COUNCIL MEETING AGENDA

January 15, 2015

Members may attend in person or by telephone.

John W. Lewis, *Mayor*

Eddie Cook
Victor Petersen
Jordan Ray

Jenn Daniels
Brigette Peterson
Jared Taylor

Municipal Center, Council Chambers
50 East Civic Center Drive
Gilbert, Arizona

Regular Meeting
7:00 PM

AGENDA ITEMS MAY BE DISCUSSED IN A DIFFERENT SEQUENCE.
ITEMS WILL NOT BE DISCUSSED PRIOR TO POSTED MEETING TIME.

AGENDA ITEM

CALL TO ORDER

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation may be offered by a person of any religion, faith, belief or non-belief, as well as Councilmembers. A list of volunteers is maintained by the Town Clerk and interested persons should contact the Clerk for further information.

Mayor invites all scouts present to the front of the Council Chambers.

Pledge of Allegiance and introduction and recognition of scouts.

Invocation by Council member.

ROLL CALL

PRESENTATIONS; PROCLAMATIONS

1. Recognition of Dr. Greg Allen and team, organizers of the Gilbert Marathon.

2. Recognition of Gilbert's Dr. Martin Luther King Youth Art competition winners.

3. Presentation of the Annual Audited Financial Reports for the fiscal year ended June 30, 2014.

COMMUNICATIONS FROM CITIZENS

At this time, members of the public may comment on matters within the jurisdiction of the Town but not on the agenda. The Council's response is limited to responding to criticism, asking staff to review a matter commented upon, or asking that a matter be put on a future agenda.

CONSENT CALENDAR

All items listed below are considered consent calendar items and may be approved by a single motion unless removed at the request of Council for further discussion/action. Other items on the agenda may be added to the consent calendar and approved under a single motion.

4. AGREEMENT – consider approval of an Administrative Settlement for right-of-way and easements located within Parcel 304-71-061E for the Val Vista Road from Appleby Road to Riggs Road Project, Project No. ST112, in an amount not to exceed $123,204.25, and authorize the Mayor to execute the require documents.

5. CONTRACT – consider:

a) approval of Construction Management Services Contract No. 2015-7102-0546 with Wood Patel for the Ash Extension Project, Project No. RDNEW4 in an amount not to exceed $100,000 and authorize the Mayor to execute the required documents;

b) approval of internal costs for Construction Management for the Ash Extension Project, in an amount not to exceed $35,000; and

c) authorize a General Fund Contingency transfer in the amount of $135,000.

6. CONTRACT – consider:

a) approval of Engineering Services Contract No. 2015-7102-0547 with Nfra Inc. for the Ash Extension Project, Project No. RDNEW4 in an amount not to exceed $124,000 and authorize the Mayor to execute the required documents;

b) approval of legal services fees in an amount not to exceed $6,000; and

c) authorize a General Fund Contingency Transfer in the amount of $130,000.

7. AGREEMENT – consider approval of Renewal of Lease Agreement No. 2015-3002-0521 with DesertRock Custom Homes, LLC in an amount not to exceed $285,111 for the use as the Fire Department Skills Center for the period of FY2014-18 and authorize the Mayor to execute the required documents.

8. CHANGE ORDER – consider approval of Change Order No. 1 to Contract No. 2014-7009-0035 with Jacobs increasing the contract amount by $10,082.25 for the Reservoir No. 3 Tank Replacement Project, Project No. WA089.

9. CHANGE ORDER – consider approval of Change Order No. 1 to Contract No. 2014-7009-0109 with MGC Contractors, Inc. increasing the contract amount by $18,981 for the Reservoir No. 3 Tank Replacement Project, Project No. WA089.

10. CHANGE ORDER – consider:

a) approval of Change Order No. 2 to Contract No. 2014-2106-0004 with Entellus increasing the contract amount by $34,144 for the Engineering Standards Manual Update; and

b) authorize Contingency Transfers from Environmental Services fund in the amount of $3,415, Streets fund in the amount of $10,243, Wastewater fund in the amount of $10,243, and Water fund in the amount of $10,243.

11. PURCHASE / BUDGET - consider authorizing the purchase of the fabrication and replacement of a Hydrofluosilicic Acid Storage Tank at the Santan Vista Water Treatment Plant from MMI Tank & Industrial Services in an amount not to exceed $75,357 using emergency contingency funds.

12. CHANGE ORDER – consider:

a) approval of Change Order No. 1 to Contract No. 2014-7012-0248 with Norcon Industries increasing the contract amount by $15,151.09 for removal and temporary storage of existing stadium seating; and

b) authorize a General Fund Contingency transfer in the amount of $15,152.

13. STREETLIGHT IMPROVEMENT DISTRICT SL14-09 - consider adoption of a Resolution creating Streetlight Improvement District No. 14-09 for Warner Groves at Morrison Ranch and ordering the improvements.

14. STREETLIGHT IMPROVEMENT DISTRICT SL14-10 - consider adoption of a Resolution creating Streetlight Improvement District No. 14-10 for Fincher Fields at Cooley Station and ordering the improvements.

15. PERMANENT EXTENSION OF PREMISES – consider approval of a permanent extension of premises for Texas Roadhouse located at 5086 South Power Road.

16. SPECIAL EVENT LIQUOR LICENSE – consider approval of a Special Event Liquor License for the Gilbert Chamber of Commerce for February 26, 2015 located at Villa Sienna, 890 West Elliot Road, Suite 104.

17. BOARDS AND COMMISSIONS – consider appointment to the Gilbert Educational Cable Access Governing Board of:

a) Cathy Chlarson as the Chandler-Gilbert Community College representative to complete the remainder of the term ending March 19, 2015 plus an additional term beginning March 20, 2015 and ending March 19, 2018; and

b) Irene Mahoney Paige as the Gilbert Public Schools representative to complete the remainder of the term ending March 19, 2016.

18. MINUTES – consider approval of the minutes of Special Meeting December 18, 2014 and Regular Meeting December 18, 2014.

PUBLIC HEARING

Items will be heard at one Public Hearing; at which time anyone wishing to comment on a Public Hearing Item may do so. Comments will be heard from those in support of or in opposition to an item. Hearings are noticed for 7:00 p.m.

In order to comment on a Public Hearing Item, you must fill out a public comment form, indicating the Item Number on which you wish to be heard. Once the hearing is closed, there will be no further public comment unless requested by a member of the Council. After the Public Hearing, the Council may act on all items not requiring additional staff, public, or Councilmember comment with a single vote.

19. LIQUOR LICENSE – conduct hearing and consider approval of a Series 12 Restaurant Liquor License for Barrio Queen located at 388 North Gilbert Road.

20. PROPERTY ACQUISITION – conduct hearing and consider approving the acquisition of right-of-way and Temporary Construction Easement, and incidental and settlement costs for Parcel No. 310-10-095 for the Cooper and Guadalupe Intersection Project, Project No. ST094.

21. ZONING Z14-15-C - conduct hearing and consider adoption of an Ordinance amending the Town of Gilbert Land Development Code, Chapter I Zoning Regulations, Division 4 General Regulations, Article 4.2 Off-Street Parking and Loading Regulations, Table 4.204 Off-Street Parking Requirements, to modify guest parking requirements. The effect of this amendment will be to increase the required guest parking in compact single family development.

ADMINISTRATIVE ITEMS

Administrative Items are for Council discussion and action. It is to the discretion of the majority of the Council regarding public input requests on any Administrative Item. Persons wishing to speak on an Administrative Item should complete a Request to Speak Form and indicate the Item they wish to address. Council may or may not accept public comment.

22. BOARDS, COMMISSIONS, AND COMMITTEES - reports from Council Liaisons for the:

a) Subcommittee on Board and Commission Application Screening, Interview, and Selection
b) Other Council Subcommittees
c) Design Review Board
d) Environmental and Energy Conservation Advisory Board
e) Gilbert Educational Cable Access Governing Board
f) Arts, Culture and Tourism Board
g) Human Relations Commission
h) Industrial Development Authority
i) Mayor's Youth Advisory Committee
j) Parks, Recreation and Library Services Advisory Board
k) Planning Commission
l) Redevelopment Commission
m) Gilbert Public Facilities MPC
n) Gilbert Water Resources MPC
o) Gilbert Self-Insured Trust Fund
p) Regional Meetings
q) Utility Board

POLICY ITEMS

FUTURE MEETINGS

There may be a discussion of whether to place an item on a future agenda and the date, but not the merits of the item.

COMMUNICATIONS

Report from the TOWN MANAGER on current events.

Report from the COUNCIL on current events.

Report from the MAYOR on current events.

ADJOURN

NOTICE TO PARENTS: Parents and legal guardians have the right to consent before the Town of Gilbert makes a video or voice recording of a minor child. A.R.S. 1-602.A.9. Gilbert Council Meetings are recorded and maybe viewed on Channel 11 and the Gilbert website. If you permit your child to participate in the Council Meeting, a recording will be made. If your child is seated in the audience your child may be recorded, but you may request that your child be seated in a designated area to avoid recording. Please submit your request to the Town Clerk.

DRAFT

CERTIFICATE OF APPRECIATION

Presented To

Dr. Greg Allen and Team

This citation is presented as a token of appreciation from a grateful Town Council for your efforts in planning and executing the inaugural Gilbert Marathon. Dr. Greg Allen, the Shun the Sun foundation, and the Gilbert Marathon completed its maiden run in Gilbert on November 22, 2014 in conjunction with Gilbert Days. The run had over 1000 runners and raised money for the Shun the Sun foundation (a skin cancer prevention foundation) which resulted in the Foundation's "donation of shade structures" to Gilbert Parks to help provide shade to Gilbert residents. Thank you to Dr. Allen, his staff and his hundreds of volunteers who produced this excellent event that truly gave back to the Gilbert community. It is because of your talent, generosity, and commitment to serving your community that this event was possible.

On behalf of the Town Council, I extend our deep appreciation for your valued time, and further recognize your outstanding contributions and invaluable service to the community.

John W. Lewis, Mayor	*Date* *January 15, 2015*

DRAFT

Certificate of Congratulations

Presented To

(Name of Student)

of

(Name of School)

In recognition of (his/her) accomplishment of winning (XXXX Place in Division XXXX) of the Dr. Martin Luther King Jr. Youth Art Competition.

The theme of this year's competition was titled Reflecting on "The Dream." We applaud (student's name) on (his/her) thoughtful work of art inspired by the Dream Speech and legacy of Dr. Martin Luther King, Jr.

John W. Lewis, Mayor of Gilbert, AZ	January 15, 2015 Date

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Florence Shultz, Accounting Manager, 503-6752

MEETING DATE: January 15, 2015

SUBJECT: Presentation of the Annual Audited Financial Reports

STRATEGIC INITIATIVE: N/A

RECOMMENDED MOTION

N/A

BACKGROUND/DISCUSSION

The Finance and Management Services Department is required by Arizona Revised Statutes to prepare and have audited an annual financial report and annual expenditure limitation report. Gilbert is also federally mandated to have an independent audit (referred to as a "Single Audit") of federal financial assistance received. The Town currently contracts with Heinfeld, Meech & Co., P.C. for audit services.

For the fiscal year ended June 30, 2014, the following audited reports are presented:

Comprehensive Annual Financial Report (CAFR)

The CAFR provides a detailed financial report for all funds of the Town. It includes three sections: Introductory, Financial and Statistical. The Introductory Section includes the Letter of Transmittal and organization charts. The Financial Section includes the Auditors' Report, Management's Discussion and Analysis, Financial Statements, and Notes to the Financial Statements. The Statistical Section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

The CAFR has again received an unmodified audit opinion and has been submitted to the Government Finance Officers Association for a Certificate of Achievement for Excellence in Financial Reporting, which Gilbert has received for the last 23 years.

Annual Expenditure Limitation Report

This report presents Gilbert's compliance with the Annual Expenditure Limitation per the Arizona Constitution.

Single Audit Reporting Package

The Single Audit Reporting Package provides information relating to Gilbert's compliance with federal grant requirements. There were no material weaknesses in internal controls and no instances of noncompliance reported.

No action of Council is required.

Town staff and Heinfeld, Meech & Co. staff will be available to respond to any questions Council may have regarding these reports.

FINANCIAL IMPACT

N/A

Respectfully submitted,

Florence Shultz
Accounting Manager

Attachments and Enclosures: Heinfeld, Meech & Co., P.C. Communication Letter to Council
Expenditure Limitation Report
Single Audit Reporting Package
Comprehensive Annual Financial Report (this was provided to you in your Town mailboxes on 12/23/14)

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

10120 N. Oracle Road
Tucson, Arizona 85704
Tel (520) 742-2611
Fax (520) 742-2718

December 30, 2014

Honorable Mayor and Members of the Town Council
Town of Gilbert, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Town of Gilbert, Arizona for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Gilbert, Arizona are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Town of Gilbert, Arizona during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period and the financial statement disclosures are neutral, consistent, and clear.

As described in Note 1 of the financial statements, the Town implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time management estimates those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

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- Management's estimate of the insurance claims incurred but not reported is based on information provided by the Town's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Audit Adjustments
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the course of the audit we did not identify any misstatements which require communication.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter provided to us at the conclusion of the audit.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Gilbert, Arizona's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Discussions with Management
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the course of the year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention as the Town's auditors.

Responsibility for Fraud
It is important for both management and the members of the governing body to recognize their role in preventing, deterring, and detecting fraud. One common misconception is that the auditors are responsible for detecting fraud. Auditors are required to plan and perform an audit to obtain reasonable assurance that the financial statements do not include material misstatements caused by fraud. Unfortunately most frauds which occur in an organization do not meet this threshold.

The attached document prepared by the Association of Certified Fraud Examiners (ACFE) is provided as a courtesy to test the effectiveness of the fraud prevention measures of your organization. Some of these steps may already be in place, others may not. Not even the most well-designed internal controls or procedures can prevent and detect all forms of fraud. However, an awareness of fraud related factors, as well as the active involvement by management and the members of the governing body in setting the proper "tone at the top", increases the likelihood that fraud will be prevented, deterred and detected.

Restriction on Use

This information is intended solely for the use of the members of the Town Council and management of Town of Gilbert, Arizona and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

Fraud Prevention Checklist

The most cost-effective way to limit fraud losses is to prevent fraud from occurring. This checklist is designed to help organizations test the effectiveness of their fraud prevention measures.

1. **Is ongoing anti-fraud training provided to all employees of the organization?**
   - Do employees understand what constitutes fraud?
   - Have the costs of fraud to the company and everyone in it — including lost profits, adverse publicity, job loss and decreased morale and productivity — been made clear to employees?
   - Do employees know where to seek advice when faced with uncertain ethical decisions, and do they believe that they can speak freely?
   - Has a policy of zero-tolerance for fraud been communicated to employees through words and actions?

2. **Is an effective fraud reporting mechanism in place?**
   - Have employees been taught how to communicate concerns about known or potential wrongdoing?
   - Is there an anonymous reporting channel available to employees, such as a third-party hotline?
   - Do employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal?
   - Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated?
   - Do reporting policies and mechanisms extend to vendors, customers and other outside parties?

3. **To increase employees' perception of detection, are the following proactive measures taken and publicized to employees?**
   - Is possible fraudulent conduct aggressively sought out, rather than dealt with passively?
   - Does the organization send the message that it actively seeks out fraudulent conduct through fraud assessment questioning by auditors?
   - Are surprise fraud audits performed in addition to regularly scheduled audits?
   - Is continuous auditing software used to detect fraud and, if so, has the use of such software been made known throughout the organization?

4. **Is the management climate/tone at the top one of honesty and integrity?**
    - Are employees surveyed to determine the extent to which they believe management acts with honesty and integrity?
    - Are performance goals realistic?
    - Have fraud prevention goals been incorporated into the performance measures against which managers are evaluated and which are used to determine performance-related compensation?
    - Has the organization established, implemented and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee)?

5. **Are fraud risk assessments performed to proactively identify and mitigate the company's vulnerabilities to internal and external fraud?**

6. **Are strong anti-fraud controls in place and operating effectively, including the following?**
    - Proper separation of duties
    - Use of authorizations
    - Physical safeguards
    - Job rotations
    - Mandatory vacations

7. **Does the internal audit department, if one exists, have adequate resources and authority to operate effectively and without undue influence from senior management?**

8. **Does the hiring policy include the following (where permitted by law)?**
    - Past employment verification
    - Criminal and civil background checks
    - Credit checks
    - Drug screening
    - Education verification
    - References check

9. **Are employee support programs in place to assist employees struggling with addictions, mental/ emotional health, family or financial problems?**

10. **Is an open-door policy in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute?**

11. **Are anonymous surveys conducted to assess employee morale?**

Town of Gilbert, Arizona
Comprehensive
Annual Financial Report

Fiscal Year Ended June 30, 2014

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Gilbert
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Comprehensive Annual Financial Report

Year Ended June 30, 2014

GILBERT
ARIZONA

John W. Lewis, Mayor

Eddie Cook, Vice Mayor
Jenn Daniels, Council Member
Victor Petersen, Council Member
Brigette Peterson, Council Member
Jordan Ray, Council Member
Jared Taylor, Council Member

Patrick Banger, Manager

Prepared by the Finance & Management Services Department

Cindi Mattheisen, Finance & Management Services Director

TOWN OF GILBERT, ARIZONA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

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GILBERT
ARIZONA

GILBERT
ARIZONA

November 24, 2014

Honorable Mayor, Members of the Council, and Gilbert Citizens:

I am pleased to submit to you the ***Comprehensive Annual Financial Report (CAFR)*** for the Town of Gilbert (Gilbert), for the fiscal year ended June 30, 2014. State law (Arizona Revised Statutes §9-481) requires that local governments publish a complete set of audited financial statements within six months of the close of each fiscal year.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any significant misstatements.

Heinfeld, Meech & Company, a firm of licensed certified public accountants, has issued an unmodified opinion on Gilbert's financial statements for the year ended June 30, 2014. The independent auditors' report is located in the Financial Section of this report.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found in the Financial Section of this report.

GILBERT PROFILE

Governmental Structure

Gilbert is an Arizona Municipal Corporation, operating as a general law community as prescribed in the Arizona Revised Statutes. Gilbert was incorporated July 6, 1920, and operates under the Council-Manager form of government. The Mayor is a member of the Council and is elected by the voters for a four-year term. Six additional council members are elected at-large to staggered four-year terms.

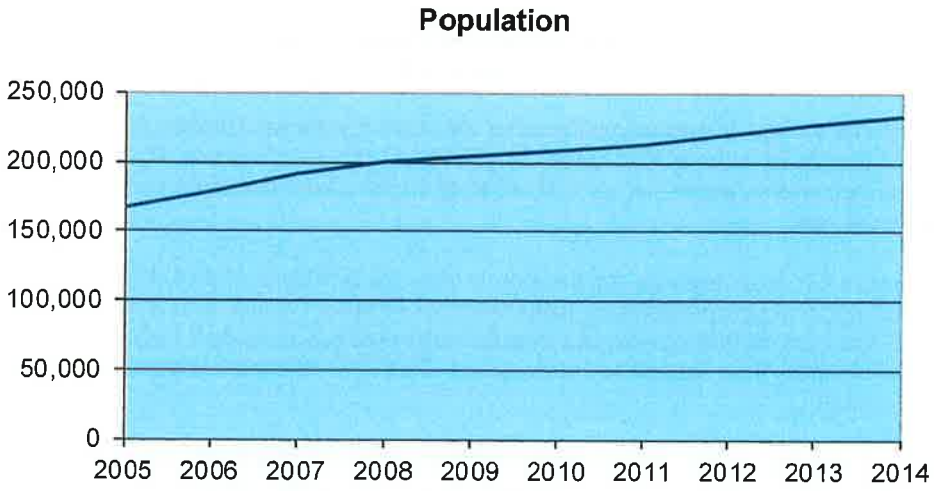
The Mayor is the chief executive officer and chairperson of the Council. The Town Manager (Manager) is appointed by the Council and serves as the chief administrative officer. During fiscal year 2014, the Manager administered Gilbert's operations through a staff of 1,237 budgeted full time equivalent positions.

Gilbert provides or administers a full range of services including police and fire protection, development services (planning, code enforcement, and engineering), public works (water, wastewater, environmental services, and streets), and parks and recreation services (parks, recreation, libraries, culture and arts, and social services). Transit and "dial-a-ride" services are provided through an intergovernmental agreement with the Regional Public Transportation Authority. Library services, incarceration and animal control are provided through intergovernmental agreements with Maricopa County.

Town of Gilbert | Finance Department
50 East Civic Center Drive, Gilbert, AZ 85296 Phone: 480-503-6851 Fax: 480-497-4943 www.gilbertaz.gov

Geography and Population

Gilbert is located in the southeastern section of the greater Phoenix metropolitan area in Maricopa County, bounded on the north and east by the City of Mesa, on the west by the City of Chandler, on the southeast by the Town of Queen Creek, and on the south by the Gila River Indian Community. Gilbert has a planning area of 72.6 square miles. The most recent estimate of population from the Maricopa Association of Governments as of July 1, 2014, was 233,028, an increase of 2.4% from fiscal year 2013. The following graph depicts the ten-year population trend for Gilbert.



FACTORS AFFECTING FINANCIAL CONDITION

Growth and Construction

There were 1,613 new residential permits and 284 commercial permits issued in fiscal year 2014 which represents a decrease of 402 residential permits and an increase of 60 commercial permits from the prior fiscal year. The total value of all new construction in fiscal year 2014, including commercial, was $472 million, down from $534 million in fiscal year 2013.

System Development Fees (SDF's) are collected for capital needs related to growth in the community. The Council has adopted SDF's for police, fire, general government, traffic signals, parks and recreation, water resources, water, and wastewater. The fees are based on build-out system requirements to serve the projected population and land uses. During fiscal year 2014, a total of $38.5 million was collected in SDF's compared to $48 million in fiscal year 2013.

Economic Development

With over 233,000 residents, Gilbert, Arizona is a clean, safe and vibrant community as evidenced by several recent awards and rankings:

- 22nd best place to live in the nation (CNN/Money Magazine, 2014)
- 2nd safest city in the United States (Law Street Media, 2014)
- 17th Best City for First-Time Home Buyers (WalletHub, 2014)
- 8th Most Thriving City in the United States (The Daily Beast, 2013)

Gilbert is also a community committed to education with 38.8 percent of its residents holding a bachelor's degree or higher, compared with 28.1 percent nationally. Major employers like Banner Health, Dignity Health, Banner MD Anderson Cancer Center, Go Daddy, Mapfre Insurance, Unicon, Orbital Sciences, Lockheed Martin, and Heliae, benefit from this commitment to education and have helped keep Gilbert's unemployment hovering around 5 percent, as compared to 7.1 percent for the state and 6 percent for the nation. Knowledge assets that support the community include Arizona State University (ASU) Polytechnic Campus, Chandler-Gilbert Community College, A.T. Still University, as well as over 69 other colleges, universities and technical schools within a 30-minute commute. Additionally, three A rated school districts – Gilbert, Higley and Chandler – serve the citizens of Gilbert.

To further commercial real estate development in the community, the Gilbert Office of Economic Development (OED) has worked closely with stakeholders, elected officials and the development community to encourage the construction of speculative building space within municipal borders. As a result, several major projects are either under construction or in the planning phases. Most notably, Nationwide Realty Investors will provide more than three million square feet of Class A office space northeast of Gilbert Road and the Loop 202 Freeway and Trammel Crow broke ground in September 2014 on Park Lucero – a multi-phase industrial park that will feature six buildings totaling 618,000 square feet. Additionally, staff created Accelerated Development Sites that will allow the community to market large acre parcels and respond quickly to large build-to-suit projects.

The Gilbert OED is one of approximately forty Accredited Economic Development Organizations in the nation. Gilbert achieved this accreditation through the International Economic Development Council in 2013 and was the first Arizona economic development organization, and the second municipality in the nation, to do so. Fiscal year 2014 represented the second year of a five year Strategic Plan for the OED which produced an increase in business development activity, resulting in:

- $198 million in capital investment
- 875,000 new or renovated square feet
- 1,700 announced jobs

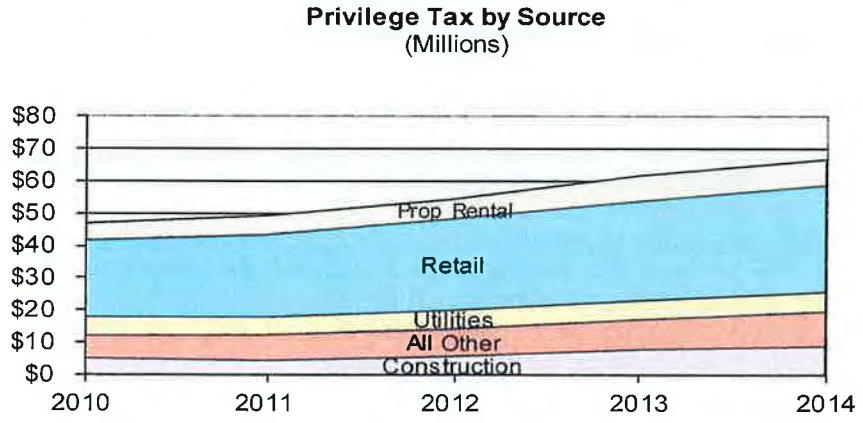
Gilbert also continued to move forward on its commitment to attracting higher education institutions to the community by finalizing the development agreement in September 2013 with Chicago-based, Saint Xavier University (SXU), a Catholic school founded in 1846. Currently under construction in Gilbert's Heritage District, SXU will be open for the fall 2015 semester.

The transformation of Gilbert's Heritage District continued in fiscal year 2014 with the formation of a downtown "entertainment district". Through these efforts, Gilbert has experienced an influx of high quality restaurant, retail, art and cultural developments supported in large part by the development of a 364 space parking garage and Heritage Marketplace that will be home to Zinburger, Lo Lo's Chicken and Waffles, Pomo Pizzeria, Barrio Queen Gilbert, Petersen's Ice Cream, and Regus Executive Suites. Gilbert OED also began to oversee tourism for the community in FY14 and focused on executing a marketing strategy to support tourism efforts. This strategy included designing and distributing Visit Gilbert postcards, forming a relationship with Local First Arizona and implementing Gilbert's first localist tour, and engaged a hotel task force focused on advancing tourism.

Gilbert's connectivity to major markets is provided through a comprehensive transportation network which includes the Santan Loop 202 and US-60 Superstition Freeways, Sky Harbor International Airport, and Phoenix-Mesa Gateway Airport. This comprehensive transportation network provides access to Gilbert-based enterprises while providing reliable and accessible modes of transportation to local, national and international markets. Both the Loop 202 and US-60 are six-lane divided highways that connect to Interstate 10. Located just over 10 miles west of Gilbert, Phoenix Sky Harbor Airport is served by 16 major airlines. Sky Harbor is one of the ten busiest airports in the nation for passenger traffic with 100,000 passengers daily and a $79 million daily economic impact. Sky Harbor cargo facilities handle over 800 tons of freight a day. Phoenix-Mesa Gateway Airport is located on Gilbert's eastern border and handles over one million passengers yearly with flights to 35 destinations throughout the United States. The airport also provides air cargo services and is located within a Foreign Trade Zone.

Transaction Privilege (Sales) Tax Trend

Sales tax revenues represented 50% of General Fund revenues for fiscal year 2014, totaling approximately $66.8 million. Local sales taxes are collected by the Arizona Department of Revenue and remitted to Gilbert weekly. The following graph depicts sales tax receipts by source for the past five years.

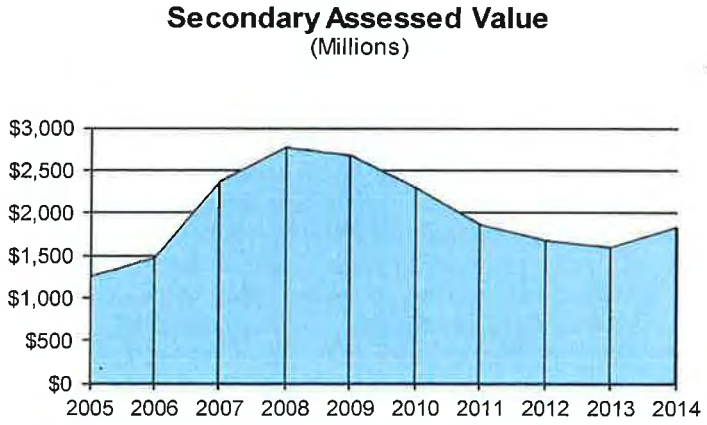


Property Taxes

State law requires municipalities to adopt a property tax levy based on the exact amount of scheduled debt service for the year plus a reasonable amount for delinquencies and certain costs. For fiscal year 2014, Gilbert's property tax rate is $1.0659 per $100 of secondary assessed valuation and is used exclusively for the payment of voter approved general obligation bond debt. Gilbert does not levy a primary property tax for general operating purposes.

Assessed Valuation

The assessed value of real property within the Gilbert annexed area is a vital economic forecast variable, as the State Constitution contains regulatory restrictions on the amount of debt a community may have outstanding based on secondary assessed valuation. Taking the market value of a property and applying the statutory assessment rate derives the assessed value. Residential properties are assessed at 10%, vacant land is assessed at 16%, and commercial properties are assessed at 19%. This illustrates how crucial the additions of commercial properties are to the tax base. The assessed valuation increased by 14.7% in fiscal year 2014 from $1.595 billion to $1.829 billion. The following graph depicts the changes in the assessed valuation in Gilbert for the past ten years:



State Shared Revenues

State shared revenues totaled $41 million for the General Fund and $19 million for the Streets Special Revenue Fund in fiscal year 2014, representing approximately 31% of total General Fund revenues and 97% of total Streets Special Revenue Fund revenues. State shared revenues include allocations of state sales tax, income tax, gas tax, motor vehicle in-lieu tax, and lottery funds. These revenues are shared based upon relative population in the State as determined by census. The 2010 Census established Gilbert's population at 208,453 compared to 173,072 from the mid-decade census in September 2005.

Budget and Financial Policies

The Town's financial policies establish the framework for overall fiscal planning and management. The policies set forth guidelines for both current activities and long range planning. The purposes of the financial policies are:

Balanced Budget - The Town is required by Arizona Revised Statutes to adopt a balanced budget each fiscal year. A balanced budget is one in which the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Fiscal Conservatism – To ensure that the Town is at all times in solid financial condition, defined as:

- **Cash solvency** – the ability to pay bills
- **Budgetary solvency** – the ability to balance the budget
- **Long-term solvency** – the ability to pay future costs
- **Service level solvency** – the ability to provide needed and desired services

Flexibility – To ensure the Town is in a position to respond to changes in the economy or new service challenges without an undue amount of financial stress.

Transparency and Communication – To utilize best practices in communicating financial information to facilitate sound decision-making, to promote openness and transparency, and to inspire public confidence and trust.

Adherence to the Highest Accounting and Management Practices – As set by the Governmental Accounting Standards Board and the Government Finance Officers Association (GFOA) standards for financial reporting and budgeting.

A five-year financial plan is developed for each operating fund and current year decisions are made with a forecasted future impact. Other financial policies that guide the budget include: maintaining a minimum General Fund balance sufficient to cover 90 days of operating expenditures and the annual debt service payments; one-time revenues are not applied toward ongoing expenditures; and establishment of an economic development reserve. The Town Council adopted a comprehensive listing of policies of responsible financial management in November of 2011. These policies are reviewed annually to ensure their continued relevance and adherence.

Long-Term Financial Planning

In addition to the Town's General Plan and Capital Improvement Program, the Town is developing infrastructure inventories (including repair and replacement plans) and functional area master plans. The Town also has a total of six strategic initiatives as follows: Long and Short-Term Financial Plans, Community Livability, Technology Leader, Economic Development, Proactive Infrastructure, and High Performing Government, which will be discussed in more detail throughout the document. We have implemented Franklin Covey's *The 4 Disciplines of Execution*, providing an exceptional tool for advancing these goals while managing the challenges of the daily whirlwind, and have begun implementing Lean process improvement events to optimize processes throughout the organization. Several staff members have also begun Lean Six Sigma certification requirements to further enhance the Town's long-term financial resiliency. The Town is updating its Long-Term Financial Plan according to the GFOA guidelines offered in the book *Financing the Future* by Shayne Kavanagh.

The key components include:

- Fiscal Environment Analysis
- Long-Term Revenue Forecasting
- Long-Range Expenditure Forecasting
- Debt Analysis
- Financial Balance Analysis
- Financial Strategies Development
- Transition and Implementation
    - Education
    - Policies

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Gilbert for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the 23rd consecutive year that Gilbert has received this prestigious award. In order to be awarded a Certificate of Achievement, we must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Gilbert also received the GFOA's Distinguished Budget Presentation Award for our annual budget document. In order to qualify for this award, our budget document was judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device. Gilbert has received this award 15 consecutive years.

ACKNOWLEDGMENTS

The completion of this report is the result of the efficient and dedicated services of the entire staff of the Accounting Division. I would like to give special recognition to Florence Shultz, Accounting Manager, and Dana Faulisi, Senior Accountant, who were primarily responsible for preparing this document. In addition, I would like to thank staff from all Town departments for their contributions and assistance.

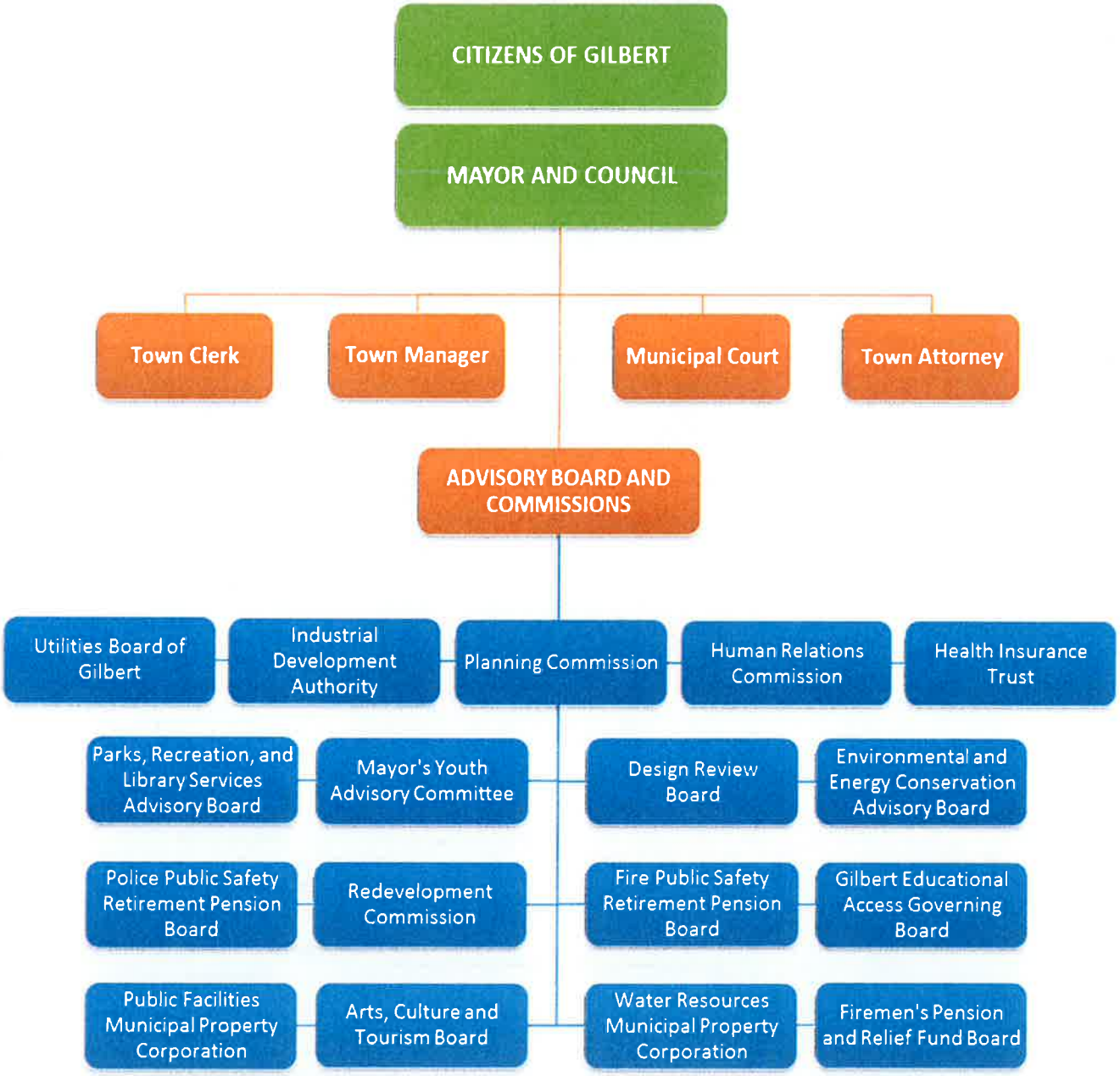
Finally, I wish to acknowledge the continued support of the Council and the Manager in providing the leadership necessary for sound financial management.

