implemented;
5. The proposed method of assessing Entity Contributions to be paid by each Participating Entity of the Trust;
6. A summary of the preceding year's operations and major activities planned for the coming year;
7. Coverage to be purchased from a commercial carrier, if any; and
8. Such additional information as may be identified by the Board of Trustees.

D. **Financial Statements and Operating Reports.** The Trust shall provide its members with periodic reports concerning the financial condition and operation of the Trust. These shall be provided at least quarterly and may be made more frequently if specified by the Board of Trustees.

E. **Requests for Information.** Requests for records or documents of the Trust shall be made through the Trust Administrator or the Trust's legal counsel.

F. Allocation and Distribution of Surpluses and Deficits

1. **Date Credited.** Surpluses and deficits shall be credited to the fiscal year in which they accrue.
2. **Surplus/Deficit Allocation.** Surpluses and deficits shall be allocated amongst Participating Entities in accordance with the Surplus/Deficit Allocation Policy and according to such Surplus/Deficit Allocation Formula/Methodology as the Board of Trustees may from time to time approve. Adoption of the Surplus/Deficit Allocation Policy and the Surplus/Deficit Allocation Formula/Methodology to be followed in allocating surpluses or deficits shall be by two thirds (2/3) vote of the Board of Trustees.
3. **Supplemental Assessments for Statutory Compliance.** The Board of Trustees shall order supplemental assessments as needed to comply with applicable provisions of A.R.S. § 11-952.01. Supplemental assessments ordered by the Board of Trustees under this section shall be calculated in accordance with the Surplus/Deficit Allocation Formula/Methodology approved by the Board of Trustees at the time the supplemental assessment is ordered.
4. **Supplemental Assessments for Deficits.** The Board of Trustees may order supplemental assessments to cure deficits that arise in any fiscal year but which are not sufficiently severe to jeopardize the overall solvency of the Trust. Supplemental assessments ordered by the Board of Trustees under this section shall be calculated in accordance with the Surplus/Deficit Allocation Formula/Methodology approved by the Trustees at the time the supplemental assessment is ordered.
5. **Release of Surplus.** The Board of Trustees may allow for the release of surplus to Participating Entities through credits applied to monthly contributions in accordance with the Surplus/Deficit Allocation Policy and Surplus/Deficit Allocation Formula/Methodology approved by the Trustees at the time the release of surplus is authorized.
6. **Votes for Assessments.** Decisions by the Board of Trustees to order supplemental assessments or allow for releases of surpluses as provided for under this section shall be by two thirds (2/3) vote of the Board of Trustees.
7. **Compliance with Applicable Law.** The Board of Trustees shall comply with all applicable Federal, State and Local laws in allocating and/or distributing any surpluses or deficits.

Section 10. Amendments to Bylaws

- A. **Submission.** Proposed amendments to the Bylaws should be filed in writing with the Board of Trustees no less than thirty (30) calendar days prior to the scheduled date of consideration except in cases of a *bona fide* emergency. A statement explaining the purpose and effect of

the amendment shall be included. Proposed amendments to the Bylaws shall be reviewed and approved in writing as to form by counsel for the Trust prior to approval by the Board of Trustees.

- B. **Notice to Trustees.** All proposed amendments and accompanying statements shall be transmitted in writing to each Trustee at least fifteen (15) business days prior to the scheduled date of consideration.
- C. **Consideration.** Except in a *bona fide* emergency, amendments shall be considered at a regular meeting of the Board of Trustees. Amendment of the Bylaws shall require a majority vote of the Board of Trustees.

EXHIBIT C
TO
RESOLUTION 3034-312

[Schedule of Contributions]

See following pages.

City of Avondale
12-13 DRAFT Benefit Budget

(Actives Only)

Option 3 - Demographic Adjustment - +/- 5% cap w- HDHP XXs

Census Assumptions					
	Employee	Emp + Sp	Emp + Ch	Family	Totals
Medical - EPO					
Medical - PPO	85			175	260
Medical - HDHP #1	15			5	20
Medical - HDHP #2	32			84	116
Dental					
Vision					
Life					
TOTALS	132			264	396

Revised
3/14/12

Proposed Premium Rates				
	Employee	Emp + Sp	Emp + Ch	Family
Medical - EPO	\$414.24			\$979.53
Medical - PPO	\$392.54			\$921.75
Medical - HDHP #1	\$363.53			\$844.49
Medical - HDHP #2	\$362.81			\$842.58

11-12 Premium Rates				
	Employee	Emp + Sp	Emp + Ch	Family
PPO 1000	\$362.10			\$941.48
HDHP 1500	\$336.37			\$874.60
HDHP 2400	\$302.47			\$786.46

Dollar Difference: Current vs. Proposed Rate of Closest Match				
	Employee	Emp + Sp	Emp + Ch	Family
Medical - EPO				
Medical - PPO	\$30.44			(\$19.73)
Medical - HDHP #1	\$27.16			(\$30.11)
Medical - HDHP #2	\$60.34			\$56.12

	Employee	Emp + Sp	Emp + Ch	Family	Annual Budget	% of Total
CLAIM FUNDS					\$2,346,589	82.73%
Medical - EPO	\$315.86			\$841.15		
Medical - PPO	\$294.16			\$783.37	\$1,945,120	
Medical - HDHP #1	\$265.15			\$706.11	\$90,094	
Medical - HDHP #2	\$264.43			\$704.20	\$811,375	
PREMIUMS					\$302,544	8.79%
Med/Rx Specific Stop-Loss	\$30.00			\$70.00	\$269,280	
Med/Rx Aggregate Stop-Loss	\$7.00			\$7.00	\$33,264	
CLAIM ADMINISTRATION					\$167,898	4.88%
Medical TPA	\$13.00			\$13.00	\$61,776	
COBRA TPA	\$1.00			\$1.00	\$4,752	
Medical UR	\$1.75			\$1.75	\$8,316	
Medical PPO - Az (BCBSAZ)	\$12.50			\$12.50	\$59,400	
Rx Benefit Manager	\$7.08			\$7.08	\$33,644	
GENERAL OPERATING					\$123,791	3.60%
Administrator	\$8.50			\$8.50	\$40,392	
Individual Entity Broker/Consultant (Medical)				\$6.50	\$30,888	
Wellness Consultants	\$6.50			\$6.50	\$14,256	
Wellness Programs	\$3.00			\$3.00	\$6,306	
Actuary	\$1.33			\$1.33	\$2,522	
Auditor	\$0.53			\$0.53	\$6,306	
Legal	\$1.33			\$1.33	\$2,102	
DOI	\$0.44			\$0.44	\$21,019	
Salaries				\$4.42		
Misc	\$4.42			\$4.42		
GRAND TOTAL BUDGET					\$3,440,811	100.00%

Estimated Current Annual Medical Budget: \$3,368,373

Difference vs Current: \$72,439

2.15%