Respectfully submitted,

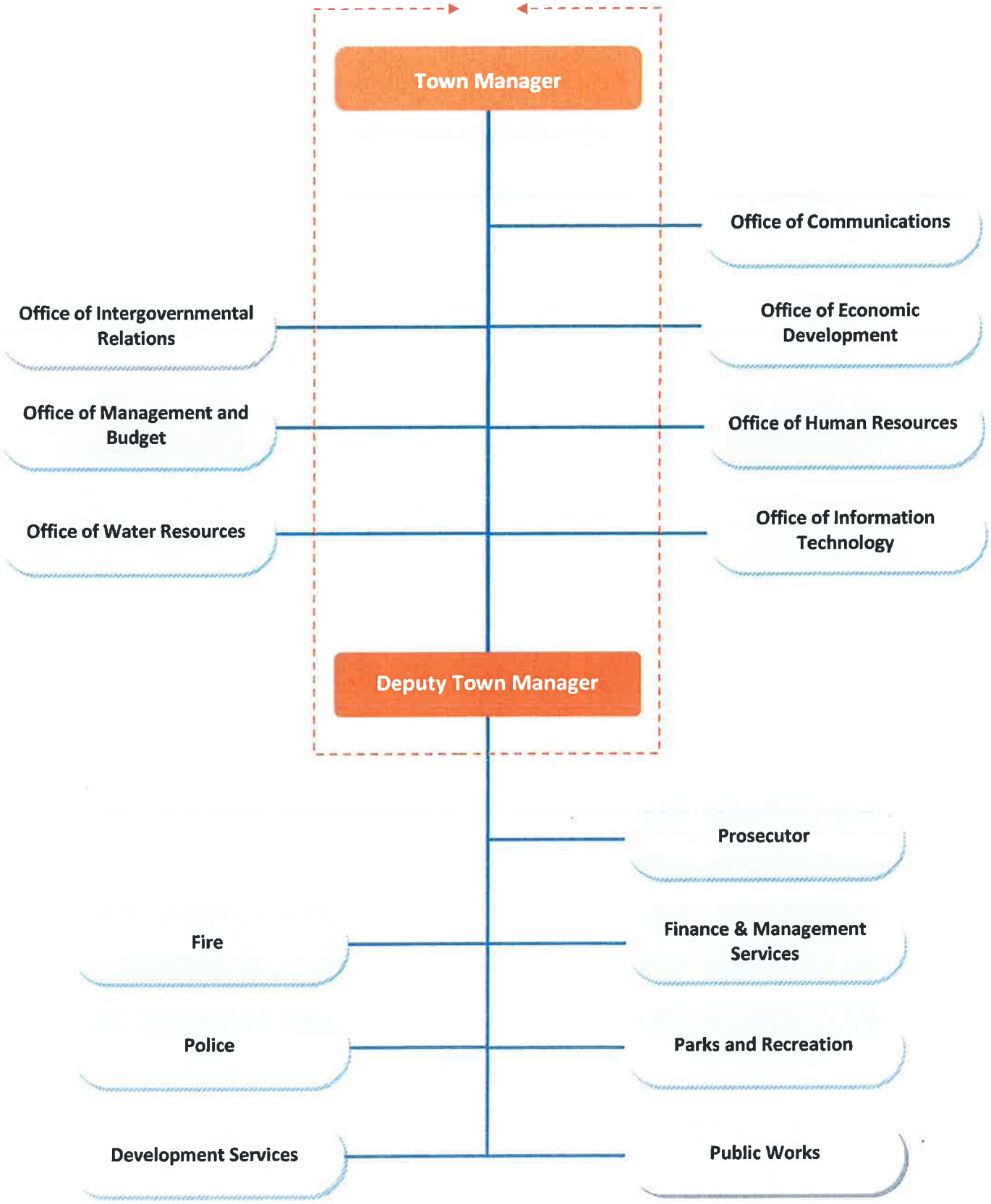
Cindi Mattheisen

Cindi Mattheisen, CPA
Finance & Management Services Director

Advisory Organization Chart



Organization Reporting Chart



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Town Council
Town of Gilbert, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Town of Gilbert, Arizona (Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Town of Gilbert, Arizona, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Streets Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Change in Accounting Principle
As described in Note 1, the Town implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65 *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information such as the Introductory Section, Combining and Individual Fund Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining and Individual Fund Statements and Schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2014, on our consideration of Town of Gilbert, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Gilbert, Arizona's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 24, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Gilbert (Gilbert), we offer this narrative overview and analysis of Gilbert's financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with information provided in the transmittal letter.

Financial Highlights

- Gilbert's assets exceeded its liabilities at the end of the fiscal year by $1.5 billion. Included in this amount defined as net position is $374 million of unrestricted net position, of which $139 million is invested in joint ventures with the Cities of Mesa and Chandler and the Town of Queen Creek, and $235 million which may be used to fund ongoing operations in future years.
- Net position includes a $681 million net investment in capital assets such as streets, park land, and municipal buildings and a $352 million net investment in water, wastewater and environmental services infrastructure and equipment.
- The combined fund balance for all governmental funds is $185 million, of which $67 million is unrestricted.
- The General Fund unrestricted fund balance is $74 million, of which $9 million has been assigned for capital replacement.
- The General Fund unassigned balance of $62 million is approximately 50% of the total fund expenditures.
- Gilbert's total bonded debt outstanding at the end of the fiscal year was $396 million, as compared to $444 million at the end of fiscal year 2013.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Gilbert's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The **government-wide financial statements** are designed to provide readers with a broad overview of the finances of Gilbert as a whole, in a manner similar to a private-sector business.

The ***statement of net position*** presents information on all of Gilbert's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether Gilbert's financial position is improving or declining.

The ***statement of activities*** presents the changes in net position from the previous year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Gilbert that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover a majority or all of their costs through user fees and charges (*business-type activities)*. The *governmental activities* of Gilbert include general government, public safety, highways and streets, parks and recreation, and transportation. The *business-type activities* include water, wastewater, and environmental services.

The government-wide financial statements also include the Industrial Development Authority as a component unit of Gilbert. The Authority provides financing for eligible private sector entities to acquire and construct facilities deemed to be in the public interest. The financial information for the Authority is presented separately in the statements.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Gilbert, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of Gilbert's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at fiscal year end. This information may be useful in evaluating a government's near-term financing ability.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of Gilbert's near-term financing decisions. To facilitate this comparison, reconciliations are provided with the fund financial statements.

The basic governmental fund financial statements can be found on pages 18-27.

Proprietary Funds

Gilbert maintains two different types of proprietary funds. ***Enterprise Funds*** report the same functions presented as business-type activities in the government-wide financial statements, which include water, wastewater, and environmental services. ***Internal Service Funds*** accumulate and allocate costs internally among the various functions. Gilbert uses internal service funds to account for maintenance of its fleet of vehicles, copy service operations, and employee health and dental self-insurance. The assets and liabilities of the internal service funds are included in the governmental activities column of the government-wide statement of net position. Costs of internal service funds are allocated to the various user functions on the government-wide statement of activities. Enterprise funds provide the same information as the government-wide financial statements, only with more detail. Internal service funds are combined into a single column on the proprietary funds statements. Additional detail for the internal service funds can be found on pages 93-99.

The proprietary fund statements can be found on pages 28-33.

Fiduciary Funds

Fiduciary funds account for resources held for the benefit of parties outside the government. These funds are not included in the government-wide statements as these funds are not available to support Gilbert's operations.

The fiduciary fund statements can be found on pages 34-35.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

The notes to the financial statements can be found on pages 37-67.

Government-wide Financial Analysis

Net position serves as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position as of June 30, 2014 and 2013.

Town of Gilbert
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Current and other assets	$ 239,768,377	$ 252,230,825	$ 357,637,183	$ 347,855,563	$ 597,405,560	$ 600,086,388
Capital assets	947,841,509	958,295,935	456,128,322	450,584,901	1,403,969,831	1,408,880,836
Total assets	**1,187,609,886**	**1,210,526,760**	**813,765,505**	**798,440,464**	**2,001,375,391**	**2,008,967,224**
Deferred outflows of resources	**2,341,801**	-	-	-	**2,341,801**	-
Long-term liabilities	280,137,290	303,184,128	101,366,569	120,994,065	381,503,859	424,178,193
Other liabilities	55,816,482	51,735,948	13,633,593	17,232,584	69,450,075	68,968,532
Total liabilities	**335,953,772**	**354,920,076**	**115,000,162**	**138,226,649**	**450,953,934**	**493,146,725**
Net position:						
Net investment in capital assets	680,716,975	687,909,606	351,796,858	325,356,563	1,032,513,833	1,013,266,169
Restricted	80,924,415	60,524,680	65,576,792	70,878,871	146,501,207	131,403,551
Unrestricted	92,356,525	107,172,398	281,391,693	263,978,381	373,748,218	371,150,779
Total net position	**$ 853,997,915**	**$ 855,606,684**	**$ 698,765,343**	**$ 660,213,815**	**$ 1,552,763,258**	**$ 1,515,820,499**

Net position consists of three components. The largest portion of Gilbert's net position (67%) is its investment in capital assets (land, buildings, equipment, infrastructure, etc.), less depreciation and any related debt used to acquire those assets that is still outstanding. Gilbert uses these capital assets to provide services to citizens; consequently, these assets are not available for appropriation. Although Gilbert's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt are provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Gilbert's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining portion of net position (24%) includes $139 million which is invested in joint ventures with the Cities of Mesa and Chandler and the Town of Queen Creek and $235 million which may be used to meet the government's ongoing obligations to citizens, customers, and creditors.

Governmental Activities

Governmental activities in fiscal year 2014 decreased Gilbert's net position by $1.6 million. Taxes and program revenues (charges for services and grants and contributions that are clearly identifiable to operating functions) were Gilbert's most significant revenue sources comprising 98% of total revenues for governmental activities. Taxes (local and state-shared) were $130 million, an increase of $6 million from the prior year. Program revenues were $60 million, a decrease of $16 million from the prior year which was mostly due to the decrease in capital grants and contributions. It should be noted that $1.8 million of the total program revenues represent capital contributions from developers of street related infrastructure; and, therefore, were not cash revenues available to cover operating expenses.

The other component of the change in net position is expenses. The largest expense functions were public safety which represented 38%, and highways and streets which represented 23% of total governmental activities expenses. Total expenses increased $16.8 million (9%) over the prior fiscal year. A portion of this increase was due to a $9 million increase in personnel costs applicable to all functions.

The following table details the changes in net position for governmental and business-type activities.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	$ 18,785,496	$ 19,176,355	$ 79,026,598	$ 76,298,150	$ 97,812,094	$ 95,474,505
Operating grants and contributions	22,325,826	21,270,393	-	-	22,325,826	21,270,393
Capital grants and contributions	19,185,760	36,088,697	36,251,598	34,152,978	55,437,358	70,241,675
General revenues:						
Sales taxes	66,756,593	61,813,421	-	-	66,756,593	61,813,421
Property taxes	18,315,083	19,183,696	-	-	18,315,083	19,183,696
State-shared sales taxes	18,118,706	17,062,262	-	-	18,118,706	17,062,262
State-shared income taxes	23,204,634	21,293,026	-	-	23,204,634	21,293,026
Other taxes	3,902,993	4,459,359	-	-	3,902,993	4,459,359
Grants and contributions not restricted to specific programs	904,497	1,192,913	-	-	904,497	1,192,913
Unrestricted investment earnings	1,508,342	722,141	1,741,848	1,061,205	3,250,190	1,783,346
Other	1,255,284	932,108	1,296,109	1,178,738	2,551,393	2,110,846
Total revenues	194,263,214	203,194,371	118,316,153	112,691,071	312,579,367	315,885,442
Expenses						
Management and policy	13,377,552	10,461,389	-	-	13,377,552	10,461,389
Finance and management services	4,347,031	4,149,492	-	-	4,347,031	4,149,492
Legal and court	5,975,194	5,474,112	-	-	5,975,194	5,474,112
Development services	9,061,728	6,849,490	-	-	9,061,728	6,849,490
Police	45,930,719	42,759,060	-	-	45,930,719	42,759,060
Fire	28,853,208	25,866,786	-	-	28,853,208	25,866,786
Highways and streets	45,780,743	44,048,280	-	-	45,780,743	44,048,280
Parks and recreation	22,493,451	20,857,878	-	-	22,493,451	20,857,878
Transportation	842,184	461,120	-	-	842,184	461,120
Non departmental	4,104,289	3,113,705	-	-	4,104,289	3,113,705
Interest and fiscal charges on long-term debt	15,215,884	15,142,477	-	-	15,215,884	15,142,477
Water	-	-	39,926,683	38,339,466	39,926,683	38,339,466
Wastewater	-	-	23,614,969	22,169,529	23,614,969	22,169,529
Environmental services	-	-	16,112,973	15,588,350	16,112,973	15,588,350
Total expenses	195,981,983	179,183,789	79,654,625	76,097,345	275,636,608	255,281,134
Increase in net position before transfers	(1,718,769)	24,010,582	38,661,528	36,593,726	36,942,759	60,604,308
Transfers	110,000	121,249	(110,000)	(121,249)	-	-
Change in net position	(1,608,769)	24,131,831	38,551,528	36,472,477	36,942,759	60,604,308
Net position, beginning of year	855,606,684	831,474,853	660,213,815	623,741,338	1,515,820,499	1,455,216,191
Net position, end of year	$ 853,997,915	$ 855,606,684	$ 698,765,343	$ 660,213,815	$ 1,552,763,258	$ 1,515,820,499

Business-type Activities

Development related growth increased Gilbert's net position for business-type activities in fiscal year 2014 by $38.5 million including $25 million in system development fee collections and $11 million in water and wastewater infrastructure contributed by developers. The revenues for business-type activities increased $5.6 million (5%) from the prior year and expenses increased $3.6 million (5%) from the prior year.

Financial Analysis of Gilbert's Funds

As noted earlier, Gilbert maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of resources available for spending. Such information is useful in assessing Gilbert's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Gilbert operated and separately reported the following major governmental funds (due to a change in reporting capital projects funds, these funds were reclassified and are now reported based on funding source, see Note 2):

- General Fund
- Streets Special Revenue Fund
- General Debt Service Fund
- Special Assessments Debt Service Fund
- GO Bonds Capital Projects Fund
- System Development Fees Capital Projects Fund

All nonmajor funds are combined for reporting purposes captioned "Other Governmental Funds".

As of the end of fiscal year 2014, the governmental funds reported ending unrestricted fund balances totaling $67 million, a decrease of $15 million in comparison with the prior fiscal year.

Town of Gilbert
Governmental Funds - Fund Balances
As of June 30, 2014

	Restricted	Unrestricted	Total
General	$ -	$ 73,844,739	$ 73,844,739
Streets Special Revenue	15,391,104	4,307,200	19,698,304
General Debt Service	8,942,949	1,440,140	10,383,089
Special Assessments Debt Service	479,414	-	479,414
GO Bonds Capital Projects	17,584,623	5,409,080	22,993,703
System Development Fees Capital Projects	25,387,147	(25,378,428)	8,719
Other Governmental Funds	24,551,624	7,520,444	32,072,068
Total Fund Balances	**$ 92,336,861**	**$ 67,143,175**	**$ 159,480,036**

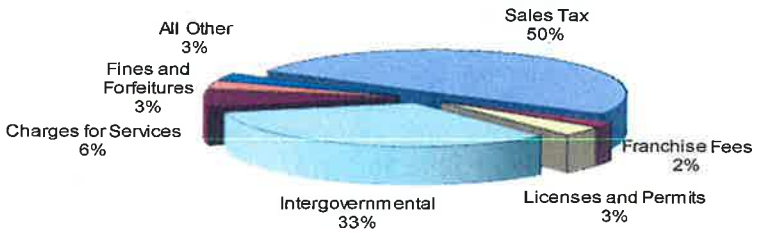
General Fund

The General Fund is the primary operating fund. At the end of fiscal year 2014, the fund balance of the General Fund was $99.2 million, an increase of $6 million from the prior year mainly due to the increase in local sales tax and intergovernmental revenue. The unrestricted portion of the fund balance was $74 million, of which $9 million has been assigned for capital replacement. As a measure of the General Fund's liquidity, it may be useful to compare its available fund balance to total fund expenditures. The General Fund's unassigned fund balance represents 50% of total General Fund expenditures for the current year.

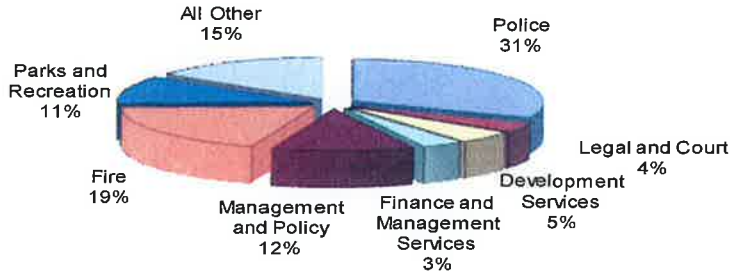
Key elements of General Fund sources and uses are as follows:

- Overall, revenues exceeded expenditures in the General Fund by $9.7 million; however, other financing sources and uses (net) were $3.6 million resulting in an increase in fund balance of $6 million. The transfers out included $5.7 million for general debt obligations.
- Local sales tax and intergovernmental revenues are the largest revenue sources for the General Fund accounting for 84% of the total revenues.
- Local sales tax, which accounts for half of total General Fund revenues, increased $4.9 million (7.9%) from the prior fiscal year which continues to be due to the economic recovery.
- Intergovernmental revenue increased $2.7 million (6.5%) from the prior fiscal year mainly due to increased state shared income tax revenue.
- Public safety expenditures which comprise 53.1% of the total General Fund expenditures increased $5.4 million (9%) over the prior fiscal year mainly due to an increase in personnel costs.
- Management and policy and parks and recreation expenditures increased in total by $4.4 million over the prior fiscal year mainly due to an increase in personnel costs.
- Capital outlay expenditures increased $7.7 million from prior fiscal year due to a change made in which fund these expenditures are reported and are now reported based on funding source (see Note 2).

General Fund Sources
$134.3 Million



General Fund Uses
$128.2 Million



Streets Special Revenue Fund

The Streets Fund revenues include state shared revenues which are highway user revenues, vehicle license taxes and lottery funds. The gasoline taxes and lottery funds are required by state statute to be used for transportation purposes. The vehicle license tax has been designated by Council to fund the preventive maintenance activities of the Streets Fund. Total revenues increased $1 million (5%) from the prior year. This was primarily due to increased highway user and auto lieu revenue of $800 thousand. Total expenditures increased by $6 million (51%) mostly due to increased capital outlay expenditures. Capital outlay expenditures are now recorded based on funding source. In total, revenues exceeded expenditures by $1.9 million; however, there were $500 thousand net transfers out, resulting in a $1.3 million (7.5%) increase in fund balance.

Other Major Governmental Funds

General Debt Service. The fund balance decreased by $352 thousand during the year. This was primarily due to the current year property tax revenues of $18.3 million and transfers in from other funds of $19.6 million offset by the debt service requirements of $38.3 million. The remaining fund balance of $10.3 million will be used to fund future debt service payments on voter approved general obligation bonds.

Special Assessments Debt Service. The fund balance of $479 thousand is all restricted to pay future debt service requirements on special assessment bonds.

GO Bonds Capital Projects. Due to a change made in the reporting of capital projects funds, an analysis to prior year cannot be made (see also Note 2). The GO bonds fund consists of general obligation bond proceeds and the expenditure of those proceeds to purchase or construct capital assets. The $21.7 million transfers out was due to the creation of two new nonmajor capital projects funds, outside sources and prop 400. An analysis to prior year activity will be done next fiscal year.

System Development Fees Capital Projects. Due to a change made in the reporting of capital projects funds, an analysis to prior year cannot be made (see also Note 2). The system development fees fund accounts for fees collected from building permits paid and the expenditure of those funds for infrastructure related to growth in Gilbert. $11 million was transferred to the general debt service fund for principal and interest payments on bonds. An analysis to prior year activity will be done next fiscal year.

Nonmajor Governmental Funds

All nonmajor governmental funds are combined into one column on the governmental fund statements. Due to a change made in the reporting of capital projects funds, an analysis to prior year cannot be made (see also Note 2). $21.7 million of the $22 million transfers in was from the GO bonds capital projects fund in the creation of two new nonmajor capital projects funds. Nonmajor funds represent 17.3% of the total governmental fund balance. An analysis to prior year activity will be done next fiscal year.

Proprietary Funds

Gilbert's proprietary funds statements are prepared on the same basis (accrual) as the government-wide financial statements. Gilbert operates and separately reports the following proprietary funds:

- Water Fund
- Wastewater Fund
- Environmental Services Fund

The Water Fund is responsible for producing and distributing potable water that exceeds all county, state and federal drinking water standards. The water system is also sized and pressurized to provide adequate fire suppression to the entire planning area and operates two surface water treatment facilities capable of producing 57 million gallons per day (mgd) and 19 ground water wells capable of producing 43.5 mgd. Net position increased by $19.4 million to $367.4 million due primarily to capital contributions of $19.9 million, including $13.9 million in system development fees and $6 million in distribution lines contributed by developers. Operating income was $6.2 million.

Wastewater Fund

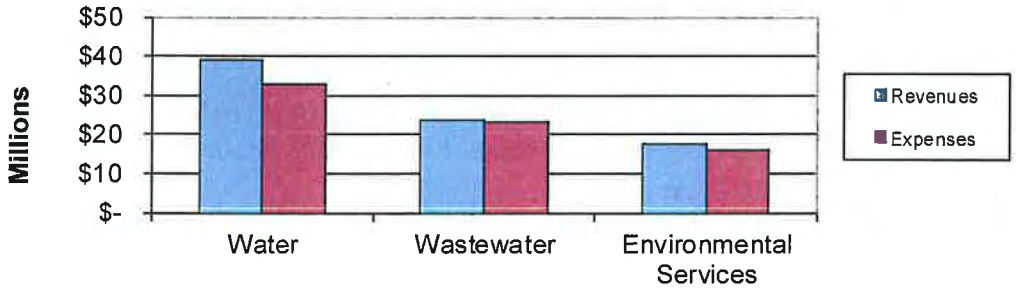
The Wastewater Fund provides wastewater collection and treatment services to residents and businesses in Gilbert. The services also include the storage and distribution of effluent (treated wastewater). Net position increased $17.9 million to $302.3 million due primarily to capital contributions of $16.4 million, including $11.2 million in system development fees and $5.2 million in collection lines contributed by developers. Operating income was $772 thousand.

Environmental Services Fund

Gilbert operates the Environmental Services Fund to provide residential and commercial refuse collection and residential recycling services. Residential services are provided exclusively by Gilbert, while the commercial service competes with the private sector for customers. Net position increased by $1.6 million to $28.5 million primarily from operating income.

The following graph compares the fiscal year revenues to expenses for the Water, Wastewater and Environmental Services Funds.

Proprietary Funds
Operating
Revenues and Expenses



General Fund Budgetary Highlights

Differences between the original adopted budget and the final amended budget were less that 3% reflecting an increase of $3.8 million. The final amended budget projected that expenditures would exceed revenues by $24.2 million resulting in a $29 million reduction to fund balance per the budget. This was mainly due to budgeting $20.8 million in capital outlay expenditures and $6.3 million in contingency.

During the year actual revenues exceeded the budgeted amount by $10 million (8%) mainly due to higher than expected local sales taxes. Actual expenditures were less than budgeted by $23.9 million (16.3%) mainly due to $11.9 million lower than expected capital outlay expenditures and not needing any budgeted contingency. This resulted in an excess of revenues over expenditures of $33.9 million more than budgeted, resulting in the actual net change in fund balance being $35 million more than budgeted.

Capital Asset and Debt Administration

Capital Assets. As of June 30, 2014, Gilbert had $1.4 billion in capital assets. Major capital assets completed during the fiscal year included the following:

Governmental Activities

- Streets and traffic signal projects totaling $23 million.
- Developer contributions of street related infrastructure valued at $1.8 million.

Business-type Activities

- Developer contributions of water and wastewater infrastructure valued at $11.2 million.
- Completed water system improvements totaling $6.6 million and wastewater system improvements totaling $225 thousand.

The following table presents capital assets balances, net of accumulated depreciation, for the fiscal years ended June 30, 2014 and 2013.

Town of Gilbert
Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	$ 179,058,053	$ 174,747,784	$ 59,509,511	$ 55,731,983	$ 238,567,564	$ 230,479,767
Construction-in-progress	28,469,708	23,134,530	7,210,026	4,117,565	35,679,734	27,252,095
Buildings	140,107,581	148,773,207	-	-	140,107,581	148,773,207
Improvements	35,513,538	38,166,672	-	-	35,513,538	38,166,672
Plant, Machinery & Equip	13,779,548	14,245,745	75,018,746	79,472,310	88,798,294	93,718,055
Water Rights	-	-	7,355,578	7,453,870	7,355,578	7,453,870
Infrastructure	550,913,081	559,227,997	307,034,461	303,809,174	857,947,542	863,037,171
Total Capital Assets	**$ 947,841,509**	**$ 958,295,935**	**$ 456,128,322**	**$ 450,584,902**	**$ 1,403,969,831**	**$ 1,408,880,837**

Total governmental capital assets decreased $10.5 million and business-type capital assets increased $5.5 million. The majority of the decrease for the governmental capital assets can be attributable to increased depreciation as assets get older and the removal of obsolete or auctioned machinery and equipment assets. The majority of the increase for the business-type capital assets can be attributable to the purchase of land and an increase in construction projects, offset by increased depreciation as assets get older.

See Note 7 on pages 50-52 for further information regarding capital assets.

Long-term Debt. At June 30, 2014, Gilbert had total bonded debt obligations of $291.7 million related to governmental activities and $104.4 million in business-type activities; $135.3 million of the outstanding debt is general obligation (GO) bonds backed by the full faith and credit of the Town of Gilbert; $9.4 million is special assessment bonds secured by a lien against the land of the benefited property owners in Improvement Districts #19 and #20; and all other outstanding debt is secured by pledges of specific revenue sources.

The Arizona Constitution and State Statutes limit a municipality's bonded debt capacity to certain percentages of its secondary assessed valuation and by the type of project to be constructed with GO bonds. For projects involving water, wastewater, artificial lighting, parks, open space, recreational facility improvements, streets, public safety, and fire and emergency facilities, Gilbert can issue GO bonds up to 20% of its secondary assessed valuation. For any other general-purpose improvements, Gilbert may issue bonds up to 6% of its secondary assessed valuation. Gilbert's available debt margin at June 30, 2014 was $109.8 million in the 6% capacity and $230.6 million in the 20% capacity.

See Note 10 on pages 53-58 for additional information on debt.

The following schedule shows Gilbert's outstanding debt as of June 30, 2014 and 2013.

Town of Gilbert
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation	$ 135,065,000	$ 147,565,000	$ 245,000	$ 2,110,000	$ 135,310,000	$ 149,675,000
Special Assessment	9,410,000	10,430,000	-	-	9,410,000	10,430,000
Street and Highway User	14,915,000	16,945,000	-	-	14,915,000	16,945,000
Utility Revenue	-	-	-	13,980,000	-	13,980,000
Municipal Property Corporation	132,295,000	141,990,000	104,120,000	111,120,000	236,415,000	253,110,000
Totals	**$ 291,685,000**	**$ 316,930,000**	**$ 104,365,000**	**$ 127,210,000**	**$ 396,050,000**	**$ 444,140,000**

Gilbert's bonds are rated by leading rating agencies that assess the risk of default based on Gilbert's financial condition. The following schedule shows Gilbert's bond ratings as of June 30, 2014.

	Moody's Investor Service	Standard and Poors Ratings Group	Fitch Ratings
General Obligation	Aa1	AA	Not Rated
Street and Highway User Revenue	Aa3	AA	AA
Public Facilities Municipal Property Corporation*	Aa2	AA	AA+
Water Resources Municipal Property Corporation	Not Rated	AA-	AA-
Improvement Districts	Aa3	A	Not Rated

Economic Factors and Next Year's Budget

Gilbert, Arizona has embraced the challenge of effectively managing rapid growth and change. Known as the "Hay Capital" in the 1920's, Gilbert was home to fewer than 2,000 residents in 1970. Today, Gilbert is one of the fastest-growing communities in the country, with an estimated population of 233,028; boasting numerous accolades including 2nd safest and 8th most thriving city in the country. Nearly 39% of Gilbert residents have a bachelor's degree or higher; the average household income is $80,080 per year, the highest in Arizona. Gilbert is a stronghold for modern science, a leader in biomedical, adult stem-cell, and algae research, and is also staged to welcome its first university, Saint Xavier University, next year.

Recognizing the need for drastic change, Town leadership laid out stringent expectations for the budget process. Processes and systems are fine-tuned each year to increase efficiency and effectiveness. Gilbert now undertakes a zero-based process every third year, and always applies priority, program, and performance-based approaches. Directors are now tasked with balancing the budget through consensus, rather than presenting requests and waiting to hear back. Only after the directors achieve consensus is the Town Manager presented with the recommended budget. This method allows the town to promote transparency and the importance of short- and long-term planning, while maintaining a strong return on investment for the zero-based process.

The budget for FY 2015 reflects an effort to deliver both effective and efficient services to our community. The budget is balanced assuming no increases in taxes or utility rates, and applies the non-recurring level of construction-related revenues toward non-recurring costs. Recommended increases in ongoing expenses are within the growth in ongoing levels of revenue recognized as a result of growth both in population and in additional retail opportunities within the Town.

Implementing components of a performance-based process allows for an increased focus on results. Departments identify lines of service and performance measures that will be impacted through budgetary requests. Structuring requests by anticipated outcomes allows the leadership team to identify programs that readily align with Council-identified goals. In FY 2015, two additional improvements were made: two staff received Lean black-belt certifications to help enhance the process; a separate budget subcommittee from the executive team was formed to determine the most efficient way to review department requests.

Budget Highlights for Fiscal Year 2014

With carry forwards and contingency adjustments, the proposed budget of $554,729,200 is just slightly less than the $554,735,125 adopted on May 15, 2014 as the legal limitation for FY 2015, and is an increase of $88 million from FY 2014. The change from FY 2014 primarily reflects the budget necessary for carry forward and new capital projects.

In prior years, capital improvement projects were budgeted on a cash flow basis. Beginning in FY 2014, Council approved a shift to allow staff to budget the full amount necessary to fulfill a contract, thereby providing for the full encumbrance of that contract. After updating the anticipated carry forward for capital projects, the proposed FY 2015 budget includes not only the $79,337,673 necessary for awarding new contracts during the fiscal year, but also the carry forward of $80,637,408 in budget authority from FY 2014. This includes an update to the CIP to provide funding for the consolidated canal project.

The capital projects contingency budget of $64,750,000 also reflects an increase over FY 2014 to allow Council the flexibility and legal authority to respond to community needs related to the finalization of master plans. As with all contingency, any amounts exceeding $50,000 would require explicit Council approval.

Tax Rates: The adopted budget reflects no increases to sales tax rates and a decrease in the secondary property tax rate from $1.15 to $1.0659.

Balanced Financial Plan: The FY 2015 adopted budget is balanced based upon identified revenues and expenditures.

Constitutional Expenditure Limit: The FY 2015 adopted budget reflects expenses that will be under the constitutional expenditure limitation. Staff annually monitors conformity with the constitutional expenditure requirements and will recommend, if necessary, continuing adjustments and modifications necessary to comply with expenditure limitation requirements.

State Shared Revenues: The FY 2015 adopted budget reflects State Shared Revenues based upon statutory distribution formulas, taking into account currently projected State sales and income tax collections (provided by the Arizona League of Cities and Towns), which reflect the state's budgeted HURF distributions. Much credit goes to the Town's Intergovernmental Relations staff and to our State legislators. We understand that there are difficult decisions that our legislators must address. We greatly appreciate the consideration that was given to protecting and restoring cities' and towns' abilities to provide necessary public service.

Secondary Property Tax Levy: Previously collections in April could be applied to the following October debt service payment, allowing for a consistent property tax levy when scheduled debt service payments fluctuated. House Bill 2347 from the 2013 Legislative Session requires municipalities to adopt a property tax levy based on the exact amount of scheduled debt service for the year, plus a reasonable amount for delinquencies and certain costs. Because the $18,576,087 general obligation debt service payment required for FY 2015 is less than the $19,092,000 required in FY 2014, the average tax payer will see a decrease in the Town's portion of the corresponding property tax in the upcoming year. The $22,814,500 debt service payment due in FY 2016 may cause a corresponding increase in the following fiscal year. The FY 2015 recommended tax levy of $19,500,000 allows for a 5% delinquency factor.

Utility Rates: The FY 2015 adopted budget reflects revenues projected from Gilbert's current water, wastewater, environmental services, and reclaimed water rates. No rate increases are recommended for this fiscal year. Gilbert recently completed a utility rate study. The results of this study offered a recommendation on a new rate structure and potential rate changes. During the second and third quarter of FY 2015, Gilbert will update the rate models based on the results of our zero base budget process and begin discussions with Council and citizens. Potential changes to the structure and rates would be included in the FY 2016 budget.

Capital Project Financing – System Development Fees: The FY 2015 adopted budget reflects revenues projected from the continued collection of System Development Fees as allowed under current State Law. Staff has undertaken a comprehensive system development fee study to ensure our continued compliance.

Financial Contact

This financial report is designed to provide a general overview of Gilbert's finances and to demonstrate accountability for the use of public funds. This report is also available on Gilbert's website at www.gilbertaz.gov. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to:

Town of Gilbert
Finance & Management Services Department
50 E Civic Center Drive
Gilbert, AZ 85296
(480) 503-6752

TOWN OF GILBERT, ARIZONA
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
ASSETS				
Pooled cash and investments	$ 193,603,095	$ 140,930,048	$ 334,533,143	$ 14,365
Receivables, net:				
Taxes	5,946,710	-	5,946,710	-
Special assessments	9,020,631	-	9,020,631	-
Accrued interest	405,227	311,237	716,464	-
Accounts	16,714,079	4,207,544	20,921,623	-
Due from other governments	3,191,627	115,091	3,306,718	-
Internal balances	(8,967,789)	8,967,789	-	-
Prepaid items	87,704	-	87,704	-
Inventories	540,292	206,570	746,862	-
Restricted assets:				
Cash and investments	18,916,593	64,432,341	83,348,934	-
Accrued interest	88	59,266	59,354	-
Investment in joint venture	310,120	138,407,297	138,717,417	-
Capital assets:				
Non-depreciable	207,527,761	66,719,537	274,247,298	-
Depreciable, net	740,313,748	389,408,785	1,129,722,533	-
Total assets	1,187,609,886	813,765,505	2,001,375,391	14,365
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,341,801	-	2,341,801	-
Total deferred outflows of resources	2,341,801	-	2,341,801	-
LIABILITIES				
Accounts payable	9,915,531	3,782,259	13,697,790	-
Accrued liabilities	11,013,195	380,323	11,393,518	-
Accrued interest	-	1,278,128	1,278,128	-
Claims payable	1,266,492	-	1,266,492	-
Deposits held for others	245,033	-	245,033	-
Utility deposits	-	3,134,148	3,134,148	-
Bond interest payable	3,229,144	-	3,229,144	-
Unearned revenue	110,018	-	110,018	-
Noncurrent liabilities:				
Due within one year	30,037,069	5,058,735	35,095,804	
Due in more than one year	280,137,290	101,366,569	381,503,859	
Total liabilities	335,953,772	115,000,162	450,953,934	-
NET POSITION				
Net investment in capital assets	680,716,975	351,796,858	1,032,513,833	-
Restricted for:			-	
Debt service	18,439,085	20,045,832	38,484,917	-
Capital projects	43,663,212	30,883,507	74,546,719	-
System repair & maintenance	-	14,647,453	14,647,453	-
Highways and streets	14,931,372	-	14,931,372	-
Grant programs	1,606,944	-	1,606,944	-
Court/public safety programs	1,921,249	-	1,921,249	-
Parks and recreation programs	30,386	-	30,386	-
Contract agreements	107,436	-	107,436	-
Special districts	224,731	-	224,731	-
Unrestricted	92,356,525	281,391,693	373,748,218	14,365
Total net position	$ 853,997,915	$ 698,765,343	$ 1,552,763,258	$ 14,365

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government				
Management and policy	$ 13,377,552	$ 10,598	$ 48,294	$ -
Finance and management services	4,347,031	261,542	-	-
Legal and court	5,975,194	793,414	30,000	-
Development services	9,061,728	6,782,976	24,200	-
Public safety				
Police	45,930,719	5,477,073	257,153	1,473,004
Fire	28,853,208	254,556	1,459,142	1,983,757
Highways and streets	45,780,743	1,439,724	19,172,563	7,605,479
Parks and recreation	22,493,451	3,764,882	1,256,037	7,439,867
Transportation	842,184	-	28,553	683,653
Non departmental	4,104,289	731	49,884	-
Interest and fiscal charges on long-term debt	15,215,884	-	-	-
Total governmental activities	195,981,983	18,785,496	22,325,826	19,185,760
Business-type activities:				
Water	39,926,683	37,866,520	-	19,883,317
Wastewater	23,614,969	23,852,369	-	16,368,281
Environmental Services	16,112,973	17,307,709	-	-
Total business-type activities	79,654,625	79,026,598	-	36,251,598
Total primary government	$ 275,636,608	$ 97,812,094	$ 22,325,826	$ 55,437,358
Component unit				
Industrial development authority	$ 10	$ -	$ -	$ -

General revenues:
- Sales taxes
- Property taxes, levied for debt service
- In-Lieu property taxes
- Franchise taxes
- Unrestricted state shared sales taxes
- Unrestricted state shared income taxes
- Grants and contributions not restricted to specific programs
- Unrestricted investment earnings
- Gain on sale of capital assets
- Miscellaneous

Transfers
- Total general revenues and transfers
  - Change in net position

Net position, July 1, 2013
Net position, June 30, 2014

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Industrial Development Authority
$ (13,318,660)	$ -	$ (13,318,660)	$ -
(4,085,489)	-	(4,085,489)	-
(5,151,780)	-	(5,151,780)	-
(2,254,552)	-	(2,254,552)	-
(38,723,489)	-	(38,723,489)	-
(25,155,753)	-	(25,155,753)	-
(17,562,977)	-	(17,562,977)	-
(10,032,665)	-	(10,032,665)	-
(129,978)	-	(129,978)	-
(4,053,674)	-	(4,053,674)	-
(15,215,884)	-	(15,215,884)	-
(135,684,901)	-	(135,684,901)	-
-	17,823,154	17,823,154	-
-	16,605,681	16,605,681	-
-	1,194,736	1,194,736	-
-	35,623,571	35,623,571	-
(135,684,901)	35,623,571	(100,061,330)	-
			(10)
66,756,593	-	66,756,593	-
18,315,083	-	18,315,083	-
1,286,862	-	1,286,862	-
2,616,131	-	2,616,131	-
18,118,706	-	18,118,706	-
23,204,634	-	23,204,634	-
904,497	-	904,497	-
1,508,342	1,741,848	3,250,190	4
29,366	30,372	59,738	-
1,225,918	1,265,737	2,491,655	-
110,000	(110,000)	-	-
134,076,132	2,927,957	137,004,089	4
(1,608,769)	38,551,528	36,942,759	(6)
855,606,684	660,213,815	1,515,820,499	14,371
$ 853,997,915	$ 698,765,343	$ 1,552,763,258	$ 14,365

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2014

	General	Streets Special Revenue	General Debt Service	Special Assessments Debt Service
ASSETS				
Pooled cash and investments	$ 71,828,521	$ 19,767,726	$ 10,195,245	$ 474,744
Receivables, net:				
Taxes	5,778,783	-	152,402	-
Special assessments	-	-	-	9,020,631
Accrued interest	160,168	41,702	35,383	761
Accounts	15,545,281	3,944	-	-
Due from other governments	36,650	1,424,998	-	-
Due from other funds	2,750,914	-	-	-
Prepaid items	6,507	81,197	-	-
Inventories	-	-	-	-
Advances to other funds	25,373,654	-	-	-
Restricted assets:				
Cash and investments	79,365	-	13,309,145	-
Accrued interest	-	-	58	-
Total assets	$ 121,559,843	$ 21,319,567	$ 23,692,233	$ 9,496,136
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 5,109,292	$ 1,439,910	$ -	$ -
Accrued liabilities	10,846,072	84,704	-	-
Deposits held for others	109,576	15,452	-	-
Due to other funds	-	-	-	-
Bonds payable	-	-	10,080,000	-
Interest payable	-	-	3,229,144	-
Advances from other funds	-	-	-	-
Unearned revenue	110,018	-	-	-
Total liabilities	16,174,958	1,540,066	13,309,144	-
Deferred Inflows of Resources:				
Unavailable revenue - special assessments	-	-	-	9,016,722
Unavailable revenue - court fines	5,111,912	-	-	-
Unavailable revenue - sales tax	423,001	-	-	-
Unavailable revenue - other	625,072	-	-	-
Total deferred inflows of resources	6,159,985	-	-	9,016,722
Fund Balances:				
Nonspendable	25,380,161	81,197	-	-
Restricted	-	15,391,104	8,942,949	479,414
Assigned	12,081,060	4,307,200	1,440,140	-
Unassigned	61,763,679	-	-	-
Total fund balances	99,224,900	19,779,501	10,383,089	479,414
Total liabilities, deferred inflows of resources, and fund balances	$ 121,559,843	$ 21,319,567	$ 23,692,233	$ 9,496,136

GO Bonds Capital Projects	System Development Fees Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 24,302,499	$ 25,317,219	$ 28,379,077	$ 180,265,031
-	-	15,525	5,946,710
-	-	-	9,020,631
86,309	53,659	24,567	402,549
192,046	16,269	954,954	16,712,494
-	-	1,729,979	3,191,627
-	-	-	2,750,914
-	-	-	87,704
-	-	1,825	1,825
-	-	-	25,373,654
-	-	5,528,083	18,916,593
-	-	30	88
$ 24,580,854	$ 25,387,147	$ 36,634,040	$ 262,669,820
$ 1,275,796	$ 4,774	$ 1,764,391	$ 9,594,163
-	-	44,842	10,975,618
120,005	-	-	245,033
-	-	2,750,914	2,750,914
-	-	-	10,080,000
-	-	-	3,229,144
-	25,373,654	-	25,373,654
-	-	-	110,018
1,395,801	25,378,428	4,560,147	62,358,544
-	-	-	9,016,722
-	-	-	5,111,912
-	-	-	423,001
191,350	-	-	816,422
191,350	-	-	15,368,057
-	-	1,825	25,463,183
17,584,623	25,387,147	24,551,624	92,336,861
5,409,080	-	7,607,716	30,845,196
-	(25,378,428)	(87,272)	36,297,979
22,993,703	8,719	32,073,893	184,943,219
$ 24,580,854	$ 25,387,147	$ 36,634,040	$ 262,669,820

The notes to the financial statement are an integral part of this statement.

GILBERT
ARIZONA

TOWN OF GILBERT, ARIZONA
Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2014

Fund balances - total governmental funds		**$ 184,943,219**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	1,530,919,523	
Accumulated depreciation	(583,280,055)	947,639,468
The investment in joint venture is not a financial resource and, therefore, is not reported in the funds		310,120
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		15,368,057
Internal service funds are used by management to charge the costs of certain activities, such as equipment maintenance, copy services, and self-insurance to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position, but are not included on the governmental funds balance sheet.		3,312,365
Certain liabilities applicable to the Town's governmental activities are not due and payable in the current period, and accordingly are not reported as fund liabilities in the governmental funds statement.		
Unamortized deferred outflow on bond refunding	2,341,801	
Bonds payable	(281,605,000)	
Bonds premium	(5,537,710)	
Compensated absences	(12,070,974)	
Post-employment benefits	(703,431)	(297,575,314)
Net position of governmental activities - statement of net position		**$ 853,997,915**

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2014

	General	Streets Special Revenue	General Debt Service	Special Assessments Debt Service
Revenues				
Taxes:				
Sales	$ 66,771,661	$ -	$ -	$ -
Property	-	-	18,315,083	-
Franchise	2,699,926	-	-	-
Licenses and permits	4,748,310	-	-	-
Intergovernmental	44,039,441	19,325,179	-	-
Special assessments	-	-	-	2,089,887
Charges for services	8,657,665	6,462	-	-
Other entities' participation	24,200	-	-	-
System development fees	-	-	-	-
Gifts and donations	32,919	-	-	-
Fines and forfeitures	3,861,905	2,321	-	-
Investment earnings	772,153	160,924	130,319	4,767
Miscellaneous	574,649	209,302	-	-
Total revenues	132,182,829	19,704,188	18,445,402	2,094,654
Expenditures				
Current:				
General government:				
Management and policy	15,301,777	-	-	-
Finance and management services	4,413,584	-	-	-
Legal and court	4,749,129	-	-	-
Development services	6,077,733	-	-	-
Public safety:				
Police	40,235,229	-	-	-
Fire	24,820,093	-	-	-
Highways and streets	-	10,372,765	-	-
Parks and recreation	13,555,026	-	-	-
Transportation	350,000	-	-	-
Non departmental	4,054,405	-	-	-
Debt service:				
Principal	-	-	24,610,000	1,020,000
Interest	-	-	13,743,738	507,965
Fiscal and other charges	-	-	1,586	1,165
Capital outlay	8,951,361	7,456,090	-	-
Total expenditures	122,508,337	17,828,855	38,355,324	1,529,130
Excess (deficiency) of revenues over (under) expenditures	9,674,492	1,875,333	(19,909,922)	565,524
Other financing sources (uses)				
Transfers in	1,492,272	2,750,968	19,557,766	-
Transfers out	(5,706,272)	(3,255,566)	-	(85,512)
Sale of capital assets	590,185	-	-	-
Total other financing sources and uses	(3,623,815)	(504,598)	19,557,766	(85,512)
Net change in fund balances	6,050,677	1,370,735	(352,156)	480,012
Fund balances at beginning of year	93,174,223	18,408,766	10,735,245	(598)
Fund balances at end of year	$ 99,224,900	$ 19,779,501	$ 10,383,089	$ 479,414

GO Bonds Capital Projects	System Development Fees Capital Projects	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 66,771,661
-	-	2,366,473	20,681,556
-	-	-	2,699,926
-	-	-	4,748,310
-	-	4,680,964	68,045,584
-	-	-	2,089,887
-	-	1,363,281	10,027,408
-	-	1,953,036	1,977,236
-	13,434,970	-	13,434,970
-	-	121,914	154,833
-	-	604,576	4,468,802
66,213	209,996	149,218	1,493,590
-	-	471,333	1,255,284
66,213	13,644,966	11,710,795	197,849,047
-	-	34,175	15,335,952
-	-	-	4,413,584
-	-	339,717	5,088,846
-	-	-	6,077,733
-	-	1,711,520	41,946,749
-	-	172,751	24,992,844
-	-	1,596,201	11,968,966
81,618	-	1,977,668	15,614,312
-	-	491,257	841,257
-	-	49,884	4,104,289
-	-	-	25,630,000
-	-	-	14,251,703
3,250	-	7,026	13,027
11,804,894	567,485	10,024,451	38,804,281
11,889,762	567,485	16,404,650	209,083,543
(11,823,549)	13,077,481	(4,693,855)	(11,234,496)
35,063	670	22,054,043	45,890,782
(21,733,757)	(11,635,341)	(3,364,334)	(45,780,782)
-	-	-	590,185
(21,698,694)	(11,634,671)	18,689,709	700,185
(33,522,243)	1,442,810	13,995,854	(10,534,311)
56,515,946	(1,434,091)	18,078,039	195,477,530
$ 22,993,703	$ 8,719	$ 32,073,893	$ 184,943,219

The notes to the financial statements are an integral part of this statement.

GILBERT
ARIZONA

TOWN OF GILBERT, ARIZONA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds		**$ (10,534,311)**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	38,804,281	
Depreciation expense	(51,180,406)	(12,376,125)
Repayment of bond principal is reported as expenditures in governmental funds and thus has the effect of reducing fund balance because current financial resources have been used. For the government-wide statements, however, the principal payments reduce the long-term liabilities in the statement of net position and do not result in an expense in the statement of activities. Also, governmental funds report the effect of deferred outflows of resources, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal payments	25,630,000	
Amortization expense	(951,154)	24,678,846
Internal service funds are used by management to charge the costs of certain activities, such as equipment maintenance and copy services, to the individual funds. The adjustments for internal service funds "close" those funds by charging the additional amounts to participating governmental activities to completely cover the internal services funds' costs for the year.		(1,339,527)
Capital assets contributed by developers are not shown on the governmental fund statements, but are included in the assets of the Town. On the statement of activities, these donations are shown as capital contributions.		
Capital contributions		1,846,142
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(1,136,679)	
Post-employment benefits	(360,445)	(1,497,124)
Certain revenues are not reported in the governmental funds because they do not provide current financial resources due to unavailability but are recognized as revenue in the statement of activities. However, other revenues in the governmental funds that provide current financial resources are not included in the statement of activities because they were recognized in a prior period.		
Special assessments	(1,539,077)	
Court fines	234,559	
Sales tax	(15,068)	
Other	(1,067,084)	(2,386,670)
Change in net position of governmental activities - statement of activities		**$ (1,608,769)**

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Sales	$ 60,500,000	$ 60,500,000	$ 66,771,661	$ 6,271,661
Franchise	2,335,000	2,335,000	2,699,926	364,926
Licenses and permits	4,103,000	4,103,000	4,748,310	645,310
Intergovernmental	43,694,290	43,694,290	44,039,441	345,151
Charges for services	7,317,156	7,317,156	8,657,665	1,340,509
Other entities' participation	-	-	24,200	24,200
Gifts and donations	10,000	10,000	32,919	22,919
Fines and forfeitures	3,414,000	3,414,000	3,861,905	447,905
Investment earnings	430,000	430,000	772,153	342,153
Miscellaneous	319,320	319,320	574,649	255,329
Total revenues	122,122,766	122,122,766	132,182,829	10,060,063
Expenditures				
Current:				
General government:				
Management and policy	18,352,697	18,168,871	15,301,777	2,867,094
Finance and management services	4,558,104	4,640,216	4,413,584	226,632
Legal and court	4,930,256	4,930,406	4,749,129	181,277
Development services	5,788,607	6,194,971	6,077,733	117,238
Public safety:				
Police	40,954,283	41,061,733	40,235,229	826,504
Fire	25,069,735	25,128,963	24,820,093	308,870
Parks and recreation	14,275,206	15,322,431	13,555,026	1,767,405
Transportation	350,000	350,000	350,000	-
Non departmental	3,447,860	3,447,860	4,054,405	(606,545)
Capital outlay	11,802,200	20,822,482	8,951,361	11,871,121
Contingency	13,044,000	6,303,408	-	6,303,408
Total expenditures	142,572,948	146,371,341	122,508,337	23,863,004
Excess (deficiency) of revenues over (under) expenditures	(20,450,182)	(24,248,575)	9,674,492	33,923,067
Other financing sources (uses)				
Transfers in	1,111,191	1,111,191	1,492,272	381,081
Transfers out	(5,844,772)	(5,844,772)	(5,706,272)	138,500
Sale of capital assets	-	-	590,185	590,185
Total other financing sources and uses	(4,733,581)	(4,733,581)	(3,623,815)	1,109,766
Net change in fund balances	$ (25,183,763)	$ (28,982,156)	6,050,677	$ 35,032,833
Fund balance at beginning of year			93,174,223	
Fund balance at end of year			$ 99,224,900	

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
Streets Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Intergovernmental	$ 18,600,000	$ 18,600,000	$ 19,325,179	$ 725,179
Charges for services	-	-	6,462	6,462
Fines and forfeitures	-	-	2,321	2,321
Investment earnings	50,000	50,000	160,924	110,924
Miscellaneous	-	-	209,302	209,302
Total revenues	18,650,000	18,650,000	19,704,188	1,054,188
Expenditures				
Current:				
Highways and streets	11,129,591	11,159,479	10,372,765	786,714
Capital outlay	10,844,080	11,227,346	7,456,090	3,771,256
Contingency	1,000,000	426,846	-	426,846
Total expenditures	22,973,671	22,813,671	17,828,855	4,984,816
Excess (deficiency) of revenues over (under) expenditures	(4,323,671)	(4,163,671)	1,875,333	6,039,004
Other financing sources (uses)				
Transfers in	50,000	50,000	2,750,968	2,700,968
Transfers out	(3,283,721)	(3,283,721)	(3,255,566)	28,155
Total other financing sources and uses	(3,233,721)	(3,233,721)	(504,598)	2,729,123
Net change in fund balances	$ (7,557,392)	$ (7,397,392)	1,370,735	$ 8,768,127
Fund balance at beginning of year			18,408,766	
Fund balance at end of year			$ 19,779,501	

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Environmental Services	Total
ASSETS				
Current assets:				
Pooled cash and investments	$ 68,285,169	$ 56,159,176	$ 24,865,991	$ 149,310,336
Receivables (net):				
Accrued interest	151,817	109,257	50,163	311,237
Accounts	2,391,523	1,167,139	648,882	4,207,544
Due from other governments	115,091	-	-	115,091
Inventories	206,570	-	-	206,570
Total current assets	71,150,170	57,435,572	25,565,036	154,150,778
Noncurrent assets:				
Restricted assets:				
Cash and investments	57,761,051	6,671,290	-	64,432,341
Accrued interest	59,266	-	-	59,266
Investment in joint venture	72,199,454	66,207,843	-	138,407,297
Capital assets:				
Non-depreciable	51,860,930	14,849,514	9,093	66,719,537
Depreciable, net	225,500,360	159,971,148	3,937,277	389,408,785
Total noncurrent assets	407,381,061	247,699,795	3,946,370	659,027,226
Total assets	478,531,231	305,135,367	29,511,406	813,178,004
LIABILITIES				
Current liabilities:				
Accounts payable	1,240,564	2,234,767	306,928	3,782,259
Accrued liabilities	175,552	72,317	132,454	380,323
Current portion of accrued compensated absences	362,888	176,302	196,960	736,150
Claims payable	-	-	-	-
Accrued interest	1,278,128	-	-	1,278,128
Bonds payable	4,322,585	-	-	4,322,585
Utility deposits	3,105,379	-	28,769	3,134,148
Total current liabilities	10,485,096	2,483,386	665,111	13,633,593
Noncurrent liabilities:				
Utility revenue bonds payable	100,008,879	-	-	100,008,879
Accrued compensated absences	541,610	343,002	293,772	1,178,384
Post-employment benefits	87,292	31,942	60,072	179,306
Total noncurrent liabilities	100,637,781	374,944	353,844	101,366,569
Total liabilities	111,122,877	2,858,330	1,018,955	115,000,162
NET POSITION				
Net investment in capital assets	173,029,826	174,820,662	3,946,370	351,796,858
Restricted for debt service	19,340,732	705,100	-	20,045,832
Restricted for capital projects	29,798,887	1,084,620	-	30,883,507
Restricted for system repair & maintenance	8,754,917	5,892,536	-	14,647,453
Unrestricted	136,483,992	119,774,119	24,546,081	280,804,192
Total net position	$ 367,408,354	$ 302,277,037	$ 28,492,451	$ 698,177,842

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	587,501
Net position of business-type activities	$ 698,765,343

Governmental Activities - Internal Service Funds
$ 4,957,776
2,678
1,585
-
538,467
5,500,506
-
-
-
-
202,041
202,041
5,702,547
321,368
37,577
78,541
1,266,492
-
-
-
1,703,978
-
98,703
-
98,703
1,802,681
202,041
-
-
-
3,697,825
$ 3,899,866

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Environmental Services	Total
Operating revenues				
Charges for services	$ 37,866,520	$ 23,852,369	$ 17,307,709	$ 79,026,598
Other	1,143,907	10,410	111,420	1,265,737
Total operating revenues	39,010,427	23,862,779	17,419,129	80,292,335
Operating expenses				
General and administrative	1,235,155	674,632	926,402	2,836,189
Personal services	6,920,391	3,917,740	5,692,286	16,530,417
Operation and maintenance	12,996,353	9,411,338	6,922,187	29,329,878
Claims Incurred	-	-	-	-
Depreciation	10,011,894	8,349,360	1,700,804	20,062,058
Allocation of indirect expenses	1,621,385	737,948	700,723	3,060,056
Total operating expenses	32,785,178	23,091,018	15,942,402	71,818,598
Operating income (loss)	6,225,249	771,761	1,476,727	8,473,737
Nonoperating revenues (expenses)				
Interest expense	(6,997,895)	(413,019)	-	(7,410,914)
Investment earnings	1,010,510	543,330	188,008	1,741,848
Gain (loss) on sale of capital assets	8,111	(38,277)	(9,889)	(40,055)
Total nonoperating revenues (expenses)	(5,979,274)	92,034	178,119	(5,709,121)
Income (loss) before capital contributions and transfers	245,975	863,795	1,654,846	2,764,616
Capital contributions	19,883,317	16,368,281	-	36,251,598
Transfers in	79,051	679,007	-	758,058
Transfers out	(764,007)	(51,350)	(52,701)	(868,058)
Change in net position	19,444,336	17,859,733	1,602,145	38,906,214
Total net position, beginning of year	347,964,018	284,417,304	26,890,306	
Total net position, end of year	$ 367,408,354	$ 302,277,037	$ 28,492,451	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(354,686)
Change in net position of business-type activities	$ 38,551,528

Governmental Activities - Internal Service Funds
$ 22,304,990
119,276
22,424,266
823,376
1,697,103
6,126,916
15,458,122
27,714
-
24,133,231
(1,708,965)
-
14,752
-
14,752
(1,694,213)
-
-
-
(1,694,213)
5,594,079
$ 3,899,866

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Environmental Services	Total
Cash flows from operating activities:				
Cash receipts from customers	$ 38,544,934	$ 23,872,733	$ 17,350,953	$ 79,768,620
Other operating cash receipts	1,143,907	10,410	111,420	1,265,737
Cash receipts from other funds for services	-	-	-	-
Cash receipts from deposits	-	-	6,860	6,860
Cash payments to suppliers for goods and services	(15,089,377)	(9,241,492)	(8,390,995)	(32,721,864)
Cash payments to employees for services	(6,869,973)	(3,914,286)	(5,613,887)	(16,398,146)
Cash payments to other funds for services	(1,621,385)	(737,948)	(700,723)	(3,060,056)
Net cash provided by (used in) operating activities	16,108,106	9,989,417	2,763,628	28,861,151
Cash flows from noncapital financing activities:				
Transfers from other funds	79,051	679,007	-	758,058
Transfers to other funds	(764,007)	(51,350)	(52,701)	(868,058)
Net cash provided by (used in) noncapital financing activities	(684,956)	627,657	(52,701)	(110,000)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(8,692,486)	(1,544,118)	(1,248,487)	(11,485,091)
Proceeds from development fees	13,929,121	11,154,279	-	25,083,400
Cash paid for interest and fiscal charges	(5,883,684)	(148,909)	-	(6,032,593)
Principal payments on bonds	(19,576,886)	(3,268,114)	-	(22,845,000)
Proceeds from sales of capital assets	8,111	-	-	8,111
Net cash provided by (used in) capital and related financing activities	(20,215,824)	6,193,138	(1,248,487)	(15,271,173)
Cash flows from investing activities:				
Interest received on investments	1,019,335	513,291	189,079	1,721,705
Net cash provided by investing activities	1,019,335	513,291	189,079	1,721,705
Net increase (decrease) in cash and cash equivalents	(3,773,339)	17,323,503	1,651,519	15,201,683
Cash and cash equivalents at beginning of year	129,819,559	45,506,963	23,214,472	198,540,994
Cash and cash equivalents at end of year	$ 126,046,220	$ 62,830,466	$ 24,865,991	$ 213,742,677
Cash and cash equivalents at end of year includes:				
Equity in pooled cash and investments	$ 68,285,169	$ 56,159,176	$ 24,865,991	$ 149,310,336
Restricted cash and investments	57,761,051	6,671,290	-	64,432,341
Total cash and cash equivalents	$ 126,046,220	$ 62,830,466	$ 24,865,991	$ 213,742,677
Reconciliation of operating income (loss) to net cash provided by (used in) operations:				
Operating income (loss)	$ 6,225,249	$ 771,761	$ 1,476,727	$ 8,473,737
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	10,011,894	8,349,360	1,700,804	20,062,058
Provision for uncollectible accounts	(9,394)	(3,303)	(1,002)	(13,699)
Changes in assets and liabilities:				
Decrease in accounts receivable	771,112	23,668	44,246	839,026
(Increase) decrease in inventories	17,999	-	-	17,999
Increase (decrease) in accounts payable	(875,868)	844,477	(542,406)	(573,797)
Increase in claims payable	-	-	-	-
Increase (decrease) in deposits	(83,304)	-	6,860	(76,444)
Increase in accrued expenses	50,418	3,454	78,399	132,271
Total adjustments	9,882,857	9,217,656	1,286,901	20,387,414
Net cash provided by (used in) operating activities	$ 16,108,106	$ 9,989,417	$ 2,763,628	$ 28,861,151
Supplemental disclosures of noncash financing activities:				
Additions to property and equipment:				
Contributions from developers	$ 5,954,196	$ 5,214,002	$ -	$ 11,168,198
Total additions to property and equipment	$ 5,954,196	$ 5,214,002	$ -	$ 11,168,198

Governmental Activities - Internal Service Funds
$ -
138,752
22,320,172
-
(22,418,678)
(1,660,730)
-
(1,620,484)
-
-
-
(75,077)
-
-
-
-
(75,077)
15,988
15,988
(1,679,573)
6,637,349
$ 4,957,776
$ 4,957,776
-
$ 4,957,776
$ (1,708,965)
27,714
-
34,658
(64,311)
(1,041)
55,088
-
36,373
88,481
$ (1,620,484)
$ -
$ -

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Firemen's Pension Trust	Agency Funds
ASSETS		
Restricted cash and investments	$ 94,778	$ 240,415
Prepaid items	-	10,685
Total assets	94,778	$ 251,100
LIABILITIES		
Guaranty and other deposits	-	$ 229,117
Dependent care benefits payable	-	21,983
Total liabilities	-	$ 251,100
NET POSITION		
Held in trust for pension benefits	$ 94,778	

The notes to the financial statements are an integral part of this statement.

TOWN OF GILBERT, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2014

	Firemen's Pension Trust
Additions	
Interest on investments	$ 49
Total additions	49
Deductions	
Benefits	2,400
Administration	100
Total deductions	2,500
Change in net position	(2,451)
Net position - beginning of the year	97,229
Net position - end of the year	$ 94,778

The notes to the financial statements are an integral part of this statement.

GILBERT
ARIZONA

The Town of Gilbert, Arizona (Gilbert) was incorporated on July 6, 1920, under the provisions of Article 13, Section 1 of the Constitution of the State of Arizona. Gilbert operates as a general law community, under the provisions of Title 9, Chapter 2, Article 3 (Common Council provision). Gilbert operates under the Council-Manager form of government, as empowered in Chapter 2, Article 2-51 of the Code of the Town of Gilbert, Arizona. There are seven members of the Council, elected to staggered four-year terms. The voters select the Mayor and the Council membership annually elects the Vice Mayor.

Note 1 - Summary of Significant Accounting Policies

Gilbert's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

Gilbert's operations include public safety (police, fire, and animal control), parks and recreation (parks, recreation, library, culture and arts, and social services), development services (planning, code enforcement, and engineering), and general administration in support of operations. Gilbert also operates three enterprise funds to provide water, wastewater, and environmental services, and three internal service funds that provide equipment and fleet maintenance, copy services, and employee self-insurance for medical and dental claims.

The accompanying financial statements present the activities of Gilbert (the primary government) and its component units. Component units are legally separate entities for which Gilbert is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of Gilbert's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the Town of Gilbert. Each blended and discretely presented component unit discussed below has a June 30 year-end.

Blended Component Units - The Water Resources Municipal Property Corporation (Water MPC) is a legally separate, non-profit corporation which exists solely for the purpose of financing the construction or acquisition of water and wastewater capital improvement projects. The Public Facilities Municipal Property Corporation (Public Facilities MPC) is a legally separate, non-profit corporation which exists solely for the purpose of financing construction of municipal facilities. Each is considered a blended component unit because the Council appoints the five-member board of directors of the MPC, the Council must approve any amendments to the articles of incorporation of the MPC, the Council must approve any debt issues of the MPC, and the MPC provides services solely to the Town of Gilbert. At June 30, 2014, the Water MPC bonded debt is reported within the water fund and the Public Facilities MPC bonded debt is reported within the debt service fund (current portion only) and within the governmental activities in the government-wide statement of net position.

Discretely Presented Component Unit - The Industrial Development Authority (IDA) issues industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of eligible industrial and commercial facilities deemed to be in the public interest. The IDA is considered a component unit because the Council appoints the board of directors of the IDA, the Council must approve any amendments to the articles of incorporation of the IDA, and the Council must approve any debt issues of the IDA. The IDA is discretely presented in these combined financial statements because the IDA does not provide services solely to Gilbert. Separate financial statements for the IDA have not been prepared.

B. Jointly Governed Organizations

Phoenix-Mesa Gateway Airport Authority (PMGAA) is a non-profit corporation established and funded by the Towns of Gilbert and Queen Creek, the Cities of Mesa and Phoenix, and the Gila River Indian Community. The purpose of the entity is the redevelopment of Williams Air Force Base, which was closed in September 1993 and became Phoenix-Mesa Gateway Airport (formerly known as Williams Gateway Airport). The airport has three runways, a newly remodeled passenger terminal and is positioned to be a reliever airport to Phoenix's Sky Harbor International Airport. The Board of Directors consists of the mayors of the respective communities and the governor of the tribal community. Gilbert contributed $350,000 in fiscal year 2014 (life to date $7,524,250) to the PMGAA operating and capital budget.

Regional Public Transportation Authority (RPTA) is a voluntary association of local governments, including Maricopa County, Mesa, Tempe, Scottsdale, Glendale, Phoenix, and Gilbert. Its purpose is to create a regional public transportation plan for Maricopa County. The Board of Directors consists of the mayors of those municipalities and a member of the County Board of Supervisors.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on Gilbert and its component units as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide Statement of Net Position reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted and 3) unrestricted. Net investment in capital assets is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position has constraints placed on its use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, is shown as unrestricted.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of the various functions or departments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or department. Interest and fiscal charges on long-term debt are not allocated to the various functions. Program revenues include charges for services, fines and forfeitures, licenses and permit fees, special assessment fees, certain system development fees, intergovernmental grants and other entities participation. Taxes, investment earnings and other revenues not identifiable with a particular function or department are included as general revenues. The general revenues support the net costs of the functions and departments not covered by program revenues.

For the most part, the effect of internal activity has been removed from the government-wide financial statements. Net internal activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. Certain charges between the enterprise funds' utility systems and the various functional activities are not eliminated as this would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for the governmental funds, proprietary funds and fiduciary funds. The focus of the fund financial statements is on major funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements. Other nonmajor governmental funds, as well as the internal service funds, are summarized into a single column on the fund financial statements and are detailed in the combining statements included as supplementary information.

As stated above, the fiduciary funds are presented in the fund financial statements and not included in the government-wide statements. By definition these assets are being held for the benefit of a third party and cannot be used to address Gilbert's activities or obligations.

The internal service funds, which provide services to the other funds of the government, are presented in a single combined column in the proprietary fund financial statements. Because the principal users of the internal service funds are the governmental activities, the assets and liabilities of the internal service funds are consolidated into the governmental activities column of the government-wide Statement of Net Position. The costs of the internal service fund services are spread to the appropriate function or department on the government-wide Statement of Activities and the revenues and expenses within the internal service funds are eliminated from the government-wide financial statements to avoid any doubling up effect from these revenues and expenses.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency fund financial statements have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within 60 days of the end of the current fiscal period. Principal revenue sources considered to be susceptible to accrual are property taxes, sales taxes, franchise taxes, licenses and permits, intergovernmental revenue and investment earnings associated with the current fiscal period.

Charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenue when received as cash because they are generally not measurable until actually received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide presentation.

The proprietary funds and the pension trust fund are reported using the economic resources measurement focus and the accrual basis of accounting (same basis as the government-wide financial statements).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of Gilbert's internal service funds are charges to user departments for services provided. The principal operating revenue of Gilbert's enterprise funds are user fees and charges to customers for water, wastewater, and environmental services. Operating expenses for these funds include the cost of sales and services, administrative and payroll expenses, and depreciation. . All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Fund Accounting

Gilbert uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund equity, revenues and expenditures/expenses.

Gilbert uses the following fund categories, further divided by fund type:

Governmental Funds

Governmental funds are those through which most of the governmental functions are financed. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

Gilbert reports the following major governmental funds:

General Fund - The general fund is the primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund. The general fund will always be considered a major fund in the basic financial statements.

Streets Special Revenue Fund – The streets fund accounts for Gilbert's portion of the Arizona Highway User Revenue Tax, Local Transportation Assistance Funds, and Vehicle License Taxes. The revenue is used exclusively for the maintenance and improvement of highways and streets.

General Debt Service Fund – The general debt service fund accounts for the principal and interest requirements of general obligation, highway user revenue and municipal property corporation revenue bonds not recorded in proprietary funds. Financing is provided from the levy of secondary property taxes and revenue-supported transfers.

Special Assessments Debt Service Fund – The special assessments fund accounts for the principal and interest requirements of special assessment bonds not recorded in proprietary funds. Financing is provided by special assessment levies against benefited property owners.

GO Bonds Capital Projects Fund – The GO bonds fund accounts for the receipt of proceeds from general obligation bonds and the expenditure of those proceeds to purchase or construct capital assets.

System Development Fees Capital Projects Fund – The System development fees fund accounts for the receipt of fees collected from building permits paid and the expenditure of those funds for infrastructure related to growth in Gilbert.

Proprietary Funds

Proprietary funds are used to account for Gilbert's ongoing activities which are similar to those found in the private sector and where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The measurement focus is based upon determination of net income, changes in net position, financial position and cash flows.

Gilbert reports the following major proprietary funds:

Water Fund – The water fund accounts for the revenues and expenses from the operation and maintenance of the domestic water system.

Wastewater Fund – The wastewater fund accounts for the revenues and expenses from the operation of the sanitary wastewater collection and treatment and reclaimed water distribution system.

Environmental Services Fund – The environmental services fund accounts for the revenues and expenses of operating the solid waste collection system.

Additionally, Gilbert reports the following fund types:

Internal Service Funds – The internal service funds account for operations that provide services to other departments on a cost-reimbursement basis. These services include maintenance of Gilbert's motorized equipment, operation of centrally located copiers and self-insurance for employee benefit programs.

Pension Trust Fund - The pension trust fund accounts for assets held by the government in a trustee capacity. The fund includes the assets and pension payments to retired volunteer firefighters and survivors.

Agency Funds – The agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. Gilbert currently maintains an agency fund to account for monies collected from employees to pay medical and dependent care claims, monies collected from sworn fire employees for providing a monthly stipend for retirees to apply to the cost of their medical and/or dental insurance, medical and dental co-pays, and prescriptions and other benefits, and monies collected from developers for sewer buy-ins and paid out to the developer that constructed the sewer.

F. Budgetary Data

In January of each year, the Office of Management & Budget (OMB) prepares a revenue estimate based upon local and state-shared revenue forecasts, historic trends, economic indicators, anticipated growth, and year-to-date revenue performance to develop guidelines for departments to follow in preparing budget requests. The Council is briefed on this information and asked to approve boundaries and priorities for consideration in the preparation of departmental requests.

Simultaneously, departments develop operating budget requests and submit them to the OMB. Departments work with the Capital Improvement Program (CIP) Division to finalize project estimates for the CIP, and submit them to the OMB for funding. Estimates for trust and agency, debt service, maintenance improvement districts, and internal service funds are prepared by the OMB and submitted for review.

In March, the Council is presented with a working budget request for preliminary review and discussion, and approves a schedule of hearings and dates for approval of the budget. A public hearing is held in May, in anticipation of the adoption of the final budget.

Prior to June 30 of each year, the Council adopts a preliminary budget as the maximum legal expenditure limit for the upcoming year. Council establishes dates for the final public hearing, the final adoption of the budget, and the setting of tax levies. The Council adopts the final tax levy and reports the levy amounts to Maricopa County for collection not later than the third Monday in August.

The Council sets policy and adopts the annual budget at the fund level as a total amount of expenditures. Financial control is set by Council at the fund level, with budgetary control for operating performance administered at the departmental level. Budget adjustments for special revenue funds, excluding Highway User Revenue Funds, will be administered by the OMB and will not exceed the available revenues. Grants and restricted appropriations are administered by departments. Directors may authorize transfers within non-personnel budget lines at the same fund, department, and project level. Council action is required to approve adjustments between funds, projects, or contingency transactions over $50,000. All annual appropriations lapse at year-end and are considered for inclusion in the subsequent year's budget on a case-by-case basis.

Gilbert prepares its budget on a basis generally consistent with GAAP, with certain exceptions as explained in Note 3. In addition, the financial statements present the budget and actual information for the departments at a summary level by function.

G. Pooled Cash and Investments

Gilbert maintains pooled cash and investment accounts for funds that are not legally required to be maintained separately. Each fund's equity in pooled cash and investments represents that fund's position in the consolidated accounts and determines that fund's allocation of interest earned in the pool. The Arizona Revised Statutes regulate the investment of surplus cash. Gilbert limits its investments to the Local Government Investment Pool (managed by the Arizona State Treasurer), U.S. government securities, certificates of deposit, bonds, repurchase agreements, corporate notes, commercial paper, and money market accounts.

Investments are stated at fair value based on quoted market prices and cash equivalents are stated at amortized cost.

H. Inventories

Inventories are recorded in the parkway maintenance district fund, the equipment maintenance internal service fund, and the water enterprise fund. Inventories are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the weighted average method.

I. Restricted Assets

Certain bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet, or statement of net position, because they are maintained in trust accounts and their use is limited by applicable debt covenants.

J. Capital Assets

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and similar assets), are defined as assets with an initial, individual cost of more than $10,000 and an estimated useful life greater than one year. All infrastructure, including infrastructure acquired prior to June 30, 1980, is reported. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets (including streets, water and wastewater lines installed by developers) are recorded at the estimated fair market value at the date of donation. Gain or loss is recognized when assets are retired from service or otherwise disposed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if material.

Capital assets are depreciated using the straight-line method based on the following estimated useful lives (land and construction-in-progress are not depreciated):

Buildings	25 to 50 years
Improvements	25 to 50 years
Machinery and equipment	3 to 10 years
Infrastructure	15 to 50 years
Water rights	100 years

K. Compensated Absences

Annual leave is based on a graduated scale of years of employment and is credited to each employee as it accrues. Annual leave hours vary according to years of employment and job class, and is either taken as time off from work or paid to employees upon separation or retirement. Sick leave accumulated in excess of 520 hours (728 hours for fire personnel) is convertible annually to a partial cash benefit. Sick leave is convertible to a cash benefit upon retirement or death of the employee (at 100%) or upon resignation (at 50%) when the employee has ten or more years of service (calculated at a 5 year average hourly rate).

For the governmental funds, a liability for compensated absences is reported only if they have matured, for example, as a result of employee resignations and retirements. For the government-wide financial statements, as well as the proprietary fund financial statements, all of the outstanding compensated absences are recorded as a liability.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The debt service funds are specifically established to account for and service the long-term obligations for the governmental funds and special assessment debt. Each enterprise fund individually accounts for and services the applicable bonds that benefit these funds. Long-term obligations are recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

M. Transactions Between Funds

Transactions that would be recorded as revenues and expenditures/expenses if they involved entities external to the governmental unit are recorded as revenues and expenditures/expenses in the respective funds. Transactions constituting a reimbursement of a fund for expenditures/expenses originally recorded in that fund, but properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund, and as reductions of the expenditures/expenses in the fund which is reimbursed, excluding indirect administrative costs which are recorded as revenues and expenditures/expenses in the related funds. Indirect administrative expenses represent overhead costs which have been allocated to the enterprise funds based upon a formula approved with the budget. All other interfund transactions are reported as transfers.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. See Note 6 for further discussion of the interfund receivables/payables at June 30.

N. Property Tax

Gilbert's property tax levy is adopted by the Council each year on or before the third Monday of August, based on the previous year's full cash value as of the lien date (January 1). Maricopa County, at no charge, levies and collects all property taxes. Levies are due and payable in two installments on September 1 and March 1 and become delinquent on November 1 and May 1, respectively.

Public auctions of properties that have delinquent real estate taxes are held in February following the May 1 delinquency of the second installment. The purchaser is given a certificate of purchase, issued by the County Treasurer. Five years from the date of sale, the holder of a certificate of purchase, which has not been redeemed, may demand of the County Treasurer, a County Treasurer's Deed.

Gilbert does not levy property taxes for general operations (primary tax). Secondary property taxes are levied solely for the purpose of retiring the principal, interest, and servicing fees on voter approved general obligation bonded indebtedness. Gilbert may levy the amount deemed necessary to meet its bonded debt service requirements. State law requires municipalities to adopt a property tax levy based on the exact amount of scheduled debt service for the year plus a reasonable amount for delinquencies and certain costs. For fiscal year 2014, Gilbert's property tax rate is $1.0659 per $100 of secondary assessed valuation.

O. Deferred outflows/inflows of resources

During the fiscal year ended June 30, 2014, Gilbert implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 reclassifies certain items that were previously reported as assets and liabilities as deferred inflows of resources or deferred outflows of resources.

On the government-wide Statement of Net Position, deferred outflows of resources are reported and represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Gilbert only has one item that qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

On the governmental funds Balance Sheet, deferred inflows or resources are reported and represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Gilbert only has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. The governmental funds report unavailable revenues from several sources: special assessments, court fines, sales tax and other. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

P. Fund Balance Classifications

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* was implemented during fiscal year 2011. This statement established new fund balance classifications for governmental funds. It changed the previous terminology of Reserved and Unreserved to five new classifications, which are *Nonspendable*, *Restricted*, *Committed*, *Assigned*, and *Unassigned*. These new classifications comprise a hierarchy based primarily on the extent to which Gilbert is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. *Nonspendable* and *Restricted* fund balances represent the restricted classifications and *Committed*, *Assigned* and *Unassigned* represent the unrestricted classifications.

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form such as inventory or (b) legally or contractually required to be maintained intact. Restricted fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed *externally* by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed *internally* by formal action of the Council. Formal action by Council through resolution is required to establish, modify or rescind committed fund balance. Assigned fund balance includes amounts that are limited to specific purposes by management. Per the Policies of Responsible Financial Management, Council has authorized the Finance & Management Services Director to assign fund balance amounts to a specific purpose. Unassigned fund balance represents the residual net resources in excess of the other classifications. The general fund is the only fund that can report a positive unassigned fund balance and any other governmental fund can report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, as a general rule, restricted resources are considered spent before unrestricted. Within unrestricted, committed amounts would be reduced first, followed by assigned amounts (if available) and then unassigned amounts.

As of June 30, 2014, the fund balance details by classification are listed below:

			Major Debt Service Funds		Major Capital Projects Funds			
Fund balances:	General Fund	Streets Special Revenue	General	Special Assmnts	GO Bonds	System Dev Fees	Other Gov't	Total
Nonspendable:								
Advances	$25,373,654	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,373,654
Inventory	-	-	-	-	-	-	1,825	1,825
Prepaid items	6,507	81,197	-	-	-	-	-	87,704
Restricted for:								
Capital projects	-	-	-	-	17,584,623	25,387,147	20,590,377	63,562,147
Court/public safety programs	-	-	-	-	-	-	1,946,968	1,946,968
Debt service	-	-	8,942,949	479,414	-	-	-	9,422,363
Grants	-	-	-	-	-	-	1,618,141	1,618,141
Highways and streets	-	15,391,104	-	-	-	-	-	15,391,104
Contract agreements	-	-	-	-	-	-	107,436	107,436
Parks & recreation programs	-	-	-	-	-	-	30,386	30,386
Special districts	-	-	-	-	-	-	258,316	258,316
Assigned to:								
Capital replacement	9,174,397	4,307,200	-	-	-	-	-	13,481,597
Capital projects	2,209,960	-	-	-	5,409,080	-	7,510,780	15,129,820
Court/public safety programs	334,039	-	-	-	-	-	15,432	349,471
Debt service	-	-	1,440,140	-	-	-	-	1,440,140
Development services	28,900	-	-	-	-	-	-	28,900
Management and policy	136,278	-	-	-	-	-	-	136,278
Parks & recreation programs	197,486	-	-	-	-	-	81,504	278,990
Unassigned:	61,763,679	-	-	-	-	(25,378,428)	(87,272)	36,297,979
Total fund balances	$99,224,900	$19,779,501	$10,383,089	$479,414	$22,993,703	$ 8,719	$32,073,893	$184,943,219

Q. Pronouncement Issued But Not Yet Adopted

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* will be effective for the fiscal year ending June 30, 2015. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

R. Statement of Cash Flows

A statement of cash flows classifies cash receipts and payments according to whether they stem from operating, noncapital financing, capital and related financing, or investing activities. For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased are considered cash equivalents.

S. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make a number of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of net position/balance sheet and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Changes in Beginning Balances

Due to a change in reporting of capital projects funds, these funds were reclassified and are now reported based on funding source.

Fund balances at June 30, 2013, as previously reported, capital projects funds:	
Streets and transportation capital projects	$59,626,142
Municipal facilities capital projects	(16,534,434)
Parks, open space and recreation capital projects	17,136,758
Nonmajor capital projects funds	6,264,737
Total fund balances at June 30, 2013, as previous reported	$66,493,203
Fund balances at June 30, 2013, as revised, capital projects funds:	
GO bonds capital projects	$56,515,946
System development fees capital projects	(1,434,091)
Nonmajor capital projects funds	11,411,348
Total fund balances at June 30, 2013, as revised	$66,493,203

Note 3 - Budgetary Basis of Accounting

Budgetary comparison statements for the general fund and major special revenue funds are presented in the basic financial statements. These statements display original budget, amended budget and actual results. Budgetary comparison schedules are also included as supplementary schedules for the other governmental funds.

The budgets for the proprietary funds are adopted on a basis other than GAAP. For these funds, the budgetary schedules include a reconciliation of the adjustments required to convert budgetary revenues and expenses to GAAP revenues and expenses.

The primary differences between the GAAP and budget basis statements for the proprietary funds are:

1. Obligations for compensated absences and rebatable arbitrage are accrued on the GAAP basis but are not recognized on the budget basis.
2. Capital outlays are not recognized as GAAP expenses but are recognized as expenses on the budget basis.
3. Debt service principal payments are not recorded as expenses on the GAAP basis but are recognized as expenses on the budget basis.
4. Depreciation and amortization of bond issuance costs are expensed on the GAAP basis but are not recognized on the budget basis.
5. Capital assets contributed by developers are recognized as revenue on the GAAP basis but are not recognized on the budget basis.

Note 4 - Deposits and Investments

The investment of public monies is regulated by Title 35 of the Arizona Revised Statutes. Gilbert limits its investments to the Local Government Investment Pool (managed by the Arizona State Treasurer), U.S. government securities, certificates of deposit, bonds, commercial paper, and money market accounts. The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares, and the participant's shares are not identified with specific investments.

At June 30, 2014, Gilbert's investments were as follows:

		Investment Maturities (in Years)	
Investment Type	**Fair Value**	**Less than 1**	**1-4**
U.S. Government Treasuries	$122,388,869	$10,579,396	$111,809,473
U.S. Government Agencies	70,690,159	14,655,308	56,034,851
Municipal Bonds	3,604,162	395,000	3,209,162
Corporate Notes	49,081,639	20,337,852	28,743,787
State Treasurer's Investment Pool	69,004,280	13,667,882	55,336,398
Money Market – U.S. Treasuries:			
Wells Fargo	9,721,739	9,721,739	-
Bank of NY Mellon	19,844,555	19,844,555	-
Total	$344,335,403	$89,201,732	$255,133,671

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, Gilbert's investment policy limits its investment portfolio to maturities of five years or less.

Credit risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Gilbert addresses credit risk through its investment policy by restricting the allowable investment instruments. As of June 30, 2014, the investments in the U.S. Government Agencies were rated AA+, the investments in Municipal Bonds ranged from AA- ratings to AAA ratings, and the investments in Corporate Notes ranged from A- ratings to AAA ratings. Gilbert's investment in the State Treasurer's Investment Pool did not receive a credit quality rating from a national rating agency.

Custodial credit risk - deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. As of June 30, 2014, Gilbert's bank balance was $76,855,953 of which $10,224,927 was with JP Morgan and $66,631,026 was with Alliance Bank of Arizona. $9,974,927 of JP Morgan's bank balance was exposed to custodial credit risk because it was uninsured but collateralized with securities held by the pledging financial institution's trustee. These securities are not in Gilbert's name, but cannot be released without Gilbert's authorization. At the end of each day, Gilbert's bank account balance is transferred to a sweep account. This account is invested in U.S. Treasuries only. All of the Alliance Bank of Arizona bank balance was FDIC-insured through the Transaction Account Guarantee Program.

Custodial credit risk - investments – The custodial credit risk for investments is the risk that, in the event of the failures of the counterparty (e.g. broker-dealer) to a transaction, Gilbert will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Gilbert's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by Gilbert be conducted on a delivery-versus-payment basis. Securities are to be held by a third party custodian. Gilbert's investment in the State Treasurer's Investment Pool represents a proportionate interest in the Pool's portfolio; however, Gilbert's portion is not identified with specific investments and is not subject to custodial credit risk.

Concentration of credit risk - Gilbert's investment policy limits corporate notes to 20% of total funds and 3% per issuer. As of June 30, 2014, of Gilbert's investments, 35% were in U.S. Government Treasuries, 20% were in the State Treasurer's Investment Pool and 20% were in U.S. Government Agencies.

Reconciliation of pooled cash and investments as reported on the statement of net position:

Primary government:	
Carrying amount of cash/deposits	$ 73,881,867
Carrying amount of investments	344,335,403
Total cash and investments	$418,217,270
Pooled cash and investments	$334,533,143
Restricted cash and investments	83,348,934
Total cash and investments (per Statement of Net Position)	417,882,077
Pension trust fund	94,778
Agency funds	240,415
Total cash and investments	$418,217,270

Note 5 - Taxes Receivable and Due from Other Governments

The general fund taxes receivable amount at June 30, 2014, includes $1,539,822 in state shared sales tax and $4,238,961 in local sales tax due from the State of Arizona. Amounts due from other governments recorded in the streets special revenue fund include $1,106,646 in highway user revenues and $318,352 in vehicle license tax both due from the State of Arizona. Other governmental funds include $744,189 in federal grants from the U.S. Department of Housing and Urban Development, $97,494 from the U.S. Department of Transportation, and $95,038 from the U.S. Department of Homeland Security. The balance of these receivables represents various grants from the state and federal governments.

Note 6 – Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from other funds are short-term loans that cover cash deficits and are recorded in the following funds:

	Due To	Due From
General fund	$ -	$ 2,750,914
Other governmental funds	2,750,914	-
Total	$ 2,750,914	$ 2,750,914

Advances from/to other funds are long-term loans that cover cash deficits for capital expenditures and are recorded in the following funds:

	Advance from	Advance to
General fund	$ -	$25,373,654
System development fees capital projects fund	25,373,654	-
Total	$25,373,654	$25,373,654

Note 7 – Capital Assets

A summary of changes in capital assets for governmental activities, for the fiscal year ended June 30, 2014, is as follows:

	July 1, 2013	Additions	Deletions	June 30, 2014
Non-depreciable assets:				
Land	$ 174,747,784	$ 6,812,633	$ (2,502,364)	$ 179,058,053
Construction-in-progress	23,134,530	30,378,980	(25,043,802)	28,469,708
Total non-depreciable assets	197,882,314	37,191,613	(27,546,166)	207,527,761
Depreciable assets:				
Buildings	216,730,685	45,666	-	216,776,351
Improvements other than buildings	70,747,628	909,183	-	71,656,811
Machinery and equipment	54,623,067	3,158,777	(1,126,500)	56,655,344
Infrastructure	954,347,388	24,464,065	-	978,811,453
Total depreciable assets	1,296,448,768	28,577,691	(1,126,500)	1,323,899,959
Less accumulated depreciation:				
Buildings	(67,957,478)	(8,711,292)	-	(76,668,770)
Improvements other than buildings	(32,580,956)	(3,562,317)	-	(36,143,273)
Machinery and equipment	(40,377,322)	(3,597,229)	1,098,755	(42,875,796)
Infrastructure	(395,119,391)	(32,778,981)	-	(427,898,372)
Total accumulated depreciation	(536,035,147)	(48,649,819)	1,098,755	(583,586,211)
Total depreciable assets, net	760,413,621	(20,072,128)	(27,745)	740,313,748
Governmental activities capital assets, net	$ 958,295,935	$ 17,119,485	$ (27,573,911)	$ 947,841,509

Depreciation expense was charged to governmental functions in the government-wide financial statement as follows:

Management and policy	$ 400,911
Finance and management services	295,654
Legal and court	640,828
Development services	887,601
Police	2,999,642
Fire	2,979,210
Highways and streets	33,689,456
Parks and recreation	6,728,803
Total depreciation expense not including internal service funds	48,622,105
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	27,714
Total depreciation expense - governmental activities	$48,649,819

A summary of changes in capital assets for business-type activities, for the fiscal year ended June 30, 2014, is as follows:

	July 1, 2013	Additions	Deletions	June 30, 2014
Non-depreciable assets:				
Land	$ 55,731,982	$ 3,777,529	$ -	$ 59,509,511
Construction-in-progress	4,117,565	6,103,505	(3,011,044)	7,210,026
Total non-depreciable assets	59,849,547	9,881,034	(3,011,044)	66,719,537
Depreciable assets:				
Plant and equipment	132,275,222	1,635,734	(1,142,924)	132,768,032
Water rights	9,146,281	-	-	9,146,281
Infrastructure	421,080,250	14,162,865	-	435,243,115
Total depreciable assets	562,501,753	15,798,599	(1,142,924)	577,157,428
Less accumulated depreciation:				
Plant and equipment	(52,802,912)	(6,018,871)	1,072,497	(57,749,286)
Water rights	(1,692,411)	(98,292)	-	(1,790,703)
Infrastructure	(117,271,076)	(10,937,578)	-	(128,208,654)
Total accumulated depreciation	(171,766,399)	(17,054,741)	1,072,497	(187,748,643)
Total depreciable assets, net	390,735,354	(1,256,142)	(70,427)	389,408,785
Business-type activities capital assets, net	$ 450,584,901	$ 8,624,892	$ (3,081,471)	$ 456,128,322

Note 8 – Construction-in-Progress and Commitments

Governmental activities construction-in-progress and related construction commitments at June 30, 2014, were as follows:

	Construction-in-Progress	Commitments
Redevelopment	$ 8,314,823	$ 4,461,824
Municipal facilities	1,035,408	2,097,633
Parks	2,955,348	19,693
Storm water	43,422	-
Traffic control	1,062,264	320,618
Streets capital projects	15,058,443	6,393,891
Total	$ 28,469,708	$ 13,293,659

Business-type activities construction-in-progress and related construction commitments at June 30, 2014, were as follows:

Water system	$ 3,192,870	$ 2,164,491
Wastewater system	4,008,064	816,751
Municipal facilities	9,093	-
Total	$ 7,210,027	$ 2,981,242

In addition, there were non-construction related commitments at June 30, 2014, as follows:

Governmental funds:	
General	$ 1,270,670
Streets special revenue	16,435
Other governmental	250,440
Total	$ 1,537,545
Proprietary funds:	
Water system	$ 423,775
Wastewater system	46,399
Total	$ 470,174

Note 9 - Risk Management

Traditional Commercial Insurance Programs

Gilbert operates with traditional commercial insurance programs against major losses in property, plant, equipment, and liability. Administrative responsibility for the safety program, education, and loss prevention resides with the Office of Human Resources. Insurance is procured on a competitive quotation basis, using the services of an independent broker as a consultant. Gilbert processes all claims and evaluates their validity to determine if insurance reporting is warranted, or if the claim can be resolved administratively. Claims settled administratively, which are generally less than the deductibles of the appropriate policy, are paid from the funds where the claims occurred. During fiscal year 2014, there was no reduction in insurance coverage from prior years. Additionally, settlements have not exceeded insurance coverage during any of the last three fiscal years.

Self-Insurance

Gilbert has established an employee benefit self-insurance trust to account for and finance its uninsured risks of loss for medical claims. Gilbert purchases commercial stop loss insurance to limit the claims liability to the employee benefit self-insurance fund. The stop loss insurance provides reimbursement to the Plan for medical claims incurred by an individual member in excess of $250,000 after an additional $125,000 aggregate Plan risk retention. Premiums are paid into the employee benefit self-insurance trust by all other funds and are available to pay claims and administrative costs of the program and fund claim reserves. As with any risk retention program, Gilbert is contingently liable with respect to claims beyond those actuarially projected.

The claims liability of $1,266,492 reported in the employee benefit self-insurance trust at June 30, 2014, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The employee benefit self-insurance trust includes medical and dental benefits. For fiscal year 2014, an increase of $55,088 was recorded for IBNR claims under the medical plan and no change was recorded for IBNR claims under the dental plan. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Fiscal year 2014 reflected a net increase in claims costs of $2,816,668 from fiscal year 2013. This was due to an increase of $2,830,892 in medical claims and a decrease of $14,224 in dental claims. The increase in medical claims costs was substantially due to large claims costs that triggered stop loss insurance reimbursements. Recoveries from stop loss insurance were received after the close of the Plan year, with $1,962,672 received through September 2014. Changes in the fund's claim liability amount in fiscal years 2013 and 2014 were:

Year Ended, June 30	Claim Liability at Beginning of Fiscal Year	Fiscal Year Claims and Changes in Estimates	Fiscal Year Claim Payments	Claim Liability at End of Fiscal Year
2013	$ 1,244,571	12,641,454	12,674,621	$1,211,404
2014	$ 1,211,404	15,458,122	15,403,034	$1,266,492

Note 10 - Long-Term Debt

General Obligation Bonds

Gilbert issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of Gilbert.

General obligation bonds outstanding at June 30, 2014, were as follows:

	Governmental	Business-type
2002 General Obligation Refunding Bonds, 3.5% to 5.75%, original amount $20,960,000, annual retirements due July 1, 2003, through July 1, 2015	$ -	$ 245,000
2005 General Obligation Refunding Bonds, 3.0% to 5.0%, original amount $14,115,000, annual retirements due July 1, 2006, through July 1, 2016	9,715,000	-
2008 General Obligation Bonds, 3.0% to 5.0%, original amount $187,990,000, annual retirements due July 1, 2009, through July 1, 2023	125,350,000	-
Total	$135,065,000	$ 245,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	$ 12,350,000	$ 5,967,000	$245,000	$ 14,088
2016	17,465,000	5,349,500	-	-
2017	13,200,000	4,476,250	-	-
2018	14,000,000	3,816,250	-	-
2019	14,250,000	3,116,250	-	-
2020-2023	63,800,000	5,582,500	-	-
Total	$135,065,000	$28,307,750	$ 245,000	$ 14,088

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, wastewater, electric, parks and open space, streets, and public safety purposes may not exceed 20% of Gilbert's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of Gilbert's net secondary assessed valuation. In November 2006, voters amended the constitution to move streets, fire, and police from the six percent bond type to the twenty percent bond type. The following is a summary of legal borrowing capacity at June 30, 2014:

Water, Wastewater, Electric, Streets, Fire, Police, and Parks and Open Space Purposes Bonds		All Other General Obligation Bonds	
Secondary Assessed Valuation	$1,829,471,839	Secondary Assessed Valuation	$1,829,471,839
20% constitutional limit	$ 365,894,367	6% constitutional limit	$ 109,768,310
Less general obligation bonds outstanding	(135,310,000)	Less general obligation bonds outstanding	-
Available 20% limitation borrowing capacity	$ 230,584,367	Available 6% limitation borrowing capacity	$ 109,768,310

As of June 30, 2014, Gilbert had authorized, but unissued bonds, approved by the voters as follows:

General obligation bonds	
6% bond type	$ 290,000
20% bond type	82,769,000
Total	$83,059,000

Bond authorization elections on October 18, 1988, November 6, 2001, and November 6, 2007, authorized the 6% bond type and the 20% bond type to be issued as general obligation or revenue debt.

Special Assessment Bonds with Governmental Commitment

As trustee for the improvement districts, Gilbert is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. At June 30, 2014, the special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, were adequate for the scheduled maturities of the bonds payable and the related interest. Special assessment bonds are collateralized by properties within the districts. In the event of default by the owner, Gilbert may enforce an auction sale to satisfy the debt service requirements of the improvement bonds. Gilbert is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

Special assessment bonds outstanding at June 30, 2014, were as follows:

	Governmental
2002 Improvement District #19 Bonds, 5.2%, original amount $6,510,000, annual retirements due January 1, 2005 through January 1, 2027	$ 1,710,000
2009 Improvement District #20 Bonds, 5.1%, original amount $8,675,000, annual retirements due January 1, 2012 through January 1, 2029	7,700,000
Total	$ 9,410,000

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending June 30	Governmental Activities Principal	Interest
2015	$ 445,000	$ 470,225
2016	475,000	446,668
2017	505,000	421,575
2018	535,000	394,947
2019	540,000	367,423
2020-2024	3,185,000	1,376,305
2025-2029	3,725,000	466,267
Total	$ 9,410,000	$3,943,410

Street and Highway User Revenue Bonds

Street and highway user revenue bonds are issued specifically for the purpose of street and highway construction projects. These bonds are payable solely from the revenues derived from highway user taxes, including motor vehicle fuel taxes and all other taxes; fees and charges relating to registration, operation or use of vehicles on public highways or streets; or to fuels or any other energy source used for the vehicles collected by the State and returned to Gilbert.

Street and highway user revenue bonds outstanding at June 30, 2014, were as follows:

	Governmental
2012 Street and Highway User Revenue Refunding Bonds, 3.00% to 5.00% original amount $16,945,000, annual retirements due July 1, 2014, through July 1, 2019	$14,915,000

Annual debt service requirements to maturity for street and highway user revenue bonds are as follows:

Year Ending June 30	Governmental Activities Principal	Interest
2015	$ 2,750,000	$ 632,550
2016	2,845,000	550,050
2017	2,975,000	436,250
2018	3,095,000	317,250
2019	3,250,000	162,500
Total	$14,915,000	$ 2,098,600

Municipal Property Corporation (MPC) Revenue Bonds

The Public Facilities MPC exists solely for the purpose of financing the multipurpose public safety complex (the 2001 issue); the service center facility, a police property facility and a sports complex (the 2006 issue); and the cost of acquisition of certain interests in real property to locate public safety and parks and recreation facilities and the costs of design, construction and outfitting of parks and recreation facilities and a parking facility (the 2009 issue). The Water MPC exists solely for the purpose of financing the construction of water and wastewater capital improvement projects. (See also Note 17 regarding Pledged Revenues.)

Municipal property corporation revenue bonds outstanding at June 30, 2014, were as follows:

	Governmental	Business-type
2006 Public Facilities Municipal Property Corporation Revenue Bonds, 3.5% to 5.0%, original amount $73,420,000, retirements due July 1, 2007, through July 1, 2021	$ 45,095,000	$ -
2007 Water Resources Municipal Property Corporation, Water System Development Fee and Subordinate Lien Water Utility Revenue Bonds, 4.0% to 5.0%, original amount $146,175,000, retirements due October 1, 2008, through October 1, 2030	-	104,120,000
2009 Public Facilities Municipal Property Corporation Revenue Bonds, 4.0% to 5.5%, original amount $80,585,000, retirements due July 1, 2009 through July 1, 2028	68,055,000	-
2011 Public Facilities Municipal Property Corporation Revenue Refunding Bonds, 3.0% to 4.75%, original amount $20,980,000, retirements due July 1, 2013 through July 1, 2021	19,145,000	-
Total	$132,295,000	$104,120,000

Annual debt service requirements to maturity for municipal property corporation revenue bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	$ 10,080,000	$ 6,458,288	$ 4,075,000	$ 5,010,638
2016	7,515,000	6,028,788	4,275,000	4,801,888
2017	7,950,000	5,700,138	4,500,000	4,582,513
2018	8,950,000	5,330,088	4,750,000	4,351,263
2019	10,485,000	4,905,888	4,975,000	4,108,138
2020-2024	44,450,000	16,560,760	28,925,000	16,497,935
2025-2029	42,865,000	7,738,925	36,850,000	8,571,125
2030-2031	-	-	15,770,000	723,081
Total	$132,295,000	$52,722,875	$104,120,000	$48,646,581

During the fiscal year ended June 30, 2014, Gilbert paid $3,125,000 of the 2007 Water Resources Municipal Property Corporation, Water System Development Fee and Subordinate Lien Water Utility Revenue Bonds. Proceeds collected from the water system development fees were deposited in an irrevocable trust with an escrow agent to provide for the future debt service payments of the bonds. Accordingly, the trust account assets and the liability for these bonds are not included in the financial statements. These bonds have been fully defeased.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$147,565,000	$ -	$(12,500,000)	$135,065,000	$12,350,000
Special assessment bonds with government commitment	10,430,000	-	(1,020,000)	9,410,000	445,000
Revenue bonds	158,935,000	-	(11,725,000)	147,210,000	12,830,000
Unamortized bond premium	6,208,497	-	(670,787)	5,537,710	-
Total bonds payable	323,138,497	-	(25,915,787)	297,222,710	25,625,000
Compensated absences	11,079,394	9,425,060	(8,256,236)	12,248,218	4,412,069
Post-employment benefits	342,986	416,934	(56,489)	703,431	-
Total long-term liabilities	$334,560,877	$9,841,994	$(34,228,512)	$310,174,359	$30,037,069
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 2,110,000	$ -	$ (1,865,000)	$ 245,000	$ 245,000
Revenue bonds	125,100,000	-	(20,980,000)	104,120,000	4,075,000
Unamortized bond discount	(38,550)	-	2,429	(36,121)	-
Unamortized bond premium	436,756	-	(434,171)	2,585	2,585
Total bonds payable	127,608,206	-	(23,276,742)	104,331,464	4,322,585
Compensated absences	1,929,555	1,592,777	(1,607,798)	1,914,534	736,150
Post-employment benefits	87,374	106,339	(14,407)	179,306	-
Total long-term liabilities	$129,625,135	$1,699,116	$(24,898,947)	$106,425,304	$ 5,058,735

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, $177,244 of internal service funds compensated absences are included in the above amounts.

Long-term compensated absences of governmental activities are expected to be liquidated by the operating funds (primarily the general fund and the streets special revenue fund) as they come due.

Conduit Debt Obligations

The Industrial Development Authority, a discretely presented component unit of the Town of Gilbert, has issued Industrial Revenue Bonds and Master Lease and Sublease Agreements to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. Neither Gilbert, Maricopa County nor the State of Arizona shall in any event be liable for payment of principal, premium or interest on these bonds and leases, and accordingly they have not been reported in the accompanying combined financial statements. At June 30, 2014, Industrial Development Authority Revenue Bonds and Master Lease and Sublease Agreements outstanding were $29,401,404 and $39,213,843 respectively.

Note 11 - Retirement and Pension Plans

Plan Descriptions and Financial Reports

Gilbert contributes to three retirement plans described below. The plans are component units of the State of Arizona, state statutes establish benefits, and the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. The health insurance premium benefit is paid as a fixed dollar amount per month toward the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System* (ASRS) administers cost-sharing multiple-employer defined benefit pension, health insurance premium, and long-term disability plans that cover employees of the State of Arizona and participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The system issues a publicly available financial report that includes financial statements and required supplementary information. This report is available on their web site at www.azasrs.gov or may be obtained by writing to the Arizona State Retirement System, 3300 N. Central Ave., P.O. Box 33910, Phoenix, Arizona, 85067-3910 or by calling (602) 240-2000 or 1 (800) 621-3778.

The *Public Safety Personnel Retirement System* (PSPRS) administers agent multiple-employer defined benefit pension and health insurance premium plans that cover public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a seven-member board, known as the Board of Trustees, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information. This report is available on their web site at www.psprs.com or may be obtained by writing to the Public Safety Personnel Retirement System, 3010 East Camelback Road, Suite 200, Phoenix, Arizona 85016-4416, or by calling (602) 255-5575.

The *Elected Officials' Retirement Plan* (EORP) administers a cost-sharing, multiple-employer defined benefit pension plan and a cost-sharing, multiple-employer defined benefit health insurance premium plan that covers State of Arizona and county elected officials and judges, and elected officials of participating municipalities who were plan members on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. Because the health insurance premium plan benefit of the EORP is not established as a formal trust, it is reported in accordance with GASB Statement No. 45 as an agent multiple-employer plan. Accordingly, the disclosures that follow reflect the EORP as if it were an agent multiple-employer defined benefit plan. EORP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Elected Officials' Retirement Plan, 3010 East Camelback Road, Suite 200, Phoenix, Arizona 85016-4416, or by calling (602) 255-5575.

Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and their employers' contribution rates for all plans of the ASRS, PSPRS, and EORP.

Cost-sharing plans - For the year ended June 30, 2014, statute required active ASRS members to contribute at the actuarially determined rate of 11.54% (11.30% for retirement and 0.24% for long-term disability) of the members' annual covered payroll, and statute required Gilbert to contribute at the actuarially determined rate of 11.54% (10.7% for retirement, 0.6% for health insurance premium, and 0.24% for long-term disability) of the members' annual covered payroll. Statute required active EORP members to contribute 13.0% of the members' annual covered payroll and statute required Gilbert to remit a designated portion of certain court fees plus additional contributions at a percent of the members' annual covered payroll. Through December 31, 2013, the additional contributions were at the actuarially determined rate of 39.62%. Beginning January 1, 2014, the additional contributions were at the statutorily required rate of 23.5%. Both rates include the actuarially set rate of 1.56% for the plan's health insurance premium benefit.

Gilbert's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows:

ASRS Fiscal Year Ended	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2014	$4,522,413	$253,593	$100,955
2013	3,925,481	248,933	91,364
2012	3,658,186	233,501	96,821

EORP Fiscal Year Ended	Retirement Fund	Health Insurance Premium Benefit
2014	$51,371	$2,556
2013	57,265	2,458
2012	51,135	2,934

Agent plans - For the year ended June 30, 2014, statute required active PSPRS members to contribute 10.35% of police member's annual covered payroll and 10.35% for fire member's annual covered payroll. Gilbert was required to contribute at the actuarially determined rate of 17.58% for police personnel, of which 0.34% was the health insurance premium portion; and 13.30% for fire personnel, of which 0.28% was the health insurance premium portion.

Actuarial methods and assumptions—The contribution requirements for the year ended June 30, 2014, were established by the June 30, 2012 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented below provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on 1) the plans as Gilbert and plans' members understand them and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between Gilbert and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2014 contribution requirements:

Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry Age Normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	24 years for underfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	5.0% - 9.0%
including inflation rate at	5.0%
Healthcare cost trend rate	N/A flat rate subsidy

Annual Pension/OPEB Cost – Gilbert's pension/other post-employment benefits (OPEB) cost for the agent plans for the year ended June 30, 2014, and related information follows (actual contributions made were equal to the annual pension/OPEB cost):

	PSPRS-Police	PSPRS-Fire
Pension	$3,229,406	$1,974,691
Health Insurance	63,689	42,466

Trend Information—Annual pension cost information for the current and two preceding years follows for each of the agent plans.

Plan	Fiscal Year Ended	Annual Pension/ OPEB Cost	Percentage of Annual Cost Contributed	Net Pension/ OPEB Obligation
PSPRS-Police				
Pension	2014	$3,008,540	100.0%	-0-
	2013	2,805,501	100.0%	-0-
	2012	2,439,689	100.0%	-0-
Health Insurance	2014	59,333	100.0%	-0-
	2013	65,793	100.0%	-0-
	2012	97,156	100.0%	-0-
PSPRS-Fire				
Pension	2014	$1,773,479	100.0%	-0-
	2013	1,672,852	100.0%	-0-
	2012	1,297,068	100.0%	-0-
Health Insurance	2014	38,139	100.0%	-0-
	2013	40,245	100.0%	-0-
	2012	62,951	100.0%	-0-

Schedule of Funded Status and Funding Progress—Following are the schedules of funded status and funding progress of the plans as of the most recent valuation date, June 30, 2014, and the previous two fiscal years. The fiscal year 2014 actuarial methods and assumptions used for the schedules are not significantly different than the fiscal year 2012 actuarial methods and assumptions as described on page 60. The EORP, by statute, is a cost-sharing plan. However, because of its statutory construction, in accordance with GASB Statement No. 43, the EORP is reported for such purposes as an agent multiple-employer plan. The Board of Trustees obtains an actuarial valuation for the EORP on its statutory basis as a cost-sharing plan and, therefore, actuarial information for Gilbert, as a participating government, is not available.

PSPRS - Police

Actuarial Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funding (Liability) Excess (1)-(2)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) Funding Excess (Unfunded Liability) As Percentage of Covered Payroll (3)/(5)
Pension						
2014	$54,735,780	83,549,777	(28,813,997)	65.5%	18,650,590	(154.5)%
2013	51,402,243	68,370,995	(16,968,752)	75.2%	17,167,856	(98.8)%
2012	46,823,028	61,175,480	(14,352,452)	76.5%	16,652,610	(86.2)%

Actuarial Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Funding (Liability) Excess (1)-(2)	Funded Ratio (1)/(2)	Annual Covered Payroll	Funding Excess (Unfunded Liability) As Percentage of Covered Payroll (3)/(5)
Health Insurance						
2014	$1,764,456	1,993,264	(228,808)	88.5%	18,650,590	(1.23)%
2013	-0-	1,808,786	(1,808,786)	0.0%	17,167,856	(10.54)%
2012	-0-	1,663,617	(1,663,617)	0.0%	16,652,610	(9.99)%

PSPRS - Fire

Actuarial Valuation Date June 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funding (Liability) Excess (1)-(2)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) Funding Excess (Unfunded Liability) As Percentage of Covered Payroll (3)/(5)
Pension						
2014	$44,417,914	51,464,815	(7,046,901)	86.3%	14,685,147	(48.0)%
2013	40,413,033	42,232,338	(1,819,305)	95.7%	13,278,222	(13.7)%
2012	35,417,839	37,018,127	(1,600,288)	95.7%	13,072,322	(12.2)%

Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funding (Liability) Excess (1)-(2)	Funded Ratio (1)/(2)	Annual Covered Payroll	Funding Excess (Unfunded Liability) As Percentage of Covered Payroll (3)/(5)
Health Insurance						
2014	$1,039,413	1,335,632	(296,219)	77.8%	14,685,147	(2.02)%
2013	-0-	1,251,900	(1,251,900)	0.0%	13,278,222	(9.43)%
2012	-0-	1,097,566	(1,097,566)	0.0%	13,072,322	(8.40)%

Volunteer Firemen's Relief and Pension Fund

The Volunteer Firemen's Relief and Pension Fund covers retired volunteer firemen and survivors and was established solely upon the provision for such pension and relief funds in the Arizona Revised Statutes. The Statutes grant discretionary powers to Boards of Trustees of such plans related to payment/nonpayment of benefits to qualified retired or disabled volunteer firemen out of the assets of the Fund. These discretionary powers do not extend, however, to the volunteer firemen's right to their own contributions to the Fund. Gilbert has no actuarial liability for pension benefits as individual retirement benefits are not defined in the plan. Reserves for pensions, therefore, have not been established as the amounts are not vested and payment of benefits (if any) are at the discretion of the Board of Trustees of the plan.

Gilbert no longer operates a Volunteer Fire Department. Accordingly, there were no contributions required or made to this plan nor refunds paid for fiscal year 2014. Administrative costs are financed through investment earnings. There is only one remaining pensioner receiving retirement benefits from the Fund.

Note 12 - Post-Employment Healthcare Benefits

Other post-employment healthcare benefits, like the cost of pension benefits, constitute an exchange of compensation for employee services rendered. Similar to pension benefits, the cost of OPEB generally should be associated with the periods in which the exchange occurs rather than in future periods in which the benefits are provided. GASB Statement No. 45 required Gilbert to measure and recognize the OPEB cost while employee services are rendered and provide information about the potential demands on Gilbert's future cash flows.

Plan Description

Gilbert provides post-employment medical care, prescription drug, and dental care for retired employees through a single-employer defined benefit medical and dental plan. The plan provides medical and dental benefits for eligible retirees, their spouses and dependents through Gilbert's group health and dental insurance plans, which cover active and retired members. To be eligible for benefits, the retired employee must retire under one of the state retirement plans for public employees, must have a minimum of ten years of service with Gilbert, and be covered under Gilbert's medical plan during their active status. Plan benefits and coverage levels are reviewed annually by Town staff and the Board of Trustees for recommendation to and approval from Town Council. The Board of Trustees makes corresponding premium recommendations to the Town Council based on revenues needed to cover the projected cost to operate the plan which are subject to approval by the Town Council. As of June 30, 2014, there are 31 retirees that are currently receiving medical and/or dental benefits.

The plan is not accounted for as a trust fund because an irrevocable trust has not been established to account for the plan. The plan does not issue a separate financial report.

Funding Policy

Gilbert requires retirees to pay 100% of the full blended contribution rate. Gilbert makes no contributions for retirees other than allowing them to participate through Gilbert's pooled benefits. By providing retirees access to Gilbert's healthcare plans, Gilbert is in effect providing a subsidy to retirees. This implied subsidy exists because on average, retiree healthcare costs are higher than active employee healthcare costs. Gilbert pays for and reports retiree benefits on a pay-as-you-go basis, which is the practice of paying for these benefits as they become due each year. As of June 30, 2014, retirees contributed $257,371 and Gilbert contributed $70,896 (implied subsidy).

Annual OPEB Cost and Net OPEB Obligation

Gilbert's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Gilbert's annual OPEB costs for the current year and related information for the plan are as follows at June 30, 2014:

Annual Required Contribution (ARC)	$525,797
ARC Adjustment	(17,587)
Interest on the Net OPEB Obligation	15,063
Annual OPEB Cost	$523,273
Contributions Made	(70,896)
Increase in Net OPEB Obligation	$452,377
Net OPEB Obligation – Beginning of year	430,360
Net OPEB Obligation – End of year	$882,737

Gilbert's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2014	$523,273	$70,896	13.55%	$882,737
2013	525,797	95,437	18.15%	430,360

Schedule of Funded Status and Funding Progress—Following is the schedule of funded status and funding progress of the plan as of the most recent actuarial valuation date:

Actuarial Valuation Date July 1	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funding (Liability) Excess (1)-(2)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) Funding Excess (Unfunded Liability) As Percentage of Covered Payroll (3)/(5)
2012	$ -0-	4,151,069	(4,151,069)	0.0%	58,114,323	(7.1)%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective.

The actuarial methods and significant assumptions used to determine the ARC for the current fiscal year are as follows:

1. The actuarial cost method used is the projected unit credit actuarial cost method.
2. As of the valuation date, there are no assets, hence no need for an actuarial value of assets.
3. The amortization method is level dollar. The amortization period is 30 years. The period is open.

For the most recent actuarial valuation, the projected unit credit actuarial cost method was used along with a discount rate of 3.5%. In addition, the actuarial assumptions included: an annual medical healthcare cost trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 5.0% after 8 years; an annual dental healthcare cast trend rate of 4.5% initially, reduced to 3.0% after 8 years; an annual salary increase of 2%; and an inflation rate of 3%.

Note 13 - Capital Contributions

During the year ended June 30, 2014, the Enterprise funds external capital contributions consisted of the following:

	Water	Wastewater	Total
Contributions from developers	$ 5,954,196	$ 5,214,002	$11,168,198
Development fees	13,929,121	11,154,279	25,083,400
Total	$19,883,317	$16,368,281	$36,251,598

Note 14 – Interfund Transfers

As of June 30, 2014, interfund transfers were as follows:

	Transfers-In	Transfers-Out
Governmental funds:		
General fund	$ 1,492,272	$ 5,706,272
Streets special revenue	2,750,968	3,255,566
General debt service	19,557,766	-
Special assessments	-	85,512
GO bonds	35,063	21,733,757
System development fees	670	11,635,341
Other governmental funds	22,054,043	3,364,334
Total governmental funds	45,890,782	45,780,782
Enterprise funds:		
Water	79,051	764,007
Wastewater	679,007	51,350
Environmental Services	-	52,701
Total enterprise funds	758,058	868,058
Total transfers	$46,648,840	$46,648,840

The interfund transfers generally fall within one of the following categories: 1) subsidy transfers; 2) transfers to cover debt service payments; 3) transfers for the town match for grants; or 4) transfers to fund capital replacement. During fiscal year 2014, a change was made in how Gilbert reports the capital projects funds. These funds were reclassified and are now reported based on funding source. Therefore, transfers were made to properly report this change. See also Note 2. Besides this, there were no other significant transfers during fiscal year 2014 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

Note 15 - Individual Fund Disclosures

Individual funds with deficiencies in fund balance/net position at June 30, 2014, were as follows:

Special revenue funds	
CDBG/HOME	$ 75,007

The deficiency in the CDBG/HOME fund of the special revenue funds will be eliminated through reimbursement from the U.S. Department of Housing and Urban Development.

Note 16 – Contingent Liabilities

Gilbert is contingently liable with respect to several lawsuits and other claims incidental to its normal operations. Management, with concurrence of the Town's Attorney, is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on Gilbert's financial condition, results of operations or liquidity.

Note 17 – Pledged Revenues

Gilbert has pledged future water system development fees revenue and future water and wastewater revenues, net of specified operating expenses, to repay $146,175,000 in utility revenue bonds issued since 2007. Proceeds from the bonds provided financing for the construction of a joint use water treatment plant and for the acquisition of additional water production and distribution capacity for the water system. The bonds are payable from water system development fees revenue and water and wastewater net revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require less than 27 percent of revenue. The total principal and interest remaining to be paid on the bonds is $152,766,581. Principal and interest paid for the current year was $12,198,059 (of which $3,125,000 in principal was an advance defeasance). Total water system development fees revenue was $10,567,046 and water and wastewater net revenues after debt payments were $23,248,101.

Gilbert has pledged future street and highway revenues to repay $16,945,000 in highway user revenue refunding bonds issued in 2012. Proceeds from the 2012 refunding bonds were used to advance refund $17,950,000 of outstanding 2003 highway user revenue bonds (proceeds from the 2003 bonds provided financing for the purpose of street and highway construction projects). The refunding bonds are payable solely from street and highway revenues (see note 10 for the detail of the sources of these revenues) and are payable through 2019. Annual principal and interest payments on the bonds are expected to require less than 24 percent of revenues. The total principal and interest remaining to be paid on the bonds is $17,013,600. Principal and interest paid for the current year was $2,723,450, and the total street and highway revenues were $11,747,325.

Gilbert has pledged future excise taxes and state-shared revenues to repay $154,005,000 in public facilities municipal property corporation (MPC) revenue bonds issued since 2006 and $20,980,000 in public facilities (MPC) revenue refunding bonds issued in 2011. Proceeds from the bonds provided financing of the multipurpose public safety complex, the service center facility, a police property facility, a sports complex, various other parks and recreation facilities, and a parking facility. Proceeds from the 2011 refunding bonds were used to advance refund $21,670,000 of outstanding 2001 public facilities MPC revenue bonds. The bonds are payable through 2028. Annual principal and interest payments on the bonds are expected to require less than 15 percent of excise taxes and state-shared revenues. The total principal and interest remaining to be paid on the bonds is $185,017,875. Principal and interest paid for the current year was $16,538,288, and the total excise taxes and state-shared revenues were $117,627,904.

Note 18 - Investment in Joint Venture

Construction of a joint water reclamation plant with the City of Mesa and the Town of Queen Creek was completed during fiscal year 2007. Mesa is the lead agent and is responsible for the operation and maintenance of the plant. Mesa, Gilbert and Queen Creek participate in ownership of the plant and are charged for operating expenses based on gallons of flow. Gilbert's investment in joint venture is reflected as a separate line item in the proprietary funds financial statements. Separate financial statements for the joint venture are not prepared.

Total investment (net of depreciation) as of June 30, 2014, was:

Mesa's Share	$ 61,976,980
Gilbert's Share	66,207,843
Queen Creek's Share	25,478,284
Total	$153,663,107

Construction began in fiscal year 2007 for a joint water treatment plant with the City of Chandler. Gilbert is the lead agent on this project. Construction was completed during fiscal year 2009 and the plant treats 12 million gallons per day each for Gilbert and Chandler. Gilbert's investment in joint venture is reflected as a separate line item in the proprietary funds financial statements. Separate financial statements for the joint venture are not prepared.

Total investment (net of depreciation) as of June 30, 2014, was:

Gilbert's Share	$ 72,199,454
Chandler's Share	65,904,530
Total	$138,103,984

In August 2008, Gilbert entered into an Intergovernmental Agreement with the Cities of Mesa and Apache Junction, Apache Junction Fire District (FD), and the Town of Queen Creek (the Parties) to plan, design, construct, operate, maintain and finance the TOPAZ Regional Wireless Cooperative Network (Trunked Open Arizona Network – 700/800 MHz Network procured and built by the City of Mesa). On May 1, 2012, Rio Verde Fire District Joined TOPAZ. The City of Mesa acts as the lead agency and is responsible for the planning, budgeting, construction, operation and maintenance of the network, in addition to providing all management personnel and financing arrangements. The Parties participate in ownership of the network and are charged for operating and capital expenses based on six month rolling average of airtime. Gilbert's investment in joint venture is reflected within the governmental activities in the government-wide statement of net position. Separate financial statements are not prepared.

Total investment (net of depreciation) as of June 30, 2014, was:

Mesa's Share	$1,116,190
Gilbert's Share	310,120
Apache Junction's Share	71,351
Apache Junction FD's Share	29,501
Queen Creek's Share	15,001
Rio Verde FD's Share	5,533
Total	$1,547,696

Note 19 - Subsequent Events

Gilbert advance defeased $1,820,000 of the $104,120,000 in outstanding Water Resources MPC Water System Development Fee and Subordinate Lien Water Utility Revenue Bonds on October 1, 2014.

GILBERT
ARIZONA

NONMAJOR FUNDS

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for revenues and expenditures from specific taxes or other earmarked sources. Such funds are usually required by statute or ordinance to finance particular functions or activities.

Grants - accounts for miscellaneous grants received from Federal, State and local governments that require segregation of revenues and expenditures.

Other Special Revenue - accounts for revenues received from various agencies and sources, including seized funds from law enforcement agencies that are required to be used for specific purposes.

Community Development Block Grants (CDBG) – accounts for a series of ongoing entitlements received directly from the U.S. Department of Housing and Urban Development (HUD) and used for affordable housing and redevelopment activities. **HOME Program** accounts for HUD monies received from Maricopa County for affordable housing activities including housing rehabilitation.

Street Light Improvement District - accounts for taxes received from and expenditures of the street light maintenance improvement districts.

Parkway Maintenance District - accounts for taxes received from and expenditures of the parkway maintenance improvement districts.

Capital Projects Funds

Capital Projects Funds are established to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Outside Sources - accounts for the purchase or construction of capital assets with funds from outside sources, i.e., developers or other governments.

Prop 400 - accounts for the receipt of state funds in accordance with the MAG Regional Transportation Plan approved by voters as Proposition 400 in 2004. The expenditure of those funds are for various street improvement projects.

Municipal Property Corporation – accounts for the construction or purchase of capital assets to be funded through the use of Public Facilities Municipal Property Corporation revenue bonds.

Redevelopment - accounts for the construction of capital improvements in the Heritage District.

TOWN OF GILBERT, ARIZONA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue				
	Grants	Other Special Revenue	CDBG/HOME	Street Light Improvement District	Parkway Maintenance District
ASSETS					
Pooled cash and investments	$ 1,396,552	$ 1,411,967	$ 12,241	$ 77,298	$ 194,478
Receivables, net:					
Taxes	-	-	-	9,539	5,986
Accrued interest	2,330	3,050	24	-	183
Accounts	-	48,886	-	-	-
Due from other governments	214,178	771,612	744,189	-	-
Inventories	-	-	-	-	1,825
Restricted assets:					
Cash and investments	-	-	-	-	-
Accrued interest	-	-	-	-	-
Total assets	$ 1,613,060	$ 2,235,515	$ 756,454	$ 86,837	$ 202,472
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 5,293	$ 18,941	$ 197,588	$ -	$ 25,407
Accrued liabilities	1,891	34,848	4,342	-	3,761
Due to other funds	-	-	629,531	-	-
Total liabilities	7,184	53,789	831,461	-	29,168
Fund Balances:					
Nonspendable	-	-	-	-	1,825
Restricted	1,605,876	2,084,790	12,265	86,837	171,479
Assigned	-	96,936	-	-	-
Unassigned	-	-	(87,272)	-	-
Total fund balances	1,605,876	2,181,726	(75,007)	86,837	173,304
Total liabilities and fund balances	$ 1,613,060	$ 2,235,515	$ 756,454	$ 86,837	$ 202,472

Capital Projects				
Outside Sources	Prop 400	Municipal Property Corporation	Redevelopment	Total Nonmajor Governmental Funds
$ 6,605,778	$ 18,680,763	$ -	$ -	$ 28,379,077
-	-	-	-	15,525
6,797	12,183	-	-	24,567
906,068	-	-	-	954,954
-	-	-	-	1,729,979
-	-	-	-	1,825
-	-	5,528,083	-	5,528,083
-	-	30	-	30
$ 7,518,643	$ 18,692,946	$ 5,528,113	$ -	$ 36,634,040
$ 7,863	$ 654,787	$ 854,512	$ -	$ 1,764,391
-	-	-	-	44,842
-	-	2,121,383	-	2,750,914
7,863	654,787	2,975,895	-	4,560,147
-	-	-	-	1,825
-	18,038,159	2,552,218	-	24,551,624
7,510,780	-	-	-	7,607,716
-	-	-	-	(87,272)
7,510,780	18,038,159	2,552,218	-	32,073,893
$ 7,518,643	$ 18,692,946	$ 5,528,113	$ -	$ 36,634,040

TOWN OF GILBERT, ARIZONA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue				
	Grants	Other Special Revenue	CDBG/HOME	Street Light Improvement District	Parkway Maintenance District
Revenues					
Taxes:					
Property	$ -	$ -	$ -	$ 1,430,942	$ 935,531
Intergovernmental	1,115,954	-	1,120,152	-	-
Charges for services	-	1,363,281	-	-	-
Other entities' participation	-	-	-	-	-
Gifts and donations	-	121,914	-	-	-
Fines and forfeitures	-	604,576	-	-	-
Investment earnings	10,590	18,894	79	-	777
Miscellaneous	16,177	-	-	-	1,216
Total revenues	1,142,721	2,108,665	1,120,231	1,430,942	937,524
Expenditures					
Current:					
General government:					
Management and policy	-	34,175	-	-	-
Legal and court	-	339,717	-	-	-
Public safety:					
Police	249,800	1,461,720	-	-	-
Fire	153,950	18,801	-	-	-
Highways and streets	-	-	-	1,596,201	-
Parks and recreation	-	-	1,121,462	-	856,206
Transportation	491,257	-	-	-	-
Non departmental	-	49,884	-	-	-
Debt service:					
Fiscal and other charges	-	-	-	-	-
Capital outlay	164,838	-	-	-	-
Total expenditures	1,059,845	1,904,297	1,121,462	1,596,201	856,206
Excess (deficiency) of revenues over (under) expenditures	82,876	204,368	(1,231)	(165,259)	81,318
Other financing sources (uses)					
Transfers in	2,278	79	-	-	-
Transfers out	(2,700,000)	(198,305)	(79)	-	-
Total other financing sources and uses	(2,697,722)	(198,226)	(79)	-	-
Net change in fund balances	(2,614,846)	6,142	(1,310)	(165,259)	81,318
Fund balances at beginning of year	4,220,722	2,175,584	(73,697)	252,096	91,986
Fund balances at end of year	$ 1,605,876	$ 2,181,726	$ (75,007)	$ 86,837	$ 173,304

Capital Projects				
Outside Sources	Prop 400	Municipal Property Corporation	Redevelopment	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 2,366,473
921,070	1,523,788	-	-	4,680,964
-	-	-	-	1,363,281
1,953,036	-	-	-	1,953,036
-	-	-	-	121,914
-	-	-	-	604,576
27,085	48,911	42,882	-	149,218
453,940	-	-	-	471,333
3,355,131	1,572,699	42,882	-	11,710,795
-	-	-	-	34,175
-	-	-	-	339,717
-	-	-	-	1,711,520
-	-	-	-	172,751
-	-	-	-	1,596,201
-	-	-	-	1,977,668
-	-	-	-	491,257
-	-	-	-	49,884
-	-	7,026	-	7,026
2,895,022	1,357,036	4,357,539	1,250,016	10,024,451
2,895,022	1,357,036	4,364,565	1,250,016	16,404,650
460,109	215,663	(4,321,683)	(1,250,016)	(4,693,855)
4,225,414	17,822,496	3,776	-	22,054,043
(284,938)	-	-	(181,012)	(3,364,334)
3,940,476	17,822,496	3,776	(181,012)	18,689,709
4,400,585	18,038,159	(4,317,907)	(1,431,028)	13,995,854
3,110,195	-	6,870,125	1,431,028	18,078,039
$ 7,510,780	$ 18,038,159	$ 2,552,218	$ -	$ 32,073,893

GILBERT
ARIZONA

BUDGETARY COMPARISON SCHEDULES

TOWN OF GILBERT, ARIZONA
Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental	$ 7,607,000	$ 7,607,000	$ 1,115,954	$ (6,491,046)
Investment earnings	-	-	10,590	10,590
Miscellaneous	-	-	16,177	16,177
Total revenues	7,607,000	7,607,000	1,142,721	(6,464,279)
Expenditures				
Current:				
Public safety:				
Police	-	285,836	249,800	36,036
Fire	-	168,940	153,950	14,990
Transportation	532,430	645,850	491,257	154,593
Capital outlay	2,607,000	2,791,466	164,838	2,626,628
Contingency	5,000,000	4,282,427	-	4,282,427
Total expenditures	8,139,430	8,174,519	1,059,845	7,114,674
Excess (deficiency) of revenues over (under) expenditures	(532,430)	(567,519)	82,876	650,395
Other financing sources (uses)				
Transfers in	-	-	2,278	2,278
Transfers out	-	-	(2,700,000)	(2,700,000)
Total other financing sources and uses	-	-	(2,697,722)	(2,697,722)
Net change in fund balances	$ (532,430)	$ (567,519)	(2,614,846)	$ (2,047,327)
Fund balance at beginning of year			4,220,722	
Fund balance at end of year			$ 1,605,876	

TOWN OF GILBERT, ARIZONA
Other Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Charges for services	$ 1,498,374	$ 1,498,374	$ 1,363,281	$ (135,093)
Gifts and donations	325,650	325,650	121,914	(203,736)
Fines and forfeitures	551,000	551,000	604,576	53,576
Investment earnings	-	-	18,894	18,894
Total revenues	2,375,024	2,375,024	2,108,665	(266,359)
Expenditures				
Current:				
General government:				
Management and policy	131,500	143,000	34,175	108,825
Legal and court	579,012	585,012	339,717	245,295
Public safety:				
Police	1,734,630	1,735,730	1,461,720	274,010
Fire	65,260	65,260	18,801	46,459
Non departmental	49,890	49,890	49,884	6
Capital outlay	12,860	12,860	-	12,860
Contingency	200,000	127,311	-	127,311
Total expenditures	2,773,152	2,719,063	1,904,297	814,766
Excess (deficiency) of revenues over (under) expenditures	(398,128)	(344,039)	204,368	548,407
Other financing sources (uses)				
Transfers in	-	-	79	79
Transfers out	(185,920)	(185,920)	(198,305)	(12,385)
Total other financing sources and uses	(185,920)	(185,920)	(198,226)	(12,306)
Net change in fund balances	$ (584,048)	$ (529,959)	6,142	$ 536,101
Fund balance at beginning of year			2,175,584	
Fund balance at end of year			$ 2,181,726	

TOWN OF GILBERT, ARIZONA
CDBG/HOME Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental	$ 854,764	$ 854,764	$ 1,120,152	$ 265,388
Investment earnings	-	-	79	79
Total revenues	854,764	854,764	1,120,231	265,467
Expenditures				
Current:				
General government:				
Parks and recreation	854,764	1,310,324	1,121,462	188,862
Total expenditures	854,764	1,310,324	1,121,462	188,862
Deficiency of revenues under expenditures	-	(455,560)	(1,231)	454,329
Other financing uses				
Transfers out	-	-	(79)	(79)
Total other financing uses	-	-	(79)	(79)
Net change in fund balances	$ -	$ (455,560)	(1,310)	$ 454,250
Fund deficit at beginning of year			(73,697)	
Fund deficit at end of year			$ (75,007)	

TOWN OF GILBERT, ARIZONA
Street Light Improvement District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes	$ 1,427,060	$ 1,427,060	$ 1,430,942	$ 3,882
Total revenues	1,427,060	1,427,060	1,430,942	3,882
Expenditures				
Current:				
Highways and streets	1,674,830	1,674,830	1,596,201	78,629
Total expenditures	1,674,830	1,674,830	1,596,201	78,629
Deficiency of revenues under expenditures	(247,770)	(247,770)	(165,259)	82,511
Net change in fund balances	$ (247,770)	$ (247,770)	(165,259)	$ 82,511
Fund balance at beginning of year			252,096	
Fund balance at end of year			$ 86,837	

TOWN OF GILBERT, ARIZONA
Parkway Maintenance District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes	$ 935,190	$ 935,190	$ 935,531	$ 341
Investment earnings	-	-	777	777
Miscellaneous	-	-	1,216	1,216
Total revenues	935,190	935,190	937,524	2,334
Expenditures				
Current:				
Parks and recreation	970,950	970,950	856,206	114,744
Total expenditures	970,950	970,950	856,206	114,744
Excess (deficiency) of revenues over (under) expenditures	(35,760)	(35,760)	81,318	117,078
Net change in fund balances	$ (35,760)	$ (35,760)	81,318	$ 117,078
Fund balance at beginning of year			91,986	
Fund balance at end of year			$ 173,304	

TOWN OF GILBERT, ARIZONA
General Debt Obligations Debt Service Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Property taxes	$ 18,340,000	$ 18,340,000	$ 18,315,083	$ (24,917)
Investment earnings	100,000	100,000	130,319	30,319
Total revenues	18,440,000	18,440,000	18,445,402	5,402
Expenditures				
Debt service:				
Principal	24,610,000	24,610,000	24,610,000	-
Interest	13,743,738	13,743,738	13,743,738	-
Fiscal and other charges	820	1,920	1,586	334
Total expenditures	38,354,558	38,355,658	38,355,324	334
Deficiency of revenues under expenditures	(19,914,558)	(19,915,658)	(19,909,922)	5,736
Other financing sources				
Transfers in	19,557,159	19,557,159	19,557,766	607
Total other financing sources	19,557,159	19,557,159	19,557,766	607
Net change in fund balances	$ (357,399)	$ (358,499)	(352,156)	$ 6,343
Fund balance at beginning of year			10,735,245	
Fund balance at end of year			$ 10,383,089	

TOWN OF GILBERT, ARIZONA
Special Assessments Debt Service Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Special assessments	$ 7,085,577	$ 7,085,577	$ 2,089,887	$ (4,995,690)
Investment earnings	-	-	4,767	4,767
Total revenues	7,085,577	7,085,577	2,094,654	(4,990,923)
Expenditures				
Debt service:				
Principal	6,470,000	6,470,000	1,020,000	5,450,000
Interest	530,065	530,065	507,965	22,100
Fiscal and other charges	5,350	6,350	1,165	5,185
Total expenditures	7,005,415	7,006,415	1,529,130	5,477,285
Excess of revenues over expenditures	80,162	79,162	565,524	486,362
Other financing uses				
Transfers out	(205,000)	(205,000)	(85,512)	119,488
Total other financing uses	(205,000)	(205,000)	(85,512)	119,488
Net change in fund balances	$ (124,838)	$ (125,838)	480,012	$ 605,850
Fund deficit at beginning of year			(598)	
Fund balance at end of year			$ 479,414	

TOWN OF GILBERT, ARIZONA
Outside Sources Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 921,070	$ 921,070
Other entities' participation	19,329,000	929,000	1,953,036	1,024,036
Investment earnings	-	-	27,085	27,085
Miscellaneous	-	-	453,940	453,940
Total revenues	19,329,000	929,000	3,355,131	2,426,131
Expenditures				
Current:				
Highways and streets	124,000	92,578	-	92,578
Capital outlay	19,205,000	3,609,211	2,895,022	714,189
Total expenditures	19,329,000	3,701,789	2,895,022	806,767
Excess (deficiency) of revenues over (under) expenditures	-	(2,772,789)	460,109	3,232,898
Other financing sources (uses)				
Transfers in	-	-	4,225,414	4,225,414
Transfers out	-	-	(284,938)	(284,938)
Total other financing sources and uses	-	-	3,940,476	3,940,476
Net change in fund balances	$ -	$ (2,772,789)	4,400,585	$ 7,173,374
Fund balance at beginning of year			3,110,195	
Fund balance at end of year			$ 7,510,780	

TOWN OF GILBERT, ARIZONA
Prop 400 Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental	$ -	$ 18,400,000	$ 1,523,788	$ (16,876,212)
Investment earnings	-	-	48,911	48,911
Total revenues	-	18,400,000	1,572,699	(16,827,301)
Expenditures				
Capital outlay	-	20,926,379	1,357,036	19,569,343
Total expenditures	-	20,926,379	1,357,036	19,569,343
Excess (deficiency) of revenues over (under) expenditures	-	(2,526,379)	215,663	2,742,042
Other financing sources				
Transfers in	-	-	17,822,496	17,822,496
Total other financing sources	-	-	17,822,496	17,822,496
Net change in fund balances	$ -	$ (2,526,379)	18,038,159	$ 20,564,538
Fund balance at beginning of year			-	
Fund balance at end of year			$ 18,038,159	

TOWN OF GILBERT, ARIZONA
GO Bonds Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	$ -	$ -	$ 66,213	$ 66,213
Total revenues	-	-	66,213	66,213
Expenditures				
Current:				
Parks and recreation	43,000	113,520	81,618	31,902
Debt service:				
Fiscal and other charges	-	-	3,250	(3,250)
Capital outlay	27,891,000	29,635,739	11,804,894	17,830,845
Total expenditures	27,934,000	29,749,259	11,889,762	17,859,497
Deficiency of revenues under expenditures	(27,934,000)	(29,749,259)	(11,823,549)	17,925,710
Other financing sources (uses)				
Transfers in	-	-	35,063	35,063
Transfers out	-	-	(21,733,757)	(21,733,757)
Total other financing sources and uses	-	-	(21,698,694)	(21,698,694)
Net change in fund balances	$ (27,934,000)	$ (29,749,259)	(33,522,243)	$ (3,772,984)
Fund balance at beginning of year			56,515,946	
Fund balance at end of year			$ 22,993,703	

TOWN OF GILBERT, ARIZONA
Municipal Property Corporation Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Investment earnings	$ -	$ -	$ 42,882	$ 42,882
Total revenues	-	-	42,882	42,882
Expenditures				
Debt service:				
Fiscal and other charges	6,100	7,100	7,026	74
Capital outlay	7,576,000	6,591,608	4,357,539	2,234,069
Total expenditures	7,582,100	6,598,708	4,364,565	2,234,143
Deficiency of revenues under expenditures	(7,582,100)	(6,598,708)	(4,321,683)	2,277,025
Other financing sources				
Transfers in	-	-	3,776	3,776
Total other financing sources	-	-	3,776	3,776
Net change in fund balances	$ (7,582,100)	$ (6,598,708)	(4,317,907)	$ 2,280,801
Fund balance at beginning of year			6,870,125	
Fund balance at end of year			$ 2,552,218	

TOWN OF GILBERT, ARIZONA
System Development Fees Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
System development fees	$ 15,650,000	$ 15,650,000	$ 13,434,970	$ (2,215,030)
Investment earnings	65,000	65,000	209,996	144,996
Total revenues	15,715,000	15,715,000	13,644,966	(2,070,034)
Expenditures				
Capital outlay	1,142,000	1,378,456	567,485	810,971
Total expenditures	1,142,000	1,378,456	567,485	810,971
Excess of revenues over expenditures	14,573,000	14,336,544	13,077,481	(1,259,063)
Other financing sources (uses)				
Transfers in	-	-	670	670
Transfers out	(11,088,937)	(11,088,937)	(11,635,341)	(546,404)
Total other financing sources and uses	(11,088,937)	(11,088,937)	(11,634,671)	(545,734)
Net change in fund balances	$ 3,484,063	$ 3,247,607	1,442,810	$ (1,804,797)
Fund deficit at beginning of year			(1,434,091)	
Fund balance at end of year			$ 8,719	

TOWN OF GILBERT, ARIZONA
Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Total revenues	$ -	$ -	$ -	$ -
Expenditures				
Capital outlay	-	1,250,100	1,250,016	84
Total expenditures	-	1,250,100	1,250,016	84
Deficiency of revenues under expenditures	-	(1,250,100)	(1,250,016)	84
Other financing uses				
Transfers out	-	-	(181,012)	(181,012)
Total other financing uses	-	-	(181,012)	(181,012)
Net change in fund balances	$ -	$ (1,250,100)	(1,431,028)	$ (180,928)
Fund balance at beginning of year			1,431,028	
Fund balance at end of year			$ -	

TOWN OF GILBERT, ARIZONA
Water Enterprise Fund
Schedule of Revenues, Expenses and Changes
in Net Position - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Operating revenues				
Charges for services	$ 36,036,000	$ 36,036,000	$ 37,866,520	$ 1,830,520
Other	900,000	900,000	1,143,907	243,907
Total operating revenues	36,936,000	36,936,000	39,010,427	2,074,427
Operating expenses				
General and administrative	1,480,207	1,495,259	1,235,155	260,104
Personal services	7,640,134	7,640,134	6,886,888	753,246
Operation and maintenance	14,878,698	15,040,686	12,996,353	2,044,333
Capital outlay	25,201,460	25,257,011	8,723,333	16,533,678
Allocation of indirect expenses	1,621,385	1,621,385	1,621,385	-
Debt service:				
Principal	9,718,111	19,576,886	19,576,886	-
Contingency	1,765,000	1,723,917	-	1,723,917
Total operating expenses	62,304,995	72,355,278	51,040,000	21,315,278
Operating loss	(25,368,995)	(35,419,278)	(12,029,573)	23,389,705
Nonoperating revenues (expenses)				
Interest expense	(6,140,166)	(6,151,466)	(6,997,895)	(846,429)
Investment earnings	300,000	300,000	1,010,510	710,510
Gain on sale of capital assets	-	-	8,111	8,111
Total nonoperating revenues (expenses)	(5,840,166)	(5,851,466)	(5,979,274)	(127,808)
Loss before capital contributions and transfers	(31,209,161)	(41,270,744)	(18,008,847)	23,261,897
Capital contributions	14,000,000	14,000,000	13,929,121	(70,879)
Transfers in	180,000	180,000	79,051	(100,949)
Transfers out	(905,000)	(905,000)	(764,007)	140,993
Change in net position	$ (17,934,161)	$ (27,995,744)	(4,764,682)	$ 23,231,062

Explanation of difference between budgetary change in net position at June 30, 2014, and GAAP change in net position:

Obligations for compensated absenses and post-employment benefits are accrued on the GAAP basis but are not recognized on the budget basis:	
Add compensated absences at June 30, 2013	915,057
Less compensated absences at June 30, 2014	(904,498)
Add post-employment benefits at June 30, 2013	43,230
Less post-employment benefits at June 30, 2014	(87,292)
Capital outlays are not recognized as GAAP expenses but are recognized as expenses on the budget basis.	8,723,333
Debt service principal payments are not recognized as expenses on the GAAP basis but are recognized as expenses on the budget basis.	19,576,886
Capital assets contributed by developers are recognized as revenue for GAAP purposes by are not recognized as revenue on the budget basis.	5,954,196
Depreciation is recognized as an expense for GAAP purposes but is not recognized for budgetary purposes.	(10,011,894)
Change in net position as reported on the statement of revenues, expenses and changes in fund net position	$ 19,444,336

TOWN OF GILBERT, ARIZONA
Wastewater Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Operating revenues				
Charges for services	$ 22,837,500	$ 22,837,500	$ 23,852,369	$ 1,014,869
Other	-	-	10,410	10,410
Total operating revenues	22,837,500	22,837,500	23,862,779	1,025,279
Operating expenses				
General and administrative	763,081	750,895	674,632	76,263
Personal services	4,134,113	4,134,113	3,924,905	209,208
Operation and maintenance	10,305,620	10,561,540	9,411,338	1,150,202
Capital outlay	5,423,000	6,489,404	1,549,588	4,939,816
Allocation of indirect expenses	737,948	737,948	737,948	-
Debt service:				
Principal	521,889	3,268,114	3,268,114	-
Contingency	1,680,000	367,662	-	367,662
Total operating expenses	23,565,651	26,309,676	19,566,525	6,743,151
Operating income (loss)	(728,151)	(3,472,176)	4,296,254	7,768,430
Nonoperating revenues (expenses)				
Interest expense	(146,709)	(148,909)	(413,019)	(264,110)
Investment earnings	300,000	300,000	543,330	243,330
Loss on sale of capital assets	-	-	(38,277)	(38,277)
Total nonoperating revenues (expenses)	153,291	151,091	92,034	(59,057)
Income (loss) before capital contributions and transfers	(574,860)	(3,321,085)	4,388,288	7,709,373
Capital contributions	12,000,000	12,000,000	11,154,279	(845,721)
Transfers in	820,000	820,000	679,007	(140,993)
Transfers out	(115,000)	(115,000)	(51,350)	63,650
Change in net position	$ 12,130,140	$ 9,383,915	16,170,224	$ 6,786,309

Explanation of difference between budgetary change in net position at June 30, 2014, and GAAP change in net position:

Obligations for compensated absences and post-employment benefits are accrued on the GAAP basis but are not recognized on the budget basis:	
Add compensated absences at June 30, 2013	543,160
Less compensated absences at June 30, 2014	(519,304)
Add post-employment benefits at June 30, 2013	15,251
Less post-employment benefits at June 30, 2014	(31,942)
Capital outlays are not recognized as GAAP expenses but are recognized as expenses on the budget basis.	1,549,588
Debt service principal payments are not recognized as expenses on the GAAP basis but are recognized as expenses on the budget basis.	3,268,114
Capital assets contributed by developers are recognized as revenue for GAAP purposes but are not recognized as revenue on the budget basis.	5,214,002
Depreciation is recognized as an expense for GAAP purposes but is not recognized for budgetary purposes.	(8,349,360)
Change in net position as reported on the statement of revenues, expenses and changes in fund net position	$ 17,859,733

TOWN OF GILBERT, ARIZONA
Environmental Services Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Operating revenues				
Charges for services	$ 17,335,000	$ 17,335,000	$ 17,307,709	$ (27,291)
Other	50,000	50,000	111,420	61,420
Total operating revenues	17,385,000	17,385,000	17,419,129	34,129
Operating expenses				
General and administrative	775,239	840,239	926,402	(86,163)
Personal services	6,465,292	6,465,292	5,641,713	823,579
Operation and maintenance	6,450,929	6,765,929	6,922,187	(156,258)
Capital outlay	6,422,870	6,422,870	1,260,545	5,162,325
Allocation of indirect expenses	700,723	700,723	700,723	-
Contingency	1,850,000	1,470,000	-	1,470,000
Total operating expenses	22,665,053	22,665,053	15,451,570	7,213,483
Operating income (loss)	(5,280,053)	(5,280,053)	1,967,559	7,247,612
Nonoperating revenues (expenses)				
Investment earnings	133,000	133,000	188,008	55,008
Loss on sale of capital assets	-	-	(9,889)	(9,889)
Total nonoperating revenues (expenses)	133,000	133,000	178,119	45,119
Income (loss) before transfers	(5,147,053)	(5,147,053)	2,145,678	7,292,731
Transfers in	55,000	55,000	-	(55,000)
Transfers out	(90,000)	(90,000)	(52,701)	37,299
Change in net position	$ (5,182,053)	$ (5,182,053)	2,092,977	$ 7,275,030

Explanation of difference between budgetary change in net position at June 30, 2014, and GAAP change in net position:	
Obligations for compensated absences and post-employment benefits are accrued on the GAAP basis but are not recognized on the budget basis:	
Add compensated absences at June 30, 2013	471,338
Less compensated absences at June 30, 2014	(490,732)
Add post-employment benefits at June 30, 2013	28,893
Less post-employment benefits at June 30, 2014	(60,072)
Capital outlays are not recognized as GAAP expenses but are recognized as expenses on a budget basis.	1,260,545
Depreciation is recognized as an expense for GAAP purposes but is not recognized for budgetary purposes.	(1,700,804)
Change in net position as reported on the statement of revenues, expenses and changes in fund net position	$ 1,602,145

GILBERT
ARIZONA

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government, on a cost reimbursement basis.

Equipment Maintenance - to account for the revenues and expenses from the maintenance of Gilbert's motorized equipment.

Copy Services - to account for the revenues and expenses from the operation of centrally located copiers within Gilbert.

Employee Benefit Self-Insurance - to account for and finance Gilbert's uninsured risks of loss for medical and dental claims.

TOWN OF GILBERT, ARIZONA
Internal Service Funds
Combining Statement of Net Position
June 30, 2014

	Equipment Maintenance	Copier Services	Employee Benefit Self-Insurance	Total
ASSETS				
Current assets:				
Pooled cash and investments	$ 753,243	$ 253,584	$ 3,950,949	$ 4,957,776
Receivables (net):				
Accrued interest	473	-	2,205	2,678
Accounts	1,511	-	74	1,585
Inventories	538,467	-	-	538,467
Total current assets	1,293,694	253,584	3,953,228	5,500,506
Noncurrent assets:				
Capital assets:				
Property, plant and equipment	236,422	271,774	-	508,196
Less accumulated depreciation	(222,630)	(83,525)	-	(306,155)
Total capital assets (net)	13,792	188,249	-	202,041
Total assets	1,307,486	441,833	3,953,228	5,702,547
LIABILITIES				
Current liabilities:				
Accounts payable	274,083	46,865	420	321,368
Accrued liabilities	37,577	-	-	37,577
Current portion of compensated absences	78,541	-	-	78,541
Claims payable	-	-	1,266,492	1,266,492
Total current liabilities	390,201	46,865	1,266,912	1,703,978
Long-term portion of compensated absences	98,703	-	-	98,703
Total liabilities	488,904	46,865	1,266,912	1,802,681
NET POSITION				
Net investment in capital assets	13,792	188,249	-	202,041
Unrestricted	804,790	206,719	2,686,316	3,697,825
Total net position	$ 818,582	$ 394,968	$ 2,686,316	$ 3,899,866

TOWN OF GILBERT, ARIZONA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2014

	Equipment Maintenance	Copier Services	Employee Benefit Self-Insurance	Total
Operating revenues				
Charges for services	$ 7,475,304	$ 435,085	$ 14,394,601	$ 22,304,990
Other	3,509	-	115,767	119,276
Total operating revenues	7,478,813	435,085	14,510,368	22,424,266
Operating expenses				
General and administrative	63,785	-	759,591	823,376
Personal services	1,697,103	-	-	1,697,103
Operation and maintenance	5,770,554	356,362	-	6,126,916
Claims Incurred	-	-	15,458,122	15,458,122
Depreciation	4,866	22,848	-	27,714
Total operating expenses	7,536,308	379,210	16,217,713	24,133,231
Operating income (loss)	(57,495)	55,875	(1,707,345)	(1,708,965)
Nonoperating revenues				
Investment earnings	1,944	82	12,726	14,752
Total nonoperating revenues	1,944	82	12,726	14,752
Change in net position	(55,551)	55,957	(1,694,619)	(1,694,213)
Total net position, beginning of year	874,133	339,011	4,380,935	5,594,079
Total net position, end of year	$ 818,582	$ 394,968	$ 2,686,316	$ 3,899,866

TOWN OF GILBERT, ARIZONA
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2014

	Equipment Maintenance	Copier Services	Employee Benefit Self-Insurance	Total
Cash flows from operating activities:				
Other operating cash receipts	$ 3,509	$ -	$ 135,243	$ 138,752
Cash receipts from other funds for services	7,490,486	435,085	14,394,601	22,320,172
Cash payments to suppliers for goods and services	(5,910,492)	(334,812)	(16,173,374)	(22,418,678)
Cash payments to employees for services	(1,660,730)	-	-	(1,660,730)
Net cash provided by (used in) operating activities	(77,227)	100,273	(1,643,530)	(1,620,484)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(13,197)	(61,880)	-	(75,077)
Net cash used in capital and related financing activities	(13,197)	(61,880)	-	(75,077)
Cash flows from investing activities:				
Interest received on investments	2,424	228	13,336	15,988
Net cash provided by investing activities	2,424	228	13,336	15,988
Net increase (decrease) in cash and cash equivalents	(88,000)	38,621	(1,630,194)	(1,679,573)
Cash and cash equivalents at beginning of year	841,243	214,963	5,581,143	6,637,349
Cash and cash equivalents at end of year	$ 753,243	$ 253,584	$ 3,950,949	$ 4,957,776
Reconciliation of operating income (loss) to net cash provided by (used in) operations:				
Operating income (loss)	$ (57,495)	$ 55,875	$ (1,707,345)	$ (1,708,965)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	4,866	22,848	-	27,714
Changes in assets and liabilities:				
Decrease in accounts receivable	15,182	-	19,476	34,658
Increase in inventories	(64,311)	-	-	(64,311)
Increase (decrease) in accounts payable	(11,842)	21,550	(10,749)	(1,041)
Increase in claims payable	-	-	55,088	55,088
Increase in accrued expenses	36,373	-	-	36,373
Total adjustments	(19,732)	44,398	63,815	88,481
Net cash provided by (used in) operating activities	$ (77,227)	$ 100,273	$ (1,643,530)	$ (1,620,484)

TOWN OF GILBERT, ARIZONA
Equipment Maintenance Internal Service Fund
Schedule of Revenues, Expenses and Changes
in Net Position - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Operating revenues				
Charges for services	$ 7,708,000	$ 7,708,000	$ 7,475,304	$ (232,696)
Other	2,000	2,000	3,509	1,509
Total operating revenues	7,710,000	7,710,000	7,478,813	(231,187)
Operating expenses				
General and administrative	95,282	88,882	63,785	25,097
Personal services	1,811,854	1,818,254	1,664,958	153,296
Operation and maintenance	5,803,420	5,803,420	5,770,554	32,866
Capital outlay	30,000	30,000	13,198	16,802
Depreciation	-	-	4,866	(4,866)
Total operating expenses	7,740,556	7,740,556	7,517,361	223,195
Operating loss	(30,556)	(30,556)	(38,548)	(7,992)
Nonoperating revenues				
Investment earnings	-	-	1,944	1,944
Total nonoperating revenues	-	-	1,944	1,944
Change in net position	$ (30,556)	$ (30,556)	(36,604)	$ (6,048)

Explanation of difference between budgetary change in net position at June 30, 2014, and GAAP change in net position:	
Capital outlays are not recognized as GAAP expenses but are recognized as expenses on the budget basis.	13,198
Obligations for compensated absences are accrued on the GAAP basis but are not recognized on the budget basis:	
Add compensated absences at June 30, 2013	145,099
Less compensated absences at June 30, 2014	(177,244)
Change in net position as reported on the statement of revenues, expenses and changes in fund net position	$ (55,551)

TOWN OF GILBERT, ARIZONA
Copier Services Internal Service Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Operating revenues				
Charges for services	$ 585,000	$ 585,000	$ 435,085	$ (149,915)
Total operating revenues	585,000	585,000	435,085	(149,915)
Operating expenses				
Operation and maintenance	420,000	477,675	356,362	121,313
Capital outlay	250,000	192,325	61,880	130,445
Depreciation	-	-	22,848	(22,848)
Total operating expenses	670,000	670,000	441,090	228,910
Operating loss	(85,000)	(85,000)	(6,005)	78,995
Nonoperating revenues				
Investment earnings	3,000	3,000	82	(2,918)
Total nonoperating revenues	3,000	3,000	82	(2,918)
Change in net position	$ (82,000)	$ (82,000)	(5,923)	$ 76,077

Explanation of difference between budgetary change in net position at June 30, 2014, and GAAP change in net position:

Capital outlays are not recognized as GAAP expenses but are recognized as expenses on the budget basis.	61,880
Change in net position as reported on the statement of revenues, expenses and changes in fund net position	$ 55,957

TOWN OF GILBERT, ARIZONA
Employee Benefit Self-Insurance Internal Service Fund
Schedule of Revenues, Expenses and Changes
in Net Position - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Operating revenues				
Charges for services	$ 14,390,000	$ 14,390,000	$ 14,394,601	$ 4,601
Other	65,000	65,000	115,767	50,767
Total operating revenues	14,455,000	14,455,000	14,510,368	55,368
Operating expenses				
General and administrative	867,020	867,020	759,591	107,429
Claims Incurred	14,258,000	15,377,000	15,458,122	(81,122)
Total operating expenses	15,125,020	16,244,020	16,217,713	26,307
Operating loss	(670,020)	(1,789,020)	(1,707,345)	81,675
Nonoperating revenues				
Investment earnings	11,000	11,000	12,726	1,726
Total nonoperating revenues	11,000	11,000	12,726	1,726
Change in net position	$ (659,020)	$ (1,778,020)	$ (1,694,619)	$ 83,401

GILBERT
ARIZONA

AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Flexible Spending - accounts for monies received from employees for medical and dependent care expenses under Internal Revenue Code Section 125.

Fire Retirement Health - accounts for monies received from sworn fire employees for providing a monthly stipend for retirees to apply to the cost of their medical and/or dental insurance, medical and dental co-pays, and prescriptions and other benefits.

Payback Agreement – accounts for monies received from developers to payback other developers for sanitary wastewater system development.

TOWN OF GILBERT, ARIZONA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2014

Flexible Spending	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Restricted cash and investments	$ 18,942	$ 276,452	$ 284,096	$ 11,298
Prepaid items	-	229,383	218,698	10,685
Total assets	$ 18,942	$ 505,835	$ 502,794	$ 21,983
Liabilities				
Medical benefits payable	$ 672	$ -	$ 672	$ -
Dependent care benefits payable	18,270	57,754	54,041	21,983
Total liabilities	$ 18,942	$ 57,754	$ 54,713	$ 21,983
Fire Retirement Health Fund				
Assets				
Restricted cash and investments	$ 184,099	$ 48,975	$ 3,957	$ 229,117
Restricted accrued interest	384	436	820	-
Total assets	$ 184,483	$ 49,411	$ 4,777	$ 229,117
Liabilities				
Other deposits	$ 184,483	$ 49,411	$ 4,777	$ 229,117
Total liabilities	$ 184,483	$ 49,411	$ 4,777	$ 229,117
Payback Agreement				
Assets				
Restricted cash and investments	$ 7,849	$ 44,620	$ 52,469	$ -
Total assets	$ 7,849	$ 44,620	$ 52,469	$ -
Liabilities				
Due to developers	$ 7,849	$ 44,620	$ 52,469	$ -
Total liabilities	$ 7,849	$ 44,620	$ 52,469	$ -

TOWN OF GILBERT, ARIZONA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2014

Total-All Agency Funds	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Restricted cash and investments	$ 210,890	$ 370,047	$ 340,522	$ 240,415
Prepaid items	-	229,383	218,698	10,685
Restricted accrued interest	384	436	820	-
Total assets	$ 211,274	$ 599,866	$ 560,040	$ 251,100
Liabilities				
Other deposits	$ 184,483	$ 49,411	$ 4,777	$ 229,117
Due to developers	7,849	44,620	52,469	-
Medical benefits payable	672	-	672	-
Dependent care benefits payable	18,270	57,754	54,041	21,983
Total liabilities	$ 211,274	$ 151,785	$ 111,959	$ 251,100

GILBERT
ARIZONA

STATISTICAL SECTION

This part of Gilbert's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Town's overall financial health.

Contents **Page**

Financial Trends 107

These schedules contain trend information to help the reader understand how Gilbert's financial performance and well-being have changed over time.

Revenue Capacity 113

These schedules contain information to help the reader assess Gilbert's most significant local revenue source, sales tax.

Debt Capacity 115

These schedules present information to help the reader assess the affordability of Gilbert's current levels of outstanding debt and Gilbert's ability to issue additional debt in the future.

Demographic and Economic Information 120

These schedules offer demographic and economic indicators to help the reader understand the environment within which Gilbert's financial activities take place.

Operating information 122

These schedules contain service and infrastructure data to help the reader understand how the information in Gilbert's financial report relates to the services Gilbert provides and the activities it performs.

Other information 125

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

GILBERT
ARIZONA

Town of Gilbert, Arizona
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(1,000's)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	$ 463,258	$ 513,996	$ 596,974	$ 688,393	$ 704,908	$ 707,100	$ 705,986	$ 695,983	$ 687,910	$ 680,717
Restricted	49,646	47,716	42,681	34,926	24,036	43,766	38,404	52,219	60,525	80,924
Unrestricted	38,751	48,971	67,610	48,022	63,994	66,030	77,284	83,273	107,172	92,357
Total governmental activities net position	$ 551,655	$ 610,683	$ 707,265	$ 771,341	$ 792,938	$ 816,896	$ 821,674	$ 831,475	$ 855,607	$ 853,998
Business-type activities										
Net investment in capital assets	$ 269,420	$ 347,213	$ 386,130	$ 273,513	$ 261,028	$ 276,059	$ 294,516	$ 316,268	$ 325,357	$ 351,797
Restricted	52,594	62,356	103,425	106,871	91,738	86,943	76,504	71,376	70,879	65,577
Unrestricted	46,530	17,927	9,480	136,635	182,090	195,803	209,680	236,097	263,978	281,391
Total business-type activities net position	$ 368,544	$ 427,496	$ 499,035	$ 517,019	$ 534,856	$ 558,805	$ 580,700	$ 623,741	$ 660,214	$ 698,765
Primary government										
Net investment in capital assets	$ 732,678	$ 861,209	$ 983,104	$ 961,906	$ 965,936	$ 983,159	$ 1,000,502	$ 1,012,251	$ 1,013,267	$ 1,032,514
Restricted	102,240	110,072	146,106	141,797	115,774	130,709	114,908	123,595	131,404	146,501
Unrestricted	85,281	66,898	77,090	184,657	246,084	261,833	286,964	319,370	371,150	373,748
Total primary government net position	$ 920,199	$ 1,038,179	$ 1,206,300	$ 1,288,360	$ 1,327,794	$ 1,375,701	$ 1,402,374	$ 1,455,216	$ 1,515,821	$ 1,552,763

Town of Gilbert, Arizona
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(1,000's)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government:										
Management and policy	$ 2,155	$ 2,900	$ 3,070	$ 3,167	$ 3,068	$ 2,831	$ 3,110	$ 2,983	$ 10,461	$ 13,378
Support services	7,139	8,854	9,828	10,351	10,137	9,297	8,503	8,632	-	-
Finance and management services	-	-	-	-	-	-	1,287	1,216	4,150	4,347
Legal and court	3,685	4,352	5,316	5,848	5,838	5,937	5,126	5,410	5,474	5,975
Development services	8,825	11,232	13,394	14,501	12,243	10,085	8,201	8,551	6,850	9,062
Public works	2,621	4,281	914	978	1,451	2,782	-	-	-	-
Public safety:										
Police	22,909	29,765	34,022	39,641	42,109	41,328	38,869	40,467	42,759	45,931
Fire	11,289	15,378	18,872	22,564	24,255	22,871	24,473	24,906	25,867	28,853
Highways and streets	25,101	24,852	31,052	36,385	38,541	36,906	40,440	43,438	44,048	45,781
Parks and recreation	10,114	11,239	15,926	16,176	19,350	19,826	19,764	19,932	20,858	22,493
Transportation	1,549	1,622	1,439	1,563	1,682	1,170	1,010	1,269	461	842
Non departmental	-	-	-	-	-	-	2,194	2,910	3,114	4,104
Interest and fiscal charges on long-term debt	6,555	7,944	9,532	8,893	17,096	18,418	17,675	15,785	15,142	15,216
Total governmental activities expenses	101,942	122,419	143,365	160,067	175,770	171,451	170,652	175,499	179,184	195,982
Business-type activities:										
Water	20,461	25,234	24,030	34,277	35,451	36,163	36,863	37,695	38,339	39,927
Wastewater	13,023	19,061	19,873	23,507	22,398	23,002	23,039	22,662	22,170	23,615
Environmental services	9,372	11,359	12,978	14,783	13,843	13,852	14,255	14,918	15,588	16,113
Irrigation	40	39	30	67	158	54	-	-	-	-
Total business-type activities expenses	42,896	55,693	56,911	72,634	71,850	73,071	74,157	75,275	76,097	79,655
Total primary government expenses	$ 144,838	$ 178,112	$ 200,276	$ 232,701	$ 247,620	$ 244,522	$ 244,809	$ 250,773	$ 255,281	$ 275,637
Program Revenues										
Governmental activities:										
Charges for services:										
Development services	$ 11,918	$ 11,432	$ 10,227	$ 7,385	$ 3,773	$ 4,027	$ 3,178	$ 5,347	$ 7,240	$ 6,783
Police	2,973	3,750	6,015	6,358	6,594	6,374	2,891	5,584	5,512	5,477
Fire	882	795	100	72	100	79	136	129	185	254
Highways and streets	1,111	1,258	1,396	1,265	1,454	1,659	1,739	1,497	1,516	1,440
Parks and recreation	2,222	2,464	2,955	3,130	3,193	3,735	3,740	3,595	3,706	3,765
Other activities	491	543	503	707	703	789	853	861	1,017	1,066
Operating grants and contributions	15,252	17,079	22,466	22,631	21,183	19,206	21,168	21,045	21,270	22,326
Capital grants and contributions	61,048	43,856	70,076	45,821	31,494	39,632	28,002	26,060	36,089	19,186
Total governmental activities program revenues	95,897	81,177	113,738	87,369	68,494	75,501	61,707	64,117	76,535	60,297

Business-type activities:										
Charges for services:										
Water	20,418	24,126	28,244	32,321	33,416	34,601	35,966	36,692	36,455	37,867
Wastewater	12,106	13,989	16,173	18,440	19,722	21,024	21,678	22,740	23,083	23,852
Environmental services	10,256	11,307	13,886	15,642	16,592	16,567	17,194	17,924	16,760	17,308
Irrigation	19	17	18	18	18	25	-	-	-	-
Capital grants and contributions	49,378	59,183	64,674	34,556	19,228	22,026	18,324	37,222	34,153	36,252
Total business-type activities program revenues	92,177	108,622	122,995	100,977	88,976	94,243	93,162	114,578	110,451	115,279
Total primary government program revenues	$ 188,074	$ 189,799	$ 236,733	$ 188,346	$ 157,470	$ 169,744	$ 154,869	$ 178,696	$ 186,986	$ 175,576
Net (Expense)/Revenue										
Governmental activities [a]	$ (6,045)	$ (41,242)	$ (29,627)	$ (72,698)	$ (107,276)	$ (95,950)	$ (108,945)	$ (111,381)	$ (102,649)	$ (135,685)
Business-type activities	49,281	52,929	66,084	28,343	17,126	21,172	19,005	39,303	34,354	35,624
Total primary government net revenue (expense)	$ 43,236	$ 11,687	$ 36,457	$ (44,355)	$ (90,150)	$ (74,778)	$ (89,940)	$ (72,078)	$ (68,295)	$ (100,061)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales taxes	$ 43,160	$ 49,198	$ 57,697	$ 56,980	$ 49,060	$ 47,119	$ 49,249	$ 54,513	$ 61,813	$ 66,757
Property taxes, levied for debt service	12,026	14,054	16,500	26,345	30,836	30,117	25,796	21,502	19,184	18,315
In-Lieu property taxes	379	373	376	831	948	1,328	1,351	1,331	1,377	1,287
Franchise taxes	1,711	2,011	2,361	2,595	2,544	2,448	2,401	2,463	3,083	2,616
Unrestricted state shared sales taxes	10,163	12,088	16,595	16,317	14,126	13,029	13,787	16,288	17,062	18,119
Unrestricted state shared income taxes	10,084	11,485	19,761	24,986	26,435	22,923	17,281	17,594	21,293	23,205
Unrestricted grants and contributions	2,491	3,157	3,157	2,195	939	1,235	864	1,349	1,193	904
Unrestricted investment earnings	2,315	7,019	8,508	4,463	2,003	1,301	2,137	1,910	722	1,508
Gain on sale of capital assets	55	216	24	260	152	74	-	178	-	29
Miscellaneous	602	615	620	544	669	680	355	4,744	932	1,226
Transfers	679	54	610	1,257	1,161	(346)	537	(690)	121	110
Total governmental activities	83,665	100,270	126,209	136,773	128,873	119,908	113,758	121,182	126,780	134,076
Business-type activities:										
Investment earnings	2,835	5,144	5,288	7,509	1,066	739	1,012	1,244	1,061	1,742
(Loss)/Gain on sale of capital assets	60	131	(377)	56	52	148	164	39	-	30
Miscellaneous	626	801	406	400	754	1,544	2,216	1,765	1,179	1,266
Transfers	(679)	(54)	(610)	(1,257)	(1,161)	346	(537)	690	(121)	(110)
Total business-type activities	2,842	6,022	4,707	6,708	711	2,777	2,855	3,738	2,119	2,928
Total primary government	$ 86,507	$ 106,292	$ 130,916	$ 143,481	$ 129,584	$ 122,685	$ 116,613	$ 124,920	$ 128,899	$ 137,004
Change in Net Position										
Governmental activities	$ 77,620	$ 59,028	$ 96,582	$ 64,075	$ 21,597	$ 23,958	$ 4,813	$ 9,801	$ 24,131	$ (1,609)
Business-type activities	52,123	58,951	70,791	35,051	17,837	23,949	21,860	43,041	36,473	38,552
Total primary government	$ 129,743	$ 117,979	$ 167,373	$ 99,126	$ 39,434	$ 47,907	$ 26,673	$ 52,842	$ 60,604	$ 36,943

[a] The increase in Net Expense for Governmental activities in fiscal year 2006 is due to a 32% increase in public safety expenses (hiring more police and fire personnel - see Schedule 16 for details and a 28% decrease in capital grants and contributions (developer contributions).

The increase in Net Expense for Governmental activities in fiscal year 2008 is due to a 18% increase in public safety expenses (hiring more police and fire personnel - see Schedule 16 for details and a 35% decrease in capital grants and contributions (developer contributions).

The increase in Net Expense for Governmental activities in fiscal year 2009 is due to a 92% increase in interest and fiscal charges on long-term debt (interest and principal payments on general obligation bonds issued at end of 2008) and a 31% decrease in capital grants and contributions (developer contributions).

The increase in Net Expense for Governmental activities in fiscal year 2011 is due to a 29% decrease in capital grants and contributions (developer contributions).

Town of Gilbert, Arizona
Program Revenues by Function
Last Ten Fiscal Years
(accrual basis of accounting)
(1,000's)

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government:										
Management and policy	$ 30	$ 66	$ 70	$ 47	$ 11	$ 10	$ 15	$ 16	$ 36	$ 59
Support services	198	237	1,133	1,184	128	215	649	242	-	-
Finance and management services	-	-	-	-	-	-	9	11	251	262
Legal and court	306	344	412	675	586	597	597	670	792	823
Development services	12,332	12,326	11,662	8,101	4,571	4,576	4,273	6,891	7,240	6,807
Public works	1,122	1,976	5,837	1,948	901	1,005	-	-	-	-
Public Safety:										
Police	6,019	7,140	9,629	8,491	7,838	8,495	3,989	7,689	7,669	7,207
Fire	4,576	5,196	5,286	4,223	4,386	3,447	3,163	6,892	4,079	3,697
Highways and streets [a]	57,450	40,428	65,949	52,536	39,126	45,193	39,324	25,634	41,280	28,218
Parks and recreation	13,477	13,313	13,249	9,861	10,539	11,649	9,422	15,314	14,475	12,461
Transportation	387	150	511	303	408	314	215	624	662	712
Non departmental	-	-	-	-	-	-	51	135	51	51
Subtotal governmental activities	95,897	81,176	113,738	87,369	68,494	75,501	61,707	64,118	76,535	60,297
Business-type activities:										
Water	47,216	55,933	64,313	52,172	43,997	47,232	46,133	56,904	55,662	57,750
Wastewater	34,670	41,365	44,778	33,145	28,369	30,419	29,835	39,735	38,029	40,220
Environmental services	10,272	11,307	13,886	15,642	16,592	16,567	17,194	17,938	16,760	17,308
Irrigation	19	17	18	18	18	25	-	-	-	-
Subtotal business-type activities	92,177	108,622	122,995	100,977	88,976	94,243	93,162	114,577	110,451	115,278
Total primary government	$ 188,074	$ 189,798	$ 236,733	$ 188,346	$ 157,470	$ 169,744	$ 154,869	$ 178,695	$ 186,986	$ 175,575

a The decrease in governmental activities revenue in fiscal years 2008, 2009, 2011, and 2014 is mainly due to decreased developer contributions.

Town of Gilbert, Arizona
Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

(1,000's)

	2005	2006	2007	2008	2009	2010	2011[c]	2012	2013	2014
General fund										
Reserved	$ 233	$ 441	$ 16,082	$ 16,015	$ 17,630	$ 21,383	$ -	$ -	$ -	$ -
Unreserved	39,221	37,671	33,431	38,375	36,245	33,168	-	-	-	-
Nonspendable	-	-	-	-	-	-	22,317	23,213	23,527	25,380
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	10,729	10,797	10,092	12,081
Unassigned	-	-	-	-	-	-	33,521	44,250	59,555	61,764
Total general fund	$ 39,454	$ 38,112	$ 49,513	$ 54,390	$ 53,875	$ 54,551	$ 66,568	$ 78,260	$ 93,174	$ 99,225
All other governmental funds										
Reserved [a]	$ 56,414	$ 108,785	$ 69,736	$ 42,863	$ 67,626	$ 45,147	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	16,737	28,239	28,546	29,348	25,886	27,635	-	-	-	-
Debt service funds	(4,744)	(4,501)	-	-	-	-	-	-	-	-
Capital projects funds [b]	(6,396)	(3,627)	(17,762)	(36,581)	99,570	86,482	-	-	-	-
Total Unreserved	5,597	20,111	10,784	(7,233)	125,456	114,117	-	-	-	-
Nonspendable	-	-	-	-	-	-	4	2	1	83
Restricted	-	-	-	-	-	-	108,051	100,572	89,654	92,337
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	28,261	26,159	36,258	18,764
Unassigned	-	-	-	-	-	-	(20,781)	(23,199)	(23,609)	(25,466)
Total all other governmental funds	$ 62,011	$ 128,896	$ 80,520	$ 35,630	$ 193,082	$ 159,264	$ 115,535	$ 103,534	$ 102,304	$ 85,718

[a] In fiscal year 2006, the increase in reserved fund balance was due to unspent bond proceeds that were encumbered for the South Area Service Center municipal facilities capital project and the Elliot Road District Park capital project.

[b] The increase in fund balance in fiscal year 2009 was due to Public Facilities Municipal Property Corporation bonds that were issued during the year.

[c] GASB Statement No. 54 was implemented in fiscal year 2011. This statement established new fund balance classifications for governmental funds.

Town of Gilbert, Arizona
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

(1,000's)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes:										
Sales	$ 43,160	$ 49,198	$ 57,698	$ 56,980	$ 48,736	$ 46,873	$ 49,315	$ 54,503	$ 61,890	$ 66,772
Property	13,482	15,672	18,529	28,303	33,131	33,073	28,732	24,045	21,548	20,681
Franchise	1,711	2,011	2,361	2,595	2,544	2,448	2,401	2,463	2,374	2,700
Licenses and permits	9,193	8,539	6,818	4,734	2,459	2,614	2,365	3,995	5,434	4,748
Intergovernmental	40,149	46,259	65,759	73,255	67,053	72,535	55,362	61,468	72,904	68,046
Special assessments	1,552	1,426	355	2,121	422	437	559	879	1,299	2,090
Charges for services	8,479	9,536	9,391	9,594	8,596	8,795	7,288	8,164	9,573	10,027
Other entities' participation	2,846	2,326	6,082	1,620	1,055	1,234	2,313	1,300	2,252	1,977
System development fees	21,773	22,959	23,015	15,566	8,395	11,608	8,736	17,957	17,836	13,435
Gifts and donations	151	342	502	177	114	124	176	186	119	155
Fines and forfeitures	2,418	2,833	4,094	4,564	4,223	4,445	4,351	4,442	4,710	4,469
Investment earnings	2,277	6,934	8,386	4,345	1,978	1,286	2,106	1,889	706	1,494
Miscellaneous	651	799	670	800	819	754	355	4,947	933	1,255
Total revenues	147,842	168,834	203,660	204,654	179,525	186,226	164,059	186,238	201,578	197,849
Expenditures										
Current:										
General government:										
Management and policy	2,462	3,230	3,822	3,919	3,642	3,458	3,845	3,676	12,584	15,336
Support services	7,461	8,722	9,771	10,814	10,386	10,257	9,239	9,160	-	-
Finance and management services	-	-	-	-	-	-	1,416	1,722	4,235	4,413
Legal and court	3,070	3,714	4,682	5,222	5,203	5,261	4,403	4,617	4,753	5,089
Development services	8,614	10,967	12,693	14,024	11,321	9,204	7,160	7,514	5,999	6,078
Public works	1,232	1,412	1,255	1,329	1,798	1,225	-	-	-	-
Public safety:										
Police	21,197	27,835	31,534	36,126	37,851	37,669	35,007	36,384	38,817	41,947
Fire	10,491	13,983	17,224	20,521	21,171	20,115	20,200	21,552	22,543	24,993
Highways and streets	9,149	7,505	9,424	10,631	10,378	10,097	9,736	10,815	10,637	11,969
Parks and recreation	7,675	8,514	12,725	12,568	13,151	12,684	12,591	12,688	13,895	15,614
Transportation	1,549	1,622	1,439	1,563	1,682	1,170	1,010	1,269	461	841
Non departmental	-	-	-	-	-	-	2,194	2,910	3,114	4,104
Debt service:										
Principal	14,965	15,100	20,305	36,350	29,805	31,855	29,215	23,055	24,705	25,630
Interest	6,541	7,906	9,578	8,961	16,501	18,553	18,451	15,992	15,411	14,252
Bond issuance costs	60	425	-	98	670	-	-	402	-	-
Fiscal and other charges	12	49	45	29	12	9	20	9	13	13
Capital outlay	65,598	83,798	106,748	87,528	134,013	58,785	41,935	34,500	30,849	38,804
Total expenditures	160,076	194,782	241,244	249,683	297,584	220,342	196,422	186,265	188,016	209,083
Excess (deficiency) of revenues over (under) expenditures	(12,234)	(25,948)	(37,584)	(45,029)	(118,059)	(34,116)	(32,363)	(27)	13,562	(11,234)
Other financing sources (uses)										
Transfers in	19,512	45,392	77,502	45,661	90,680	26,608	25,272	25,195	25,774	45,891
Transfers out	(18,833)	(45,338)	(76,892)	(44,404)	(89,519)	(25,634)	(24,586)	(25,885)	(25,653)	(45,781)
Sale of capital assets	-	-	-	-	-	-	-	-	-	590
Bonds issued	18,750	103,230	-	3,760	273,490	-	-	37,925	-	-
Premium on bonds	51	3,078	-	-	344	-	-	4,111	-	-
Payment to refunded bond escrow agent	-	(14,872)	-	-	-	-	-	(41,627)	-	-
Total other financing sources and uses	19,480	91,490	610	5,017	274,995	974	686	(281)	121	700
Net change in fund balances	$ 7,246	$ 65,542	$ (36,974)	$ (40,012)	$ 156,936	$ (33,142)	$ (31,677)	$ (308)	$ 13,683	$ (10,534)
Debt service as a percentage of noncapital expenditures	22.8%	20.7%	22.2%	27.9%	28.3%	31.2%	30.9%	25.7%	25.5%	23.4%

Town of Gilbert, Arizona
Sales Tax Collections by Category
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Construction	$ 15,670,222	$ 15,457,650	$ 19,373,957	$ 15,416,006	$ 7,804,840	$ 5,193,872	$ 4,389,279	$ 5,718,727	$ 7,867,067	$ 8,837,079
Manufacturing	643,826	734,423	684,148	789,804	650,179	635,188	706,514	727,755	763,152	939,861
Communications & Utilities	3,630,952	4,028,971	4,548,528	5,269,633	5,303,338	5,724,639	5,562,364	5,774,403	5,931,935	6,120,225
Wholesale	335,857	446,597	483,943	577,086	527,933	610,065	854,466	965,523	1,100,749	1,207,006
Retail	15,861,398	19,598,312	21,385,004	23,550,094	23,305,081	23,775,975	25,540,515	28,390,526	30,784,509	33,078,748
Restaurant & Bar	2,045,005	2,501,237	2,972,678	3,228,910	3,509,671	3,566,427	3,820,368	4,072,187	4,402,299	4,867,638
Real Estate, Rental & Leasing	3,383,290	4,299,410	5,276,563	5,538,416	5,751,120	5,249,645	5,874,288	6,078,364	7,944,973	7,952,365
Accommodation [a]	-	-	-	-	-	-	252,974	299,270	377,228	487,680
Services	818,873	945,003	973,552	1,729,464	1,039,678	1,002,691	1,069,661	1,211,864	1,369,608	1,676,438
Other [a]	346,103	711,618	1,491,268	319,810	243,510	481,122	652,043	520,302	487,279	505,146
Transportation & Warehousing [b]	7,773	9,906	17,264	13,347	12,575	16,464	21,161	25,830	25,667	22,721
Finance & Insurance [b]	61,734	63,851	73,410	93,008	100,490	100,293	89,990	112,496	154,772	398,169
Public Administration [b]	5,900	9,819	11,416	8,272	4,748	9,503	-	4,586	2,271	4,311
Arts & Entertainment [b]	348,650	391,459	405,765	446,057	483,123	506,855	481,592	600,794	594,043	674,274
Total	$ 43,159,583	$ 49,198,256	$ 57,697,496	$ 56,979,907	$ 48,736,286	$ 46,872,739	$ 49,315,215	$ 54,502,627	$ 61,805,552	$ 66,771,661
Gilbert's local sales tax rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

Source: Arizona Department of Revenue

[a] Prior to fiscal year 2011, Accommodations was included in the "Other" category due to confidentiality requirements. Beginning in fiscal year 2011, it was broken out into its own category.
[b] Beginning in January 2004, the Arizona Department of Revenue began using a new reporting software system for classifying business establishments called the North American Industry Classification System (NAICS). Under the new system, the category may be defined a little differently. In addition, more categories were established. When NAICS reporting began, many businesses checked the "Other" category due to uncertainty. This problem is being remedied and therefore, the "Other" category will decrease as more businesses will be classified under their proper category. In addition, due to confidentiality requirements, categories that contain ten or less taxpayers will be included in the "Other" category.

Note: State and local laws prohibit the disclosure of individual taxpayer information.

Schedule 7

Town of Gilbert, Arizona
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013 [a]	2014
Town Direct Rates:										
Hotel/Transient Lodging	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
All Others	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
County Rates:										
Hotel/Transient Lodging	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
All Others	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
State Rates:										
Hotel/Transient Lodging	5.50%	5.50%	5.50%	5.50%	5.50%	6.50%	6.50%	6.50%	6.50%	5.50%
All Others	5.60%	5.60%	5.60%	5.60%	5.60%	6.60%	6.60%	6.60%	6.60%	5.60%

Source: Gilbert Development Services Department

Note: Gilbert sales tax rate may be changed with the approval of Council.

[a] The Temporary State sales tax increase passed by voters in 2010 expired on May 31, 2013. The State sales tax for hotel/transient lodging decreased to 5.50% and for all others to 5.60% on June 1, 2013.

Town of Gilbert, Arizona
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities						
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Street and Highway User Revenue Bonds	Municipal Property Corporation Revenue Bonds	General Obligation Bonds	Special Assessment Bonds	Water and Wastewater Revenue Bonds	Municipal Property Corporation Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2005	$ 87,195,000	$ 5,841,913	$ 37,068,099	$ 35,450,000	$ 14,625,850	$ -	$ 25,157,903	$ 72,831,320	$ 278,170,085	5.77 %	$ 1,661
2006	90,735,405	4,519,554	34,593,516	107,370,000	13,103,265	-	22,858,573	60,491,428	333,671,741	6.39	1,874
2007	79,470,332	4,394,150	32,782,853	107,777,310	11,745,680	-	21,644,644	194,555,369	452,370,339	7.91	2,366
2008	57,390,066	2,999,660	31,753,147	102,463,224	10,353,095	-	20,414,733	182,839,461	408,213,386	6.68	2,038
2009	226,030,524	11,633,524	29,796,281	177,756,527	8,900,510	-	19,155,224	167,031,835	640,304,425	10.28	3,126
2010	204,147,283	11,548,249	27,712,795	171,577,003	7,127,925	-	17,861,117	160,388,430	600,362,802	9.42	2,880
2011	178,722,625	11,457,958	25,502,688	162,747,942	5,540,340	-	16,527,813	143,200,304	543,699,671	8.59	2,554
2012	159,547,197	11,056,456	20,836,060	153,817,938	3,877,755	-	15,164,911	118,853,753	483,154,070	7.74	2,200
2013	147,640,933	10,469,338	18,130,241	144,269,288	2,115,170	-	13,757,813	111,081,450	447,464,233	6.33	1,966
2014	135,775,830	9,445,797	16,864,197	135,136,886	247,585	-	-	104,083,879	401,554,174	6.11	1,723

Note: See Schedule 13 for personal income and population data.

Note: Details regarding Gilbert's outstanding debt can be found in the notes to the financial statements.

Note: Includes unamortized bond discounts/premiums.

Town of Gilbert, Arizona
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding [b]	Less Amount Available in Debt Service Fund	Net General Bonded Debt Outstanding	Secondary Assessed Property Value [a]	Percentage of Secondary Assessed Property Value	Per Capita
2005	$ 101,820,850	$ 7,427,782	$ 94,393,068	$ 1,251,765,751	7.54 %	$ 563.55
2006	103,838,670	10,224,408	93,614,262	1,466,841,566	6.38	525.88
2007	91,216,012	11,087,607	80,128,405	2,370,134,999	3.38	419.07
2008	67,743,161	7,279,915	60,463,246	2,768,391,194	2.18	301.84
2009	234,931,034	6,655,504	228,275,530	2,672,949,852	8.54	1114.51
2010	211,275,208	6,720,588	204,554,620	2,297,228,317	8.90	981.30
2011	184,262,965	6,927,284	177,335,681	1,861,193,961	9.53	833.07
2012	163,424,952	10,189,619	153,235,333	1,675,360,422	9.15	697.74
2013	149,756,103	10,735,245	139,020,858	1,594,806,737	8.72	610.82
2014	136,023,415	10,383,089	125,640,326	1,829,471,839	6.87	539.16

[a] Maricopa County Assessor's Office

[b] Includes unamortized bond discounts/premiums.

Note: See Schedule 13 for population data.

Note: General Obligations bonds principal and interest payments are paid for with secondary property taxes.

Schedule 10

Town of Gilbert, Arizona
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Maricopa County [b]	$ None	7.94%	$ None
Maricopa County Community College District [c]	659,385,000	7.94%	52,355,169
Maricopa County Hospital District No. 1	None	7.94%	None
Gilbert Unified School District No. 41	116,985,000	73.39%	85,855,292
Higley Elementary School District No. 60	84,650,000	92.95%	78,682,175
Chandler Unified School District No. 80	197,985,000	12.06%	23,876,991
Mesa Unified School District No. 4	246,950,000	0.39%	963,105
East Valley Institute of Technology District No. 401 [d]	None	18.33%	None
Subtotal, overlapping debt			241,732,732
Town of Gilbert direct debt [e]	297,222,710	100.00%	297,222,710
Total direct and overlapping debt			$ 538,955,442

Source: The various jurisdictions

[a] Proportion applicable to Town of Gilbert, Arizona is computed on the ratio of secondary assessed valuation for fiscal year 2014/15.
[b] Excludes various other non-property tax supported debt such as Public Finance Corporation lease revenue bonds, Stadium District revenue bonds, Stadium District loans, Housing Authority loans and capital leases.
[c] Excludes non-property tax supported debt such as revenue bonds.
[d] Based on the East Valley Institute of Technology's secondary assessed valuation and does not include amount of secondary assessed valuation in Pinal County.
[e] Includes: General Obligation bonds, Special Assessments bonds, Revenue bonds and unamortized bond premiums.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of Gilbert. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Gilbert. This process recognizes that, when considering Gilbert's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Gilbert, Arizona
Legal Debt Margin Information
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
20% Limitation										
Debt limit equal to 20% of assessed valuation	$ 250,353,150	$ 293,368,313	$ 474,027,000	$ 553,678,000	$ 534,590,000	$ 459,446,000	$ 372,239,000	$ 335,072,084	$ 318,961,347	$ 365,894,367
Total net debt applicable to 20% limit	32,570,000	31,215,000	78,050,000	51,705,000	217,730,000	195,320,000	175,915,000	163,335,000	149,675,000	135,310,000
Legal 20% debt margin (available borrowing capacity)	$ 217,783,150	$ 262,153,313	$ 395,977,000	$ 501,973,000	$ 316,860,000	$ 264,126,000	$ 196,324,000	$ 171,737,084	$ 169,286,347	$ 230,584,367
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	13.01%	10.64%	16.47%	9.34%	40.73%	42.51%	47.26%	48.75%	46.93%	36.98%
6% Limitation										
Debt limit equal to 6% of assessed valuation	$ 75,105,945	$ 88,010,494	$ 142,208,100	$ 166,103,000	$ 160,377,000	$ 137,834,000	$ 111,672,000	$ 100,521,625	$ 95,688,404	$ 109,768,310
Total net debt applicable to 6% limit	60,030,000	64,870,000	3,550,000	855,000	0	0	0	0	0	0
Legal 6% debt margin (available borrowing capacity)	$ 15,075,945	$ 23,140,494	$ 138,658,100	$ 165,248,000	$ 160,377,000	$ 137,834,000	$ 111,672,000	$ 100,521,625	$ 95,688,404	$ 109,768,310
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	79.93%	73.71%	2.50%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2014

Net secondary assessed valuation as of June 30, 2014	$ 1,829,471,839
20% Limitation	
Debt limit equal to 20% of assessed valuation	365,894,367
Debt applicable to limit:	
General obligation bonds	135,310,000
Legal 20% debt margin (available borrowing capacity)	$ 230,584,367
6% Limitation	
Debt limit equal to 6% of assessed valuation	109,768,310
Debt applicable to limit:	
General obligation bonds	0
Legal 6% debt margin (available borrowing capacity)	$ 109,768,310

Note: The Constitution of the State of Arizona establishes two levels of bonded indebtedness limits based upon the type of improvement constructed with the debt. The twenty percent bond type is restricted to water, wastewater, electric, parks and open space improvements, streets, public safety, and fire and emergency facilities. The six percent bond type is all other general purpose improvements. In November 2006, voters amended the constitution to move streets, public safety and fire and emergency facilities from the six percent bond type to the twenty percent bond type.

Town of Gilbert, Arizona
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Special Assessment Bonds: Special Assessment Collections	Debt Service: Principal	Debt Service: Interest	Coverage	Highway User Revenue Bonds: Highway User Tax Revenue	Debt Service: Principal	Debt Service: Interest	Coverage	Public Facilities Municipal Property Corp. Revenue Bonds: Excise Taxes & State-Shared Revenue	Debt Service: Principal	Debt Service: Interest	Coverage
2005	$ 1,552,289	$ 3,274,964	$ 398,660	0.42	$ 7,975,941	$ 1,660,000	$ 1,604,050	2.44	$ 69,209,221	$ 1,500,000	$ 1,553,113	22.67
2006	1,425,857	765,000	262,458	1.39	8,782,895	1,750,000	1,522,950	2.68	79,497,344	1,525,000	3,155,681	16.98
2007	355,124	125,000	231,010	1.00	12,355,280	1,845,000	1,437,450	3.76	102,525,938	5,210,000	4,753,688	10.29
2008	2,121,038	1,390,000	191,620	1.34	12,333,576	1,925,000	1,347,313	3.77	107,273,375	5,410,000	4,567,400	10.75
2009	421,894	75,000	153,530	1.85	10,651,366	2,050,000	1,251,063	3.23	97,901,565	6,060,000	5,404,460	8.54
2010	437,493	85,000	149,370	1.87	10,090,894	2,175,000	1,148,563	3.04	91,609,318	8,705,000	8,014,525	5.48
2011	559,284	90,000	587,245	0.83	10,356,131	2,275,000	1,039,813	3.12	89,202,148	9,030,000	7,705,188	5.33
2012	878,981	400,000	574,655	0.90	10,437,844	2,400,000	570,375	3.51	97,342,250	9,335,000	7,149,316	5.91
2013	1,298,984	585,000	553,258	1.14	11,414,425	2,525,000	807,400	3.43	109,637,647	9,695,000	6,873,353	6.62
2014	2,089,887	1,020,000	507,965	1.37	11,747,325	2,030,000	693,450	4.31	117,627,904	10,080,000	6,458,288	7.11

Fiscal Year	Water and Wastewater Revenue Bonds: Operating Revenues [a]	Less: Operating Expenses [a]	Net Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage	Water Resources Municipal Property Corp. Revenue Bonds: Net Available Revenue [b]	Water System Dev't Fee	Wastewater System Dev't Fee	Debt Service: Principal	Debt Service: Interest	Coverage
2005	$ 32,977,355	$ 21,010,668	$ 11,966,687	$ 1,135,000	$ 954,994	5.73	$ 9,876,693	$ 15,184,009	$ -	$ -	$ 274,400	91.33
2006	38,518,047	28,439,547	10,078,500	1,180,000	927,263	4.78	7,971,237	-	20,491,288	-	4,332,600	6.57
2007	44,698,632	28,173,011	16,525,621	1,230,000	897,913	7.77	14,397,708	-	17,033,202	2,130,000	2,629,122	6.60
2008	51,061,203	32,100,716	18,960,487	1,250,000	866,563	8.96	16,843,924	11,697,125	10,923,733	-	9,130,452	4.32
2009	53,633,557	32,618,247	21,015,310	1,280,000	835,313	9.93	18,899,997	6,329,797	6,190,815	3,200,000	7,808,650	2.85
2010	57,096,936	32,034,177	25,062,759	1,315,000	803,313	11.83	22,944,446	8,491,638	8,715,622	3,300,000	7,910,188	3.58
2011	59,780,559	33,231,244	26,549,315	1,355,000	763,863	12.53	24,430,452	6,485,383	6,878,502	3,400,000	7,198,049	3.57
2012	61,087,190	34,505,518	26,581,672	1,385,000	723,213	12.61	24,473,459	13,590,998	15,154,154	3,550,000	6,096,337	5.52
2013	60,627,063	36,124,117	24,502,946	1,430,000	681,663	11.60	22,391,283	12,466,409	-	3,700,000	5,542,403	3.77
2014	62,873,206	37,514,942	25,358,264	1,500,000	610,163	12.02	23,248,101	10,567,046	-	3,875,000	5,198,059	3.73

[a] Combined operating revenues and expenses for the Water and Wastewater Funds, as applicable.

[b] Combined operating revenues and expenses for the Water and Wastewater Funds less debt service payments for the Water and Wastewater Revenue Bonds.

Schedule 13

Town of Gilbert, Arizona
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income *(in thousands)* *(estimate)*	Per Capita Income *(estimate)*	Median Age	School Enrollment	Unemployment Rate
2005	167,497	4,817,000	28,759	30.1	37,194	2.9%
2006	178,015	5,222,000	29,334	30.1	37,662	2.2%
2007	191,206	5,721,000	29,920	31.3	37,979	2.0%
2008	200,314	6,113,000	30,518	31.3	38,662	2.4%
2009	204,821	6,230,000	30,416	30.4	39,142	4.6%
2010	208,453	6,370,000	30,559	30.7	39,089	5.1%
2011	212,869	6,329,000	29,731	32.7	38,660	5.1%
2012	219,617	6,240,000	28,413	31.5	38,696	5.4%
2013	227,598	7,064,000	31,035	33.1	38,573	5.7%
2014	233,028	6,568,000	28,184	37.5	38,573	5.2%

Sources: Population figures obtained from the Maricopa Association of Governments. Personal income estimated based on population and per capita income. The 2006 through 2010 per capita income figures are estimates. The 2005 and the 2011 through 2014 per capita income figures were obtained from the American Community Survey. The 2004 through 2010 median age, school enrollment, and unemployment rate were obtained from Gilbert's Development Services Department. The 2011 through 2014 median age was obtained from the American Community Survey. The 2011 through 2014 school enrollment was obtained from the Gilbert Public Schools website. The 2011 through 2014 unemployment rate was obtained from the azstats.gov website.

Town of Gilbert, Arizona
Principal Employers
Current Fiscal Year and Nine Years Ago

	Fiscal Year 2014			Fiscal Year 2005		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Gilbert Unified School District	3,649	1	4.56%	4,601	1	7.15%
Banner Health	2,219	2	2.77%	---		---
Dignity Health	1,500	3	1.87%	---		---
Town of Gilbert	1,297	4	1.62%	1,107	2	1.72%
B H Drywall	997	5	1.25%	1,100	3	1.71%
Fry's Food and Drug	952	6	1.19%	---		---
Go Daddy Software, Inc.	858	7	1.07%	700	4	1.09%
Hunter Contracting	848	8	1.06%	500	7	0.78%
Chandler Unified School District	565	9	0.71%	---		---
Sam's Club	548	10	0.68%	---		---
Target	---		---	660	5	1.03%
General Dynamics C4 Systems	---		---	607	6	0.94%
Earnhardt Auto Center	---		---	480	8	0.75%
Wal-Mart Stores, Inc.	---		---	470	9	0.73%
Superstition Contracting/San Tan Roofing	---		---	450	10	0.70%
Total	13,433		16.78%	10,675		16.60%

Source: Maricopa Association of Governments

Town of Gilbert, Arizona
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Funds										
General government:										
Management and policy	91.5	100.5	30.8	32.0	32.2	29.2	21.2	22.2	88.5	95.8
Support services	N/A	N/A	91.00	92.75	91.3	88.3	62.0	62.0	N/A	N/A
Finance and management services	N/A	N/A	N/A	N/A	N/A	N/A	18.25	19.3	29.0	19.0
Legal and court	31.6	35.1	51.3	53.3	52.3	52.9	52.9	51.9	49.9	51.9
Development services	97.2	98.4	115.6	99.1	70.5	70.5	72.5	72.5	69.6	68.8
Public works	26.0	28.0	17.3	18.0	17.5	17.5	0.0	-	-	-
Public safety:										
Police	276.0	309.0	330.0	352.5	347.0	346.0	346.0	346.0	346.0	349.0
Fire	122.5	139.0	173.8	193.0	199.5	197.0	197.0	197.0	197.0	201.0
Highways and streets	45.0	47.5	54.5	55.3	55.3	49.3	49.3	49.3	51.0	58.0
Parks and recreation	109.1	113.2	114.4	120.0	117.1	106.8	101.7	102.0	106.8	121.8
Enterprise Funds										
Water	60.0	63.5	69.0	72.0	79.0	83.0	118.1	120.0	118.2	118.0
Wastewater	26.0	30.0	33.0	35.0	40.7	40.7	40.7	41.7	41.7	44.7
Environmental services	57.5	63.1	71.3	77.1	79.0	79.0	79.0	78.5	79.0	83.5
Irrigation	0.5	0.5	0.5	0.7	0.7	0.7	0.0	-	-	
Internal Service Funds										
Equipment maintenance	21.0	21.0	24.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Total	963.9	1,048.8	1,176.5	1,226.8	1,208.1	1,186.9	1,184.8	1,188.4	1,202.7	1,237.5

Source: Gilbert Office of Management & Budget

Note: During fiscal year 2007, the organization structure was changed to reflect a new support services function to include areas previously reported under management and policy and public works. During fiscal year 2011, financial services was moved from support services to its own function. During fiscal year 2013, the support services function was eliminated and financial services was renamed finance and management services. Areas previously reported under the support services function were moved to management and policy and finance and management services. Economic development and budget were moved from development services and finance and management services respectively to management and policy. Community services was renamed parks and recreation and CDBG/HOME was moved from development services to parks and recreation. Solid waste was renamed environmental services.

Town of Gilbert, Arizona
Operating Indicators by Function
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Management and policy										
% of population satisfied with value received from tax dollar	88%	88%	90%	87%	89%	86%	90%	N/A [c]	77%	75%
Number of recruitments	131	171	246	107	87	90	86	79	110	155
Employee turnover	12.5%	13.1%	9.5%	9.2%	8.1%	4.9%	6.6%	6.8%	8.0%	7.5%
Legal and court										
Case filings	23,034	29,175	38,315	37,821	36,890	32,299	25,888	26,271	31,794	28,896
% of cases charged after review	62%	61%	66%	61%	61%	64%	64%	72%	72%	72%
Development services										
Building permits issued	7,348	6,750	5,322	3,663	2,054	2,506	2,219	3,474	3,418	3,254
Value of permits issued (in millions)	$1,121.6	$ 983.3	$ 825.5	$ 539.6	$ 266.3	$ 324.3	$ 238.7	$ 474.9	$ 534.4	$ 472.5
Public Safety:										
Police										
Number of arrests	6,237	8,845	13,324	10,528	12,487	11,411	8,330	9,003	8,734	8,400
Crimes per 1,000 population	27.4	28.3	26.6	25.4	23.3	20.4	19.3	18.3	16.5	15.5
Fire										
Number of emergency calls	10,225	11,718	12,260	13,259	12,972	13,566	13,946	14,133	15,509	16,193
Response time average from time of alert at station to on-scene	5 min 39 sec	5 min 17 sec	5 min 2 sec	5 min 8 sec	4 min 11 sec	3 min 43 sec	3 min 37 sec	3 min 49 sec	3 min 47 sec	3 min 50 sec
Highways and streets										
Average pavement condition index	89	89	90	91	91	91	91	91	80	75
Parks and recreation										
Facility reservation requests	11,346	15,505	17,434	18,691	19,222	15,681	16,637	16,880	16,277	16,440
Participants in recreation programs	49,262	57,122	45,516	54,815	48,892	50,038	47,493	48,725	52,714	52,616
Transportation										
Average daily ridership	385	523	388	421	1,039	835	845	560	635	685
Water										
Daily average water production (mg)	38	40	44	42	44	42	42	43	43	44
Average # of meters read per month	58,420	60,190	64,320	68,447	70,630	71,814	71,910	73,469	75,718	75,908
Number of utility locates	35,621	35,265	26,616	16,451	12,000	12,373	10,576	15,190	23,277	20,235
Wastewater										
Daily average wastewater influent (mg)	10.46	10.71	11.71	12.32	12.37	12.91	12.67	12.18	12.90	12.89
Annual effluent produced/reused (mg)	2,596	2,599	3,417	4,174	4,160	4,420	4,840	4,651	4,545	4,550
Environmental services										
Solid waste tonnage	91,278	101,168	112,880	113,777	110,144	110,403	111,943	109,472	110,905	113,965
Recycle tonnage	16,538	17,084	18,388	19,055	18,810	19,191	19,242	18,653	19,036	19,607
Irrigation										
Cost per house irrigated	$ 323	$ 309	$ 309	$ 384	$ 1,532 [a]	$ 542	N/A [b]	N/A [b]	N/A [b]	N/A [b]

Source: The various departments

[a] Increase compared to prior years due to a one-time expense in 2009 for mapping and as-built condition reports on the Heritage Flood District Irrigation System in anticipation of the Town transferring this operation to another entity.

[b] Service is no longer available.

[c] Survey not completed.

Town of Gilbert, Arizona
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Police										
Number of police cars	126	142	150	151	162	156	166	164	164	180
Fire										
Fire stations	8	9	9	9	9	9	9	10	10	10
Highways and streets										
Street center line miles (estimate)	883	986	1,013	1,017	872	903	923	979	989	905
Traffic control signals	89	111	137	159	169	168	173	175	177	180
Parks and recreation										
Total acres of park land, trails, open space, municipal areas and support facilities, operated and maintained	676	676	676	676	676	690	690	652	653	605
Water										
Miles of water main	642	825	900	1,067	1,137	1,175	1,189	1,216	1,219	1,261
Wastewater										
Miles of wastewater main	480	487	770	809	843	860	868	970	976	1,006
Environmental services										
Garbage trucks	55	51	52	52	54	57	61	61	61	66

Source: The various departments

Note: No capital asset statistics are available for the general government or transportation functions.

Town of Gilbert, Arizona
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	Residential Construction [a] Number of Permits	Residential Construction [a] Value	Commercial Construction [a] Number of Permits	Commercial Construction [a] Value	Other Construction [a] Number of Permits	Other Construction [a] Value	Secondary Assessed Property Value [b]	Maricopa County Bank Deposits
2005	4,006	$ 727,496,972	432	$ 297,406,547	2,910	$ 96,709,861	$ 1,251,765,751	$ 46,392,368,000 [c]
2006	3,638	589,698,508	500	304,955,513	2,612	88,679,208	1,466,841,566	54,925,528,000 [c]
2007	2,896	474,991,497	430	252,353,478	1,997	98,134,107	2,370,134,999	55,663,285,000 [d]
2008	1,536	268,197,375	349	180,776,005	1,778	90,605,562	2,768,391,194	55,054,948,000 [d]
2009	1,038	161,128,906	151	60,768,344	865	44,414,870	2,672,949,852	55,358,822,000 [d]
2010	1,427	213,032,031	147	67,488,230	932	43,754,466	2,297,228,317	61,925,568,000 [d]
2011	1,130	182,201,825	180	25,831,880	909	30,710,863	1,861,193,961	60,408,631,000 [d]
2012	2,331	408,322,951	182	31,550,416	961	35,017,191	1,675,360,422	61,673,751,000 [d]
2013	2,015	385,182,885	224	102,447,825	1,179	46,773,456	1,594,806,737	65,485,982,000 [d]
2014	1,613	315,632,904	284	99,959,286	1,357	56,890,360	1,829,471,839	70,253,713,000 [d]

[a] Development Services Department
[b] Maricopa County Assessor's Office
[c] Arizona Banker's Association
[d] Federal Deposit Insurance Corporation

Town of Gilbert, Arizona
System Development Fees
Fiscal Year 2014

	Beginning Balance	System Development Fees Collected	Other Revenue	Expenditures	Ending Balance
Traffic signal system development fee	$ 4,766,942	1,641,308	100,725	(368,053)	$ 6,140,922
Police system development fee	(1,829,749)	1,473,004	-	(2,672,716)	(3,029,461) [a]
Fire system development fee	(15,560,356)	1,976,294	-	(1,084,682)	(14,668,744) [a]
General government system development fee	(6,132,547)	904,497	-	(2,452,173)	(7,680,223) [a]
Parks and recreation system development fee	17,012,142	7,439,867	165,160	(5,370,943)	19,246,226
Water system development fee	18,307,732	10,567,046	1,230,734	(10,586,694)	19,518,818
Water resources system development fee	10,535,255	3,362,075	79,763	(3,771,339)	10,205,754
Wastewater system development fee	(10,904,982)	11,154,279	838,563	(3,240)	1,084,620
Totals	$ 16,194,437	38,518,370	2,414,945	(26,309,840)	$ 30,817,912

Equivalent Residential Unit

Water system development fee	5,042
Wastewater system development fee	5,866

Source: Gilbert Finance & Management Services Department

[a] The negative ending balances for the police, fire, and general government system development fees are funded by the general fund. The general fund had a cash balance of $71,828,521 at June 30, 2014.

Town of Gilbert, Arizona
Property Tax Levies and Collections
Last Ten Fiscal Years

		Initial Year Collections				Cumulative Collections				
Fiscal Year	Adopted Tax Levy	County Resolutions	Net Tax Levy	Current Collections	Percent Of Levy	County Resolutions	Net Tax Levy	Delinquent Collections	Total Collections	Percent of Levy
2005	$ 12,110,279	$ (41,940)	$ 12,068,339	$ 11,796,111	97.74%	$ (114,146)	$ 11,996,133	$ 197,668	$ 11,993,779	99.98%
2006	14,395,693	(79,702)	14,315,991	13,928,035	97.29%	(185,897)	14,209,796	280,050	14,208,085	99.99%
2007	16,913,578	(199,706)	16,713,872	16,226,531	97.08%	(293,895)	16,619,683	391,241	16,617,772	99.99%
2008	27,315,101	(402,220)	26,912,881	25,797,060	95.85%	(497,142)	26,817,959	1,018,331	26,815,391	99.99%
2009	31,332,659	(134,438)	31,198,221	29,744,757	95.34%	(299,819)	31,032,840	1,253,523	30,998,280	99.89%
2010	30,389,882	(153,319)	30,236,563	28,984,405	95.86%	(388,745)	30,001,137	990,140	29,974,545	99.91%
2011	26,198,053	(107,618)	26,090,435	25,253,466	96.79%	(275,213)	25,922,840	656,407	25,909,873	99.95%
2012	21,380,254	(96,162)	21,284,092	20,772,494	97.60%	(207,927)	21,172,327	388,685	21,161,179	99.95%
2013	19,253,745	(99,396)	19,154,349	18,962,640	99.00%	(132,874)	19,120,871	142,839	19,105,479	99.92%
2014	18,327,289	(57,876)	18,269,413	18,056,441	98.83%	(62,957)	18,264,332	92,909	18,149,350	99.37%

Source: Maricopa County Treasurer's Office

Town of Gilbert, Arizona
Principal Property Taxpayers
Fiscal Year 2014

Principal Taxpayer	Type of Business	Secondary Assessed Valuation	As % of Town's Total Secondary Assessed Valuation
Westcor Santan Village LLC	Shopping Center	$ 20,784,019	1.14%
Verizon Wireless	Communications	8,610,189	0.47%
American Furniture Warehouse Co.	Retail	6,454,538	0.35%
Southwest Gas Corporation (T&D)	Utility	6,216,099	0.34%
Target Corporation	Retail	5,814,163	0.32%
Cole MT Gilbert San Tan AZ LLC	Real Estate Development / Holdings	5,263,703	0.29%
Power & Ray LLC	Commercial	5,198,326	0.28%
Vestar CTC Phase 1 LLC	Real Estate Development / Holdings	4,943,632	0.27%
ATPD LLC	Commercial	3,392,601	0.19%
Qwest Corporation	Communications	3,383,537	0.18%
CTC Gilbert LLC	Retail	3,374,476	0.18%
Lowe's HIW Inc.	Retail	3,329,250	0.18%
SY Gilbert Commons I LLC	Shopping Center	3,219,835	0.18%
Arizona Public Service Company	Utility	3,156,936	0.17%
Branch Brook Gardens	Real Estate Development / Holdings	3,101,330	0.17%
Pillar at Santan LLC	Real Estate Development / Holdings	3,094,400	0.17%
J L Bates, LLC	Real Estate Development / Holdings	2,976,940	0.16%
Azul at Spectrum AZ LLC	Real Estate Development / Holdings	2,931,010	0.16%
Smiths Food & Drug Centers Inc.	Real Estate Development / Holdings	2,891,362	0.16%
Dillard's Properties Inc.	Shopping Center	2,755,000	0.15%
Freo Arizona LLC	Technology	2,740,636	0.15%
		$ 103,631,982	5.66%

Source: Maricopa County. Top taxpayers based off Secondary Net Assessed Value of Real and Secured Personal Property for tax year 2014.

Note: Information included for current fiscal year only as this is what is required for continuing disclosure requirements for Gilbert's bond issues.

TOWN OF GILBERT, ARIZONA

Annual Expenditure Limitation Report

June 30, 2014

(With Independent Accountant's Report Thereon)

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CPAs and Business Consultants

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INDEPENDENT ACCOUNTANT'S REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
of the Town of Gilbert, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Town of Gilbert, Arizona for the year ended June 30, 2014. This report is the responsibility of the Town of Gilbert, Arizona management. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of Town of Gilbert, Arizona referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 22, 2014

TOWN OF GILBERT
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2014

1.	Economic Estimates Commission expenditure limitation	$ 345,968,823	
2.	Voter-approved alternative expenditure limitation (Approved - N/A)	-	
3.	Enter applicable amount from line 1 or 2		$ 345,968,823
4.	Amount subject to the expenditure limitation (total amount from Part II, Line C)	$ 190,369,133	
5.	Board-authorized expenditures necessitated by a disaster declared by the Governor [Arizona Constitution, Article IX, section 20 (2)(a)]	-	
6.	Board-authorized expenditures necessitated by a disaster not declared by the Governor [Arizona Constitution, Article IX, section 20 (2)(b)]	-	
7.	Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year [Arizona Constitution, Article IX, section 20 (2)(c)]	-	
8.	Qualifying capital improvement expenditures repaid in accordance with A.R.S. section 41-1279.07(I)	-	
9.	Subtotal	$ 190,369,133	
10.	Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor and not approved by the voters [Arizona Constitution, Article IX, section 20 (2)(b)]	-	
10.	Total adjusted amount subject to the expenditure limitation		$ 190,369,133
11.	Amount under the expenditure limitation		$ 155,599,690

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _____

Name and Title: Cindi Mattheisen, Director of Finance & Management Services

Telephone No: (480) 503-6856 Date: _____

See accompanying notes to annual expenditure limitation report.

TOWN OF GILBERT
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2014

	Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A.	Amounts reported on the Reconciliation, Line D	$ 209,083,543	$ 91,941,745	$ 24,125,506	$ 2,500	$ 325,153,294
B.	Less exclusions claimed:					
1.	(a) Debt service requirements on bonded indebtedness (Note 2)	39,888,230	21,792,046	-	-	61,680,276
	(b) Debt service requirements on other long-term obligations (Note 3)	-	7,000,000	-	-	7,000,000
2.	Trustee or custodian	-	-	-	2,500	2,500
3.	Grants and aid from the federal government (Note 5)	1,770,401	-	-	-	1,770,401
4.	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	164,785	-	-	-	164,785
5.	Amounts received from the State of Arizona (Note 5)	962,395	-	-	-	962,395
6.	Quasi-external interfund transactions (Note 7)	3,060,056	731,428	21,252,096	-	25,043,580
7.	Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	10,931,967	-	-	-	10,931,967
8.	Contracts with other political subdivisions (Note 5)	1,180,480	1,082,133	617,809	-	2,880,422
9.	Refunds, reimbursements and other recoveries (Note 8)	779,363	36,716	115,767	-	931,846
10.	Prior years carryforward (Note 9)	23,415,989	-	-	-	23,415,989
	Total exclusions claimed	$ 82,153,666	$ 30,642,323	$ 21,985,672	$ 2,500	$ 134,784,161
C.	Amounts subject to the expenditure limitation	$ 126,929,877	$ 61,299,422	$ 2,139,834	$ -	$ 190,369,133

See accompanying notes to annual expenditure limitation report.

TOWN OF GILBERT
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2014

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	$ 209,083,543	$ 79,269,567	$ 24,133,231	$ 2,500	$ 312,488,841
B. Subtractions:					
1. Items not requiring use of working capital:					
Depreciation	-	20,062,058	27,714	-	20,089,772
Amortization of bond issuance costs	-	1,463,868	-	-	1,463,868
Loss on sale of capital assets	-	40,055	-	-	40,055
Claims incurred but not reported (Note 10)	-	-	1,266,492	-	1,266,492
Other postemployment benefits expense (Note 12)	-	179,306	-	-	179,306
Total subtractions	-	$ 21,745,287	$ 1,294,206	-	$ 23,039,493
C. Additions:					
1. Principal payments on long-term debt	-	22,845,000	-	-	22,845,000
2. Acquisition of capital assets	-	11,485,091	75,077	-	11,560,168
3. Claims paid in the current year but reported as expenses incurred but not reported in previous years (Note11)	-	-	1,211,404	-	1,211,404
4. Other postemployment benefits paid in the current year but reported as expenses in previous years (Note13)	-	87,374	-	-	87,374
Total additions	-	$ 34,417,465	$ 1,286,481	-	$ 35,703,946
D. Amounts reported on Part II, Line A	$ 209,083,543	$ 91,941,745	$ 24,125,506	$ 2,500	$ 325,153,294

See accompanying notes to annual expenditure limitation report.

TOWN OF GILBERT
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2014

Note 1 - Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes, section 41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, section 20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds; Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Funds; Statement of Cash Flows for the Proprietary Funds; and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

Note 2 - The exclusion claimed for debt service requirements on bonded indebtedness in the Governmental Funds consists of principal retirement of $25,630,000, interest expense of $14,251,703, and fiscal and other charges of $6,527.

The exclusion claimed for debt service requirements on bonded indebtedness in the Enterprise Funds consists of principal and interest payments of $15,845,000 and $5,947,046 respectively.

Note 3 - The exclusion claimed for debt service requirements on other long-term obligations in the Enterprise Funds represents $7,000,000 of lease payments from the Town to the Municipal Property Corporation (MPC). These lease payments are used by the MPC to make the debt service payments on the bonds issued by the MPC. Because the MPC, a separate legal entity, is reported in the Town's financial statements as a blended component unit in the Enterprise Funds, the lease payments are not reported in the financial statements. The amount excluded as debt service requirements on other long-term obligations is reported in the financial statements as bond payments in the Enterprise Funds.

Note 4 - Total investment earnings in the Governmental Funds was $1,493,590 of which $135,086 is nonexcludable. The remaining $1,358,504 excludable revenue will be carried forward to future years.

TOWN OF GILBERT
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2014

Note 5 - This schedule summarizes the intergovernmental revenues from which exclusions have been claimed and any amounts carried forward for the Governmental Funds.

Description	Revenues	Excluded	Amount Carried Forward
Grants and aid from federal government	$ 1,770,401	1,770,401	-
Amounts received from the State of Arizona	2,641,181	962,395	1,678,786
Highway user revenues in excess of those received in fiscal year 1979-80	10,931,967	10,931,967	-
Contracts with other political subdivisions	1,180,480	1,180,480	-
Other revenues (nonexcludable)	51,521,555	-	-
Total intergovernmental revenues as reported in the fund financial statements	$68,045,584		

The exclusion claimed in the Enterprise Funds for contracts with other political subdivisions are recorded as other operating revenues in the financial statements. The exclusion claimed in the Internal Service Funds for contracts with other political subdivisions are recorded as charges for services revenues in the financial statements.

Note 6 - The exclusion claimed for grants, aid, contributions, or gifts form a private agency, organization, or individual consists of other entities' participation and gifts and donations revenue as reported in the Governmental Funds financial statements.

Note 7 - The exclusion claimed for quasi-external interfund transactions consists of payments made for administrative support services reported in the financial statements as charges for services revenue for the Governmental Funds. The exclusion claimed for the Enterprise Funds consist of payments made for water, wastewater and environmental services reported in the financial statements as charges for services revenue. The exclusion claimed for the Internal Service Funds consist of payments for operations that provide services to other departments of the Town and reported in the financial statements as charges for services revenue.

Note 8 - The exclusions claimed for refunds, reimbursements, and other recoveries consist of recovery of damage claims and recovery of prior year expenses and are reported as miscellaneous revenue in the Governmental Funds and as other revenue in the Enterprise and Internal Service Funds financial statements.

Note 9 - Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year. The majority of the exclusion in the Governmental Funds of $23,415,989 represents bond proceeds received in prior fiscal years of $20,410,295 that were expended in this fiscal year.

Note 10 - The subtraction of $1,266,492 for claims incurred but not reported consists of the estimated costs of claims incurred and expensed in the current year but not yet paid in the Internal Service Funds.

Note 11 - The addition of $1,211,404 for claims paid in the current year, but reported as expenses incurred but not reported in previous years, consists of cash payments in the current year for claims recognized as an expense in previous years in the Internal Service Funds.

Note 12 - The subtraction of $179,306 for other postemployment benefits expenses consists of the amounts expensed in the current year but not yet paid in the Enterprise Funds.

Note 13 - The addition of $87,374 for other postemployment benefits paid in the current year, but reported as expenses in previous years, consists of cash payments in the current year for amounts recognized as expenses in previous years in the Enterprise Funds.

TOWN OF GILBERT, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
CARRYFORWARD SUMMARY
JUNE 30, 2014

Description	6/30/2013 Carryforward Exclusions	6/30/2014 Excludable Revenue	Total Revenues Available for Exclusion	Curent Year Exclusions Used in 6/30/2014	Carryforward Exclusions Used in 6/30/2014	Carryforward Exclusions 6/30/2014
Bond Proceeds						
Governmental	$40,428,471	$0	$40,428,471	$0	$20,410,295	$20,018,176
Interest Earnings						
Governmental	27,071,544	1,358,504	28,430,048	-	411,559	28,018,489
Enterprise	27,168,696	1,737,906	28,906,602	-	-	28,906,602
Contributions, donations...						
Governmental	2,453,878	2,132,069	4,585,947	164,785	-	4,421,162
Amounts received from…						
Governmental	19,080,016	2,641,181	21,721,197	962,395	2,594,135	18,164,667
Highway User Revenue						
Governmental	1,903,253	10,931,967	12,835,220	10,931,967	-	1,903,253
GRAND TOTALS	$118,105,858	$18,801,627	$136,907,485	$12,059,147	$23,415,989	$101,432,349

Carryforward exclusions for each fund as of June 30 were as follows:

	GOVERNMENTAL	ENTERPRISE	INTERNAL SERVICE	TOTAL
Fund Balance/Net Position	$184,943,219	$698,177,842	$3,899,866	$887,020,927
Unused Exclusions (Cannot exceed FB)	72,525,747	28,906,602	-	101,432,349
Check	112,417,472	669,271,240	3,899,866	785,588,578

TOWN OF GILBERT, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2014

TOWN OF GILBERT, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2014

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Honorable Mayor and Members of the Town Council
Town of Gilbert, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Town of Gilbert, Arizona, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Town of Gilbert, Arizona's basic financial statements, and have issued our report thereon dated November 24, 2014. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 65.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Gilbert, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Gilbert, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Gilbert, Arizona's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Gilbert, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 24, 2014

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CPAs and Business Consultants

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Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

Independent Auditor's Report

Honorable Mayor and Members of the Town Council
Town of Gilbert, Arizona

Report on Compliance for Each Major Federal Program

We have audited Town of Gilbert, Arizona's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Town of Gilbert, Arizona's major federal programs for the year ended June 30, 2014. Town of Gilbert, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Town of Gilbert, Arizona's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Gilbert, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Gilbert, Arizona's compliance.

Opinion on Each Major Federal Program

In our opinion, Town of Gilbert, Arizona complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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Report on Internal Control Over Compliance

Management of Town of Gilbert, Arizona is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Gilbert, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Gilbert, Arizona's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Town of Gilbert, Arizona as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Town of Gilbert, Arizona's basic financial statements. We issued our report thereon dated November 24, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 24, 2014

TOWN OF GILBERT, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Contract Number	Federal CFDA Number	Expenditures
United States Secret Service		unknown	$ 198
U.S. Department of Housing and Urban Development			
Community Development Block Grants	N/A	14.218	1,120,152
U.S. Department of Justice			
Drug Enforcement Administration	N/A	16.unknown	8,246
Passed through the City of Phoenix:			
Missing Children's Assistance	2012-MC-FX-K008	16.543	5,000
Bulletproof Vest Partnership Program	N/A	16.607	2,908
Passed through Maricopa County:			
Edward Byrne Memorial Justice Assistance Grant Program	2013-DJ-BX-1164	16.738	14,676
Total U.S. Department of Justice			30,830
U.S. Department of Transportation			
Passed through the Arizona Department of Transportation and Maricopa Association of Governments:			
Highway Planning and Construction	JPA 10-198I, JPA 12-022I, JPA 12-125I, 999A403	20.205	249,010
Passed through the Governor's Office of Highway Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	2013-PS-002, 2014-PT-005, 2014-PT-050, 2014-PT-051, 2014-CIOT-005	20.600	90,395
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	2013-410-009, 2014-410-009	20.601	112,418
Highway Safety Cluster Total			202,813
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	2013-164-091	20.608	13,448
Total U.S. Department of Transportation			465,271
U.S. Department of Homeland Security			
Passed through the Arizona Department of Emergency and Military Affairs			
Homeland Security Grant Program	EMW-2011-SS-00047, EMW-2012-SS-00071, EMW-2013-SS-00108-S01	97.067	153,950
Total Expenditures of Federal Awards			$ 1,770,401

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Town of Gilbert, Arizona under programs of the federal government for the year ended June 30, 2014. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the applicable OMB cost principles circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

NOTE 3 - AMOUNTS TO SUBRECIPIENTS

The total amount provided to subrecipients of the Community Development Block Grant during the year ended June 30, 2014 was $246,770.

NOTE 4 - NONCASH ASSISTANCE

The Town entered into an intergovernmental agreement with the Arizona Department of Transportation (ADOT) for inter-city communication and signal coordination work. Funding was provided from the U.S. Department of Transportation, Federal Highway Administration CFDA #20.205 as Highway Planning and Construction. The Arizona Department of Transportation maintained responsibility for the administration of the grant funding and related compliance requirements; therefore, the related noncash assistance is not presented in the Schedule and is not considered Federal awards with respect to the Town of Gilbert. The value of noncash assistance provided by ADOT for this project and recorded as a capital asset by the Town was $515,886.

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes __X__no
- Significant deficiency(ies) identified? _____yes __X__none reported

Noncompliance material to financial statements noted? _____yes __X__no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes __X__no
- Significant deficiency(ies) identified? _____yes __X__none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____yes __X__no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.218	Community Development Block Grants

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? __X__yes _____no

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None reported.

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None reported.

Status of Federal Award Findings and Questioned Costs

The Town had no findings or questioned costs related to federal awards noted in prior audits that require a status.

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Eliana K. Hayes, PE, Assistant Town Engineer & CIP Manager

MEETING DATE: December 2, 2014

SUBJECT: Acquisition of required right of way and easements for the Val Vista Road Improvements Project, CIP Project No. ST112, Administrative Settlement for Parcel 304-71-061E

STRATEGIC INITIATIVE: Infrastructure

This project supports Gilbert's strategic initiative for Infrastructure as it expands the roadway network to meet the needs of Gilbert's citizens.

RECOMMENDED MOTION

A motion to approve the acquisition of right of way and easements, located within Parcel 304-71-061E for the Val Vista Road from Appleby Road to Riggs Road Project, CIP Project No. ST112, in an amount not to exceed $123,204.25, and authorize the Mayor to execute the required documents.

BACKGROUND/DISCUSSION

This project is identified in the FY 2015-19 Capital Improvement Plan (CIP) and includes improvements to Val Vista Drive from Appleby Road to Riggs Road to major arterial standards, which will ultimately consist of three travel lanes and a bicycle lane in each direction; a raised, landscaped median with turn lanes at appropriate locations; storm drainage facilities; median street lighting; conversion of traffic signals at Ocotillo Road and at Chandler Heights Road from temporary span wire to permanent, fully developed signals; waterline adjustments and stubs as necessary for the water distribution system; relocation of private irrigation facilities, RWCD lateral crossings and coordination of other utility facility relocations; and modification of signing and pavement marking beyond the project limits to accommodate the change in conditions.

For the subject parcel, an appraisal was completed and an offer presented to the owner. The initial offer included the following appraised compensation:

Real Property:	$43,869.00
Drainage Easement:	$44,231.00
Temporary Construction Easement:	$2,712.00
Incidentals and Improvements:	$21,425.00
Appraisal Total:	$112,237.00

The owner did not agree to the value of land per square foot because the property sits on the intersection of Val Vista Road and Ocotillo Road. The owner also did not agree that the initial appraisal did not compensate him for the lost block wall and steel panels along the frontage of Ocotillo Road. The appraised cost per square foot is $3.00. The owner requested $5.50 per square foot and a final cost of $3.75 per square foot was negotiated. The owner was also compensated an additional $9,125.00 for the loss of his block wall and steel panels. The total Administrative Settlement totals $10,967.25. The total signed offer equals $123,204.25.

Administrative Settlement: $10,967.25

Total Signed Offer: $123,204.25

The **Administrative Settlement of $10,967.25** is for increased price per square foot for ROW due to the loss of land on the corner of Val Vista Road and Ocotillo Road. The appraised cost per square foot is $3.00 and the negotiated cost per square foot is $3.75. This approval will authorize staff to purchase the property from to the owner of the subject properties for right of way, drainage and temporary construction easements.

Staff is in support of the settlement offers as it represents fair market value of the acquisition plus a settlement. The alternative to this is to not approve the offer and request to proceed with condemnation. Legal and Town Staff estimates that the condemnation for this parcel will cost approximately a minimum $15,000 in process and court costs, plus the cost of the property being acquired and to obtain final order possession.

The contract was reviewed for form by Susan Goodwin, Special Counsel.

FINANCIAL IMPACT

This project is included in the FY 2015-19 CIP as Project No. ST112 and is funded by 2006 GO Bonds 08, 2007 GO Bonds 08, 2007 GO Bonds-Future and Water Fund. The expenditure for this acquisition is $123,204.25 and is within this fiscal year's land budget of $853,000.

The financial impact was reviewed by Cris Parisot, Management and Budget Analyst.

STAFF RECOMMENDATION

Staff has reviewed the subject acquisition and recommends the acquisition of right of way and easements, located within Parcel 304-71-061E for the Val Vista Road from Appleby Road to Riggs Road Project, CIP Project No. ST112, in an amount not to exceed $123,204.25, and authorize the Mayor to execute the required documents

Respectfully submitted,

Eliana K. Hayes, PE

Approved By	Approval Date
Kenneth Morgan	12/24/2014 2:59 PM
Jack Vincent	12/31/2014 11:02 AM
Cris Parisot	12/31/2014 9:24 AM

REAL ESTATE PURCHASE CONTRACT
(Right-of-Way)

The parties to this Real Estate Purchase Contract (the "Contract") are Surinder Sharma and Ritu Bala Sharma, Husband and Wife, (hereinafter "Seller") and the Town of Gilbert, Arizona, a municipal corporation organized under the laws of the State of Arizona (hereinafter "Buyer"). Seller agrees to sell and Buyer agrees to purchase certain real property ("Real Property") and easements ("Easements") under the terms and conditions set forth below:

1. LEGAL DESCRIPTION

The Real Property and Easements to be conveyed by Seller to Buyer under this Contract is legally described in Exhibit A, attached hereto and made a part hereof.

2. PURCHASE PRICE

The total price to be paid by Buyer is as follows:

Real Property:	$43,869.00
Drainage Easement	$44,231.00

Such amounts shall be paid by Buyer to Seller through Great American Title Agency serving as Escrow Agent, upon close of escrow.

3. BROKERAGE COMMISSION

Seller has represented himself, and has not been represented by a real estate broker, agent or agency to market and sell the Property. Seller is solely responsible for compensating costs contained within any agreements, and hereby indemnifies Buyer against any claim for commission (including all costs and attorneys' fees expended in defending against such claim) arising from or related to the transaction set forth in this Contract. This indemnity shall survive termination of this Contract.

4. RISK OF LOSS

Except as otherwise provided in this Contract, all risk of loss related to ownership and possession of the Property, including liability to third persons, shall be the responsibility of the Seller until the title and possession of the Property passes to the Buyer at Close of Escrow. Seller shall indemnify and hold Buyer harmless for all such loss, damage, liability, fees or costs of any kind whatsoever, except those caused by the Buyer. This indemnity shall survive termination of this Contract.

5. CLOSING COSTS AND PRORATIONS

5.1 Buyer will pay all escrow fees related to the sale of the Property. Escrow Agent shall issue or cause to be issued a standard owner's policy of title insurance in the amount of the purchase price and naming Buyer as the insured. Buyer shall bear the cost of such title policy. Seller shall be responsible for all property taxes and assessments levied and due against the Property prior to closing. Buyer shall be responsible for all taxes and assessments levied against the Property after the closing date.

5.2 All of the above-referenced costs that are the responsibility of Buyer shall be paid into escrow on or before the Close of Escrow in addition to the purchase price. All costs that are the responsibility of Seller as referenced above shall be paid from the proceeds of the sale price to which Seller is entitled.

6. TITLE WARRANTY

Fee Simple absolute title to the Property shall be transferred by Seller to Buyer at the Close of Escrow by General Warranty Deed, which shall include conveyance of all surface and ground water rights related to the Property. Buyer is only obligated to accept title to the Property at Close of Escrow if (1) the Property shall be free and clear of all defects, exceptions, easements, covenants, conditions, restrictions, mining claims, liens and encumbrances; and (2) Buyer, at its sole discretion, is otherwise satisfied with the condition of title as reflected in the above-referenced title report and policy and any investigation made by Buyer pursuant to Paragraph 7. Buyer shall have until Close of Escrow to file its objections to the condition of title.

7. INVESTIGATIONS

Buyer shall have until ten days prior to Close of Escrow to make such investigations of the Property as Buyer deems necessary to assure Buyer that the Property is suitable for Buyer's intended purposes and that no hazardous wastes or substances are located on or under the Property.

8. CLOSE OF ESCROW

Close of Escrow shall occur on or before 30 days from opening of Escrow. Close of Escrow will be at the offices of the Escrow Agent set forth in Paragraph 2 herein. At the Close of Escrow, both the title to and possession of the Property shall be transferred from Seller to Buyer. Any encumbrances existing against the Property at the Close of Escrow shall be satisfied from the proceeds of the sale price.

9. RIGHT TO ENCUMBER

The Property is to be free and clear of all liens and encumbrances not acceptable to Buyer at the time of transfer of title from Seller to Buyer. Seller shall not voluntarily encumber the Property after execution of this Contract. Seller agrees that all encumbrances existing against the Property at Close of Escrow shall be satisfied from the proceeds of the sale.

10. ENVIRONMENTAL LIABILITY

Neither Seller nor, to Seller's knowledge, any other person ever caused or permitted any hazardous material to be placed, held, located, or disposed of on the Property. If the Property is found to contain hazardous materials in quantities unacceptable to Buyer, Buyer has the right to terminate or rescind this Contract.

11. ASSIGNABILITY

Neither Seller nor Buyer may assign any of its rights or obligations under this Contract without the other party's advance written consent. This Contract shall be binding upon Seller and Buyer and their respective successors and assigns.

12. DEFAULT

12.1 Default by Seller: All provisions of this Contract are hereby deemed to be material. Buyer shall have all rights and remedies available to it under Arizona law should Seller breach any of the provisions under this Contract. Buyer shall immediately be entitled to the return of all amounts it paid pursuant to the Contract and to terminate the Contract, to damages and to specific performance by Seller, should Seller breach any provision of this Contract. The terms of this Contract shall not in any way be construed as a waiver of Buyer's rights, as a municipal corporation, to obtain the Property by condemnation or eminent domain should Seller fail to perform their obligations under this Contract.

12.2 Default by Buyer: All provisions of this Contract are hereby deemed to be material. The parties agree that Seller's remedies for Buyer's breach of this Contract shall be such rights and remedies available to them under Arizona law.

12.2.1 The breaching party shall be responsible to pay all escrow costs and fees related to this Contract.

12.2.2 The prevailing party shall be entitled to an award of all costs and attorneys' fees incurred should legal action be necessary by either party to enforce the terms of this Contract.

13. SUPERSEDING AGREEMENT

This Contract constitutes the entire contract of the parties relating to the Property and the parties agree that the terms of this Contract shall supersede all previous oral and written Contracts between them.

14. MODIFICATION

The terms of this Contract may only be modified upon written approval of all parties to this Contract.

15. ARIZONA LAW

Seller and Buyer both acknowledge that this Contract is executed in Maricopa County, Arizona, and relates to property located in Maricopa County, Arizona. Should legal action be necessary to enforce the terms of this Contract, all parties agree that the laws of the State of Arizona shall apply. All parties agree that the proper venue for any lawsuit shall be Maricopa County, Arizona.

16. AMBIGUITY

This Contract was drafted by the Town with the assistance of their attorneys. Neither the Town nor its attorneys at the lawfirm of Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C. have rendered legal or other advice to Seller regarding sale of the subject property or the specific terms of this Purchase Contract. Seller is aware of its right to obtain independent professional and/or legal assistance with this Contract and, upon signing of the Contract, represents that they have taken all steps they deem necessary (including but not limited to, seeking the advice of professionals and/or attorneys) to assist them with this transaction. Consequently, the ambiguity in this Contract shall not be construed against either party.

17. CONFLICT OF INTEREST

Seller recognizes that Buyer is a political subdivision of the State of Arizona. Pursuant to A.R.S. § 38-511, Buyer may cancel this Agreement within three (3) years after its execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of Buyer is, at any time while the Contract or any extension thereof is in effect, an employee or agent of Seller in any capacity or a consultant to Seller with respect to the subject matter of this Contract. Notice of any such cancellation shall be given by Buyer to Seller with respect to the subject matter of this Contract. Notice of any such cancellation shall be given by Buyer to Seller pursuant to the terms of A.R.S. § 38-511. Should cancellation occur under this provision, Seller shall return to Buyer all moneys

paid by Buyer under this Contract. Additionally, Seller shall be responsibility for payment of all escrow fees. Buyer shall convey back the Property to Seller.

19. AUTHORITY TO EXECUTE

Seller and Buyer both acknowledge that the persons whose signatures appear below have appropriate authority to execute this Contract on behalf of Seller and Buyer. This Contract may be executed in several counterparts, which together shall constitute an original.

19. NOTICES

Notices required or permitted by this Contract shall be given in writing and personally delivered or sent by first class mail, postage prepaid to:

Seller:

Surinder Sharma and
Ritu Bala Sharma
574 W. Harmony Pl.
Chandler, AZ 85248

Buyer:

Town Manager
Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296

With a copy to:
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
Town Attorney
Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296

ACCEPTED BY:

DATE: 6-9, 2014

SELLER:

Surinder Sharma
Surinder Sharma

Ritu Sharma
Ritu Bala Sharma

BUYER:

TOWN OF GILBERT, ARIZONA
a municipal corporation

By_____
_____, Mayor

ATTEST:

_____
Catherine A. Templeton, Town Clerk

PURCHASE PRICE APPROVED:

_____
Edgar Medina, Assistant Town Engineer

APPROVED AS TO FORM:

By _____
Susan D. Goodwin, Special Counsel

EXHIBIT "A"

LEGAL DESCRIPTION FOR
TOWN OF GILBERT – VAL VISTA DRIVE (ST112)
ASSESSOR PARCEL 304-71-061E
RIGHT-OF-WAY

An "L" shaped area of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 2 South, Range 6 East of the Gila and Salt River Base Line and Meridian, (SW¼, SW¼, Sec 16, T2S, R6E, G&SRB&M) Maricopa County, Arizona more particularly described below:

A basis for bearings is North 00° 10′ 38" East as measured along the west line of said Southwest Quarter of Section 16 having a distance between found brass caps in hand holes locating the Southwest corner and West quarter corner of said Section 16 measured as 2,697.28 feet.

For Public ROW

Commencing from a tie at the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 337.16 feet; thence North 88° 51′ 01" East, 40.01 feet to a point on the east line of a 7.00 foot Highway Easement as found in Docket 8617 Page 340 of Maricopa County Recorder records paralleling said west line of the Southwest Quarter and the True Point of Beginning;

Thence continuing North 88° 51′ 01" East, 25.01 feet;
Thence South 00° 10′ 38" West, 252.06 feet;
Thence South 45° 31′ 10" East, 20.95 feet;
Thence North 88° 47′ 01" East, 420.76 feet;
Thence South 00° 07′ 52" West, 17.00 feet;
Thence South 88° 47′ 01" West, 460.78 feet to a point on the east line of said 7.00 foot Highway Easement;
Thence paralleling said west line of the Southwest Quarter North 00° 10′ 38" East, 284.10 feet returning to the Point of Beginning;

Containing 14,623 square feet (0.3357 acres) more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE
GRANDY
Date Signed 11/19/13
ARIZONA, U.S.A.
Expires 12/31/14

EXHIBIT "A"

LEGAL DESCRIPTION FOR
TOWN OF GILBERT – VAL VISTA DRIVE (ST112)
ASSESSOR PARCEL 304-71-061E
DRAINAGE EASEMENT

An "L" shaped area of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 2 South, Range 6 East of the Gila and Salt River Base Line and Meridian, (SW¼, SW¼, Sec 16, T2S, R6E, G&SRB&M) Maricopa County, Arizona more particularly described below:

A basis for bearings is North 00° 10′ 38" East as measured along the west line of said Southwest Quarter of Section 16 having a distance between found brass caps in hand holes locating the Southwest corner and West quarter corner of said Section 16 measured as 2,697.28 feet.

For DE

The east 45.00 feet of the west 70.00 feet together with north 45.00 feet of the south 62.00 feet of the following:

Commencing from a tie at the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 337.16 feet; thence North 88° 51′ 01" East, 40.01 feet to a point on the east line of a 7.00 foot Highway Easement as found in Docket 8617 Page 340 of Maricopa County Recorder records paralleling said west line of the Southwest Quarter and the True Point of Beginning;

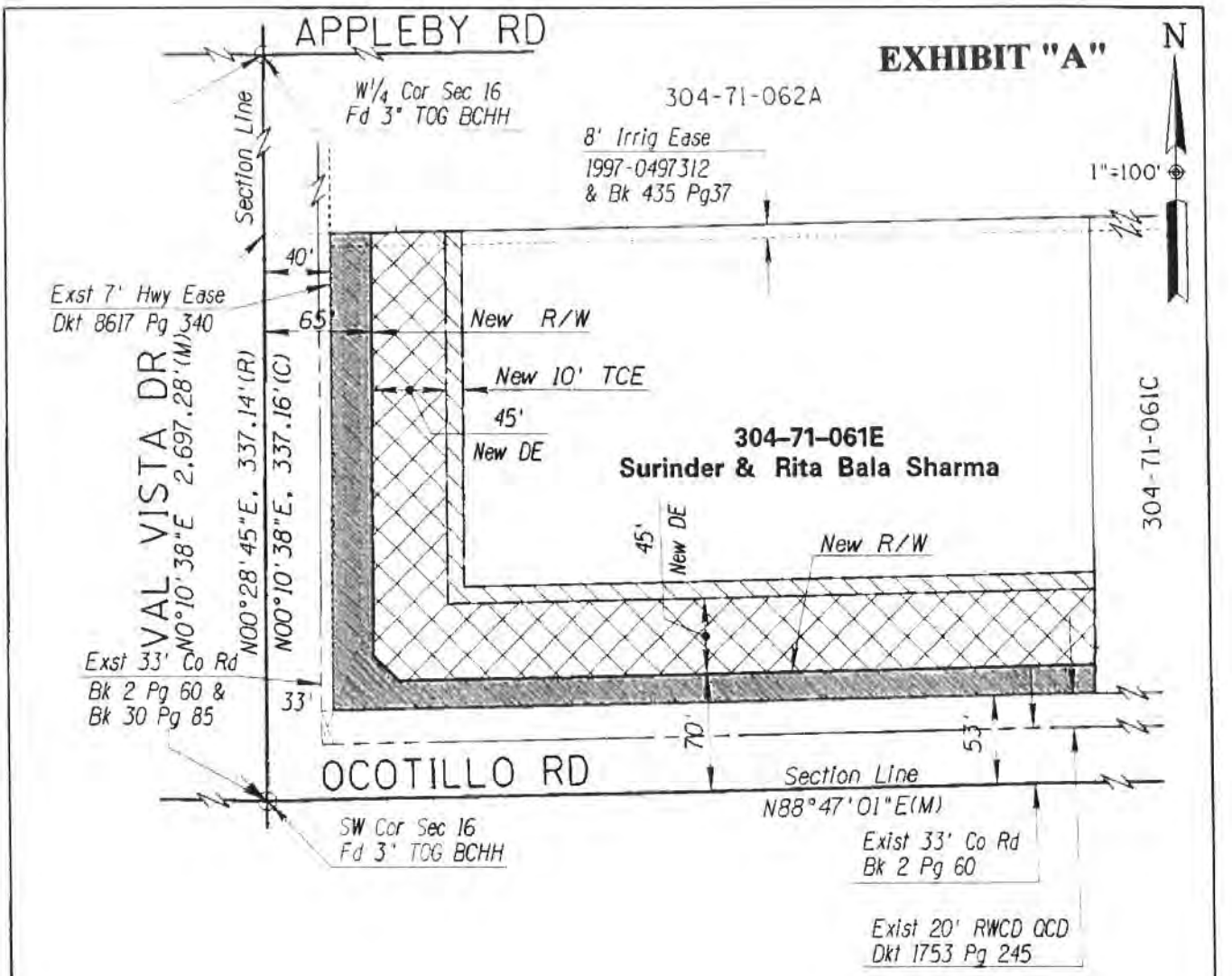
Thence continuing North 88° 51′ 01" East, 460.54 feet;
Thence South 00° 07′ 52" West, 283.56 feet to a point on a line parallel to and 53.00 feet north of the south line for the Southwest quarter of said Section 16;
Thence along said parallel line South 88° 47′ 01" West, 460.78 feet to a point on the east line of said 7.00 foot Highway Easement;
Thence North 00° 10′ 38" East 284.10 feet returning to the Point of Beginning.

Except a triangular area described as commencing from the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 86.60 feet; thence perpendicular South 89° 49′ 22" East, 65.00 feet to the True Point of Beginning; thence South 45° 31′ 10" East, 20.95 feet to a point on a line parallel to and 70.00 feet north of the south line for the Southwest quarter of said Section 16; thence along said parallel line South 88° 47′ 01" West, 15.00 feet to a point on a line parallel to and 65.00 feet east of the west line for the Southwest quarter of said Section 16; thence along this parallel line North 00° 10′ 38" East 15.00 feet returning to the Point of Beginning.

Containing 29,487 square feet (0.6769 acres) more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE
GRANDY
Date Signed 11/19/14
ARIZONA, U.S.A.
Expires 12/31/14

Gordon Grandy

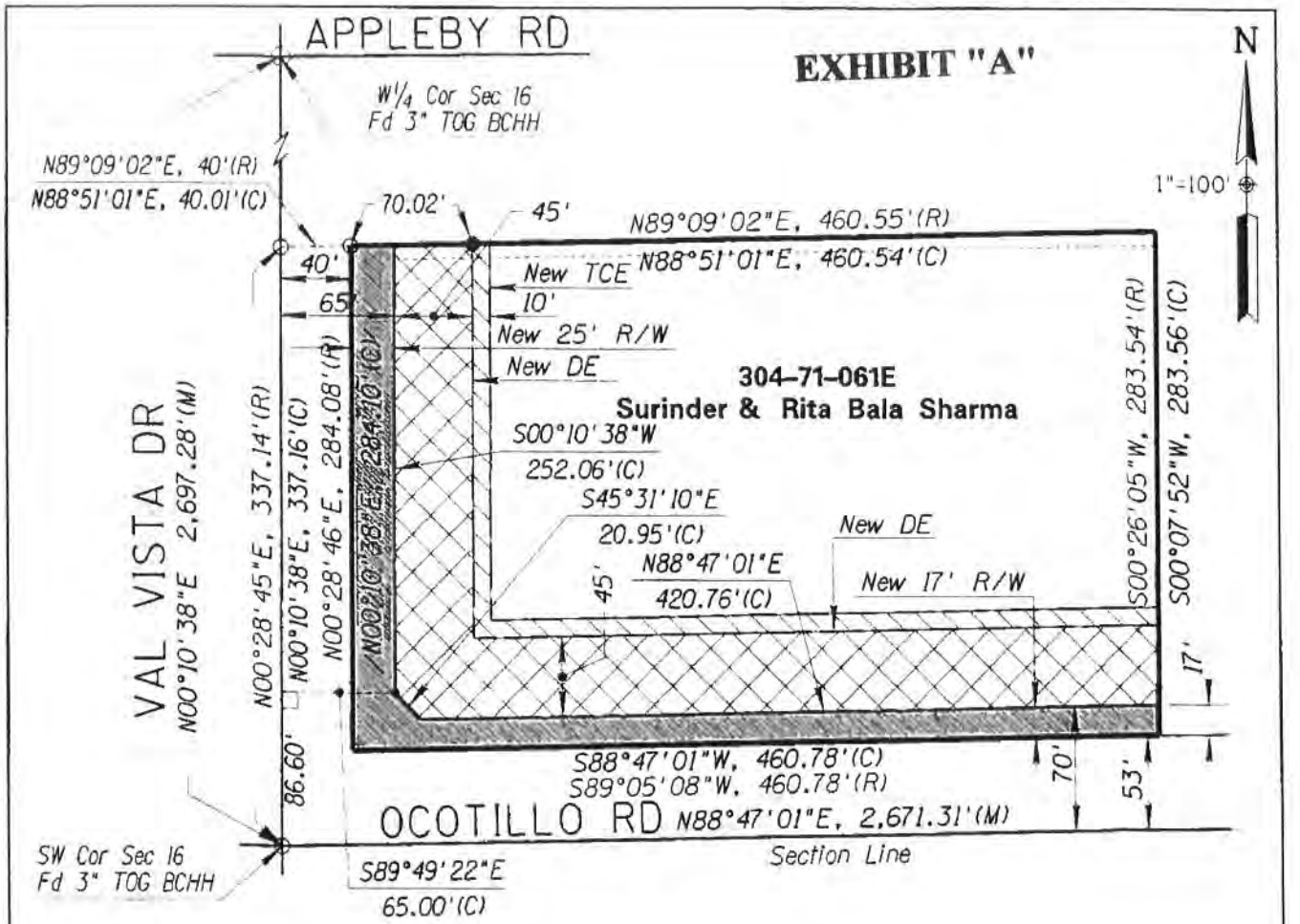


Basis of Bearings is N00°10'38"E as Measured Along the West Line of SW1/4 Section 16, T2S, R6E G&SRB&M, Maricopa County, Arizona

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/19/13
ARIZONA U.S.A.
Expires 12/31/14

Gordon Grandy

NFra Inc. *a transportation engineering firm* 77 East Thomas Road, Suite 200 Phoenix, Arizona 85012	EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION FOR RIGHT OF WAY, DRAINAGE EASEMENT & TEMPORARY CONSTRUCTION EASEMENT ASSESSOR PARCEL 304-71-061E	
GILBERT ARIZONA	DATE: 11/13 DSN: GLG DRN: JRW CHK: RPW	PROJECT NUMBER ST112 SHEET 1 OF 2



Parcel Area		Sq Ft	Acres
Before	Gross/Net	130,712	3.0007
Proposed Acquisition	New R/W	14,623	0.3357
	New DE	29,487	0.6769
After	Net	116,089	2.6650
	New TCE	6,026	0.1383

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/19/13
ARIZONA U.S.A.
Expires 12/31/14

NFra Inc.
a transportation engineering firm
77 East Thomas Road, Suite 200
Phoenix, Arizona 85012

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT OF WAY, DRAINAGE EASEMENT
& TEMPORARY CONSTRUCTION EASEMENT
ASSESSOR PARCEL 304-71-061E

GILBERT
ARIZONA

DATE: 11/13
DSN: GLG
DRN: JRW
CHK: RPW

PROJECT NUMBER
ST112

SHEET 2 OF 2

FOR SETTLEMENT PURPOSES ONLY

SEPARATE AGREEMENT FOR ADDITIONAL COMPENSATED ITEMS

The parties to this Separate Agreement for Additional Compensated Items (the "Agreement") are **Surinder Sharma and Ritu Bala Sharma, Husband and Wife**, (hereinafter "Owner") and the TOWN OF GILBERT, ARIZONA, a municipal corporation organized under the laws of the State of Arizona, (hereinafter "Gilbert").

WHEREAS, Gilbert is purchasing certain real property and easement(s) from Owner under a Real Estate Purchase Contract escrowed with Great American Title Company ("Purchase Contract"); and

WHEREAS, Gilbert is willing to compensate Owner for additional items that are not part of the purchase price for the real property and easement(s) being purchased by Gilbert; and

WHEREAS, Owner would not have entered into the Purchase Contract without the agreement by Gilbert to pay for the additional compensated items as provided herein.

NOW THEREFORE, in consideration of the mutual promises made herein, the parties agree as follows:

1. **Payment for Additional Items.** Ten (10) business days following close of escrow for the purchase of real property and easement pursuant to the Purchase Contract, Gilbert shall pay to Owner an administrative settlement in the amount of $10,967.25.

At least thirty (30) business days prior to commencement of construction of the street improvements adjacent to Owner's property, Gilbert shall pay to Owner the following additional compensation which is not included in the Purchase Contract or the price of the real property and easements:

Incidental and Improvements	$ 21,425.00
Administrative Settlement for increase in price per SF for ROW only, due to loss of land on the corner of Val vista and Ocotillo (From $3.00 to $3.75 / SF)	$ 10,967.25
Temporary Construction Easement*: (*contingent upon execution of Temporary Construction Easement)	$ 2,712.00
TOTAL:	**$ 35,104.25**

If there are additional monies owed at close of escrow for the Purchase Contract, such amount shall be satisfied from the proceeds of this Agreement and the total amount to be

paid to Owner pursuant to this Agreement shall be reduced by the amount of the additional monies owed at close of escrow.

If Owner no longer owns the real property that is the subject of this Purchase Contract thirty (30) days prior to commencement of construction of the street improvements, Gilbert shall pay such amounts to the then current owner and Owner consents to such payment. Additionally, if Owner sells the real property after receiving funds paid under this Agreement but before the street improvements are made, Owner shall advise the purchaser (in any or all sale documents) of this Agreement for Additional Compensated Items and Owner shall be solely responsible for compensating the purchaser for any diminution to the fair market value of the real property and will further indemnify Gilbert and hold Gilbert harmless for any claims the purchaser may bring for the diminution in the fair market value of the real property. Furthermore, should the purchaser refuse to allow Gilbert to undertake the real property revisions for which Gilbert is compensating the Owner, the Owner shall reimburse Gilbert for any additional costs it may incur, including but not limited to any expenses for condemnation proceedings necessitated by Owner's breach of the contractual duty to advise any purchaser of this Agreement.

2. **Incidental Items.** The incidental items for which additional compensation if being paid are: 4 – 25' high Pine trees, 3 – 25' high Palm trees, 1 – 25' high Eucalyptus tree, 365 LF of 6' high 4" block with six 12' long steel rail panels wall

3. **Temporary Construction Easement.** Owner shall execute a Temporary Construction Easement in the form attached hereto as Exhibit A for that portion of Owner's property described in said Exhibit A and B.

4. **Conflict of Interest.** Owner recognizes that Gilbert is a political subdivision of the State of Arizona and therefore Gilbert may cancel this Agreement pursuant to A.R.S. § 38-511.

5. **Attorneys Fees.** In the event suit is brought or an attorney is retained by any party to this Agreement to enforce the terms of this Agreement or to collect any moneys due hereunder, or to collect money damages for breach hereof, the prevailing party shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.

6. **Authority to Execute.** Owner and Gilbert both acknowledge that the persons whose signatures appear below have appropriate authority to execute this Agreement on behalf of Owner and Gilbert. This Agreement may be executed in several counterparts, which together shall constitute an original.

7. **Notices.** Notices required or permitted by this Agreement shall be given in writing and personally delivered or sent by first class mail, postage prepaid to:

Owner:
Surinder Sharma and
Ritu Bala Sharma
574 W. Harmony Pl.
Chandler, AZ 85248

Gilbert:
Town Manager
Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296

With a copy to:
L. Michael Hamblin
Town Attorney
50 East Civic Center Drive
Gilbert, Arizona 85296

Dated this 9th day of June, 2014

ACCEPTED BY:

OWNER: Surinder Sharma and
Ritu Bala Sharma

By: Surinder Sharma

By: Ritu Sharma

GILBERT:

By _____
John W. Lewis, Mayor

ATTEST:

_____
Catherine A. Templeton, Town Clerk

APPROVED:

_____
Patrick Banger, Town Manager

APPROVED AS TO FORM:

By _____
Susan D. Goodwin
Curtis, Goodwin, Sullivan, Udall &
Schwab, PLC, Special Counsel

When Recorded Mail To:

EXHIBIT "A"

Town of Gilbert
c/o Susan D. Goodwin
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
501 E. Thomas Road
Phoenix, Arizona 85012-3205

Exempt under A.R.S. § 11-1134(A)(2)

TEMPORARY CONSTRUCTION EASEMENT

For and in consideration of the sum of Ten Dollars ($10.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, we Surinder Sharma and Ritu Bala Sharma, Husband and Wife, ("Grantors") do hereby grant and convey to the TOWN OF GILBERT, ARIZONA, an Arizona Municipal Corporation ("Grantee"), a Temporary Construction Easement for Roadway/ Utility/Drainage/Driveway Slope installation purposes, together with the temporary right of ingress and egress for the purposes of excavating and removing, installation, placement or replacement of soil and/or asphalt and construction plans identified below, including any additional grading work deemed necessary or appropriate by the Grantee over, under and across the real property situated in Maricopa County, Arizona, as described in **Exhibit A** and **Exhibit B** attached hereto and made a part hereof, and as shown on Construction Plans entitled "Val Vista Drive Improvements", prepared by NFra Inc., and dated September 9, 2013. Grantor's property shall be restored by Grantee to an "as good as" condition as existed prior to construction.

This easement right, related to Parcel No.: 304-71-061E, shall be extinguished 18 months from the date of commencement of construction by Town of Gilbert.

Grantors agree that for a period of one year following construction completion and upon five (5) days' prior written notice by Grantee to Grantor, Grantee may enter upon the property described in **Exhibit A** and **Exhibit B** for the purposes of performing any required warranty work. Grantee shall pay Grantor the amount of $4.95 per day for each day such property is used to perform the warranty work. Grantor's property shall be restored by Grantee to an "as good as" condition as existed prior to performance of the warranty work.

EXHIBIT "A"

Dated this _____ day of _____, 20__.

By: _____
Surinder Sharma

By: _____
Ritu Bala Sharma

STATE OF ARIZONA)
) ss
County of Maricopa)

The foregoing Temporary Construction Easement was personally acknowledged before me this _____ day of _____, 2013, by Surinder Sharma and Ritu Bala Sharma who executed the foregoing instrument for the purposes therein contained.

_____
Notary Public

My Commission Expires:

Description Of Document This Notarial Certificate Is Being Attached To:	
TYPE/TITLE	
DATE OF DOCUMENT	
NUMBER OF PAGES	
ADDITIONAL SIGNORS	
(other than those named in	
the notarial certificate)	

EXHIBIT "A"

LEGAL DESCRIPTION FOR
TOWN OF GILBERT – RIGGS ROAD (ST112)
ASSESSOR PARCEL 304-71-061E
TEMPORARY CONSTRUCTION EASEMENT

An "L" shaped strip of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 2 South, Range 6 East of the Gila and Salt River Base Line and Meridian, (SW¼ SW¼, Sec 16, T2S, R6E, G&SRB&M) Maricopa County, Arizona more particularly described below:

A basis for bearings is North 00° 10′ 38" East as measured along the west line of said Southwest Quarter of Section 16 having a distance between found brass caps in hand holes locating the Southwest corner and West quarter corner of said Section 16 measured as 2,697.28 feet.

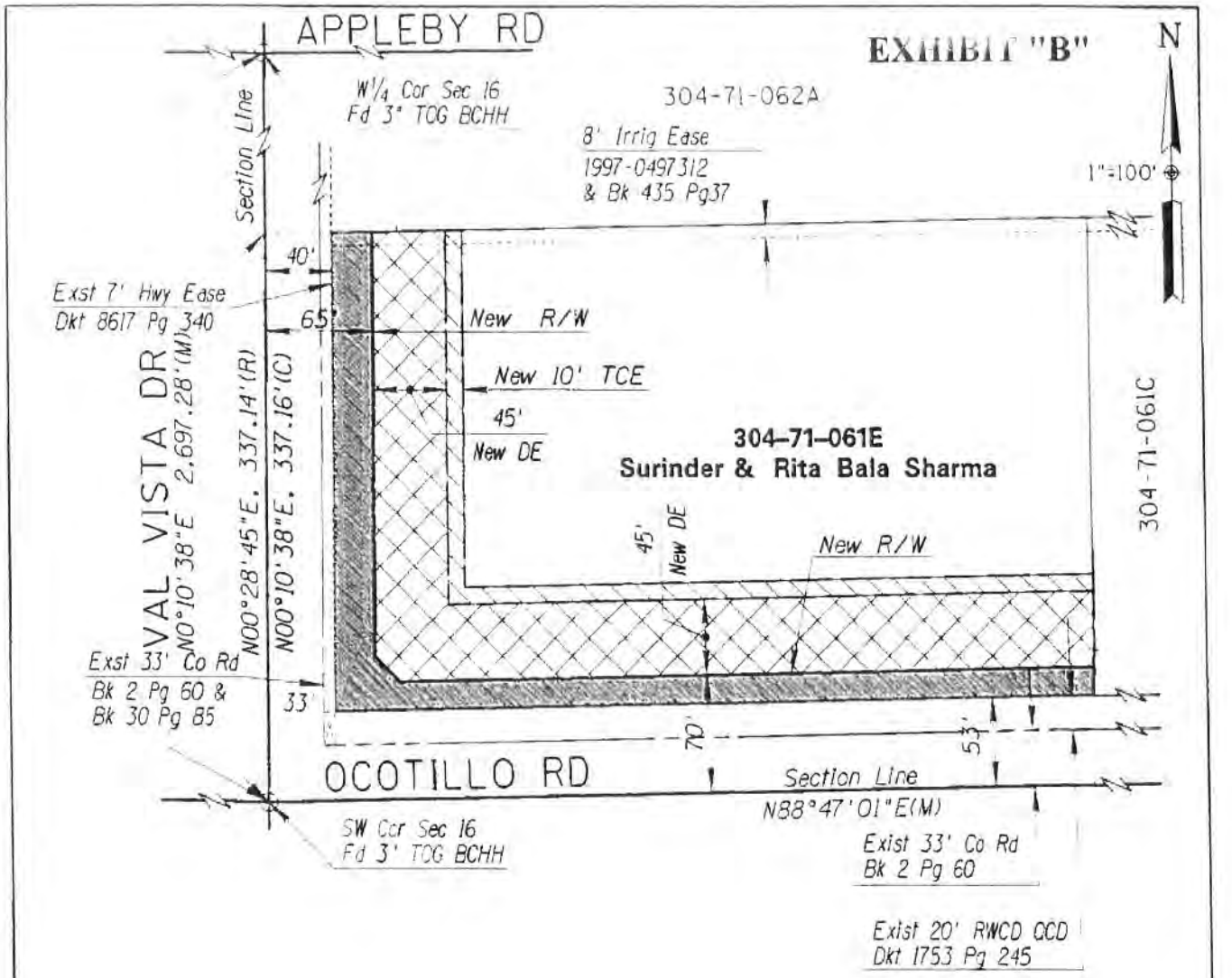
<u>For TCE</u>
The east 10.00 feet of the west 80.00 feet together with the north 10.00 feet of the south 72.00 feet of the following:

Commencing from a tie at the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 337.16 feet; thence North 88° 51′ 01" East, 40.01 feet to a point on the east line of a 7.00 foot Highway Easement as found in Docket 8617 Page 340 of Maricopa County Recorder records paralleling said west line of the Southwest Quarter and the True Point of Beginning;

Thence continuing North 88° 51′ 01" East, 460.54 feet;
Thence South 00° 07′ 52" West, 283.56 feet to a point on a line parallel to and 53.00 feet north of the south line for the Southwest quarter of said Section 16;
Thence along said parallel line South 88° 47′ 01" West, 460.78 feet to a point on the east line of said 7.00 foot Highway Easement;
Thence North 00° 10′ 38" East 284.10 feet returning to the Point of Beginning.

Containing 6,026 square feet (0.1383 acres) more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE
GRANDY
Date Signed 11/19/13
ARIZONA, U.S.A.
Expires 12/31/14

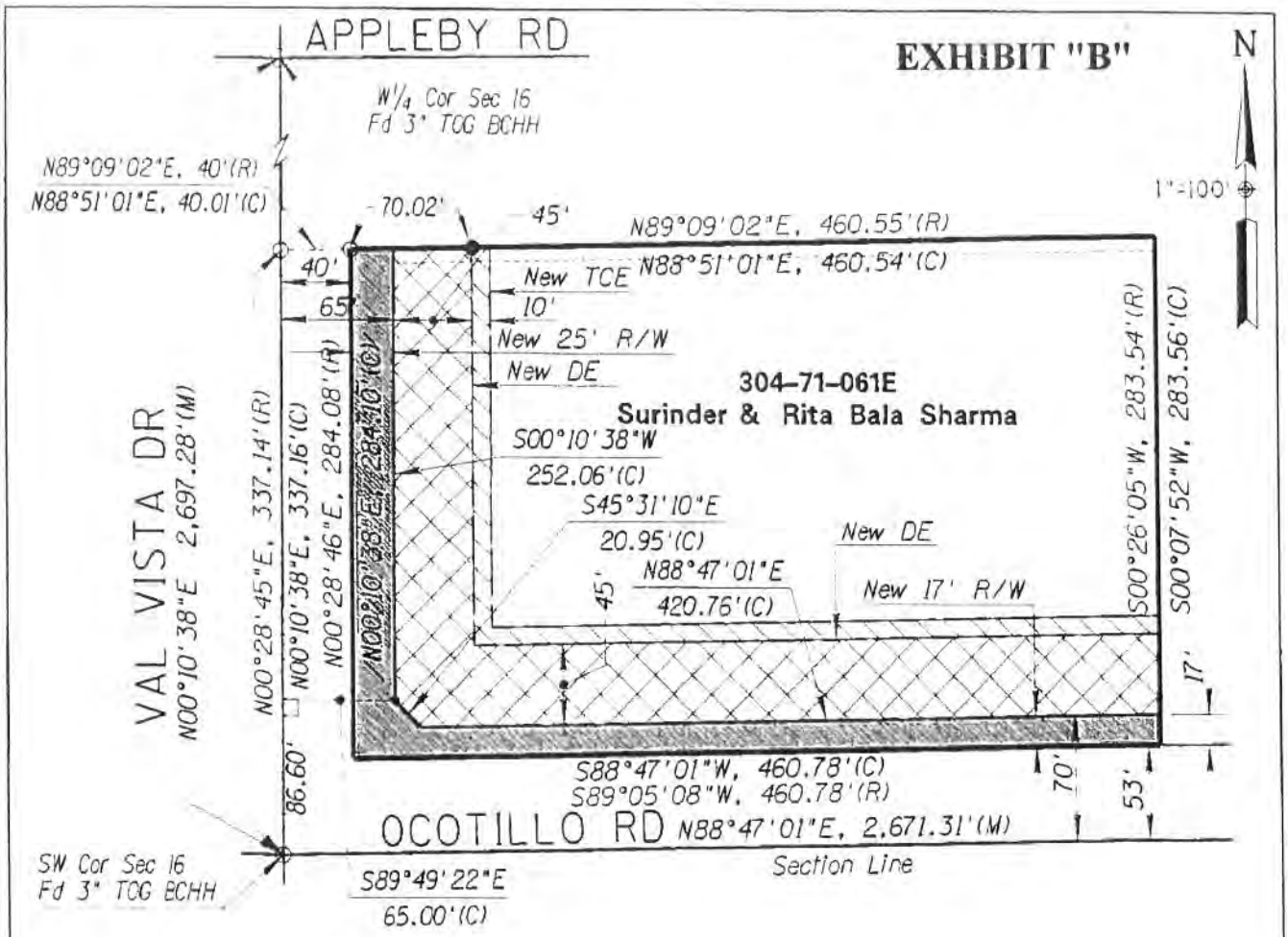


Basis of Bearings is N00°10'38"E as measured Along the West Line of SW1/4 Section 16, T2S, R6E G&SRB&M, Maricopa County, Arizona

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/19/13
ARIZONA U.S.A.
Expires 12/31/14

Gordon Lee Grandy

NFra Inc. *a transportation engineering firm* 77 East Thomas Road, Suite 200 Phoenix, Arizona 85012	EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION FOR RIGHT OF WAY, DRAINAGE EASEMENT & TEMPORARY CONSTRUCTION EASEMENT ASSESSOR PARCEL 304-71-061E	
GILBERT ARIZONA	DATE: 11/13 DSN: CLG DRN: JRW CHK: RPW	PROJECT NUMBER ST112 SHEET 1 OF 2



Parcel Area		Sq Ft	Acres
Before	Gross/Net	130,712	3.0007
Proposed Acquisition	New R/W	14,623	0.3357
	New DE	29,487	0.6769
After	Net	116,089	2.6650
	New TCE	6,026	0.1383

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE
GRANDY
Date Signed 11/9/14
ARIZONA U.S.A.
Expires 12/31/14

NFra Inc.
a transportation engineering firm
77 East Thomas Road, Suite 200
Phoenix, Arizona 85012

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT OF WAY, DRAINAGE EASEMENT
& TEMPORARY CONSTRUCTION EASEMENT
ASSESSOR PARCEL 304-71-061E

GILBERT
ARIZONA

DATE: 11/13
DSN: GLG
DRN: JRW
CHK: RPW

PROJECT NUMBER
ST112

SHEET 2 OF 2

When Recorded Return to:

Town of Gilbert
c/o Susan D. Goodwin
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
501 E. Thomas Road
Phoenix, Arizona 85012-3205

WARRANTY DEED

Exempt pursuant to
A.R.S. §§ 11-1134(A)(3)
& 42-11102(A)

For the consideration of Ten Dollars, and other valuable considerations, we, Surinder Sharma and Ritu Bala Sharma, Husband and Wife, do hereby convey to the Town of Gilbert, a municipal corporation, 50 East Civic Center Drive, Gilbert, Arizona 85296, the following real property situated in the County of Maricopa, State of Arizona.

See Exhibit A

And including all groundwater and surface water rights appurtenant to said real property.

SUBJECT TO: Current taxes, assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions and restrictions as may appear of record.

And I or we do warrant the title against all persons whomsoever, subject to the matters above set forth.

Dated this 9th day of June, 2014.

GRANTOR:

By: Surinder Sharma
Surinder Sharma

By: Ritu Sharma
Ritu Bala Sharma

Form No. 3.3.1
Warranty Deed
Revised: December 14, 2012

ACKNOWLEDGEMENT

STATE OF ARIZONA)
) ss.
County of Maricopa)

NANCY JO MADDEN
Notary Public - Arizona
Maricopa County
My Commission Expires
SEPTEMBER 4,2017

On this 9th day of June, 2014 before me, a notary public in and for said state, personally appeared Surinder Sharma and Ritu Bala Sharma, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Nancy Jo Madden
Notary public

My Commission Expires: September 4, 2017

Description Of Document This Notarial Certificate Is Being Attached To:	
TYPE/TITLE	Warranty Deed
DATE OF DOCUMENT	6-9-14
NUMBER OF PAGES	5
ADDITIONAL SIGNORS	None
(other than those named in	
the notarial certificate)	

Form No. 3.3.1
Warranty Deed
Revised: December 14, 2012

EXHIBIT "A"

LEGAL DESCRIPTION FOR
TOWN OF GILBERT – VAL VISTA DRIVE (ST112)
ASSESSOR PARCEL 304-71-061E
RIGHT-OF-WAY

An "L" shaped area of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 2 South, Range 6 East of the Gila and Salt River Base Line and Meridian, (SW¼, SW¼, Sec 16, T2S, R6E, G&SRB&M) Maricopa County, Arizona more particularly described below:

A basis for bearings is North 00° 10′ 38" East as measured along the west line of said Southwest Quarter of Section 16 having a distance between found brass caps in hand holes locating the Southwest corner and West quarter corner of said Section 16 measured as 2,697.28 feet.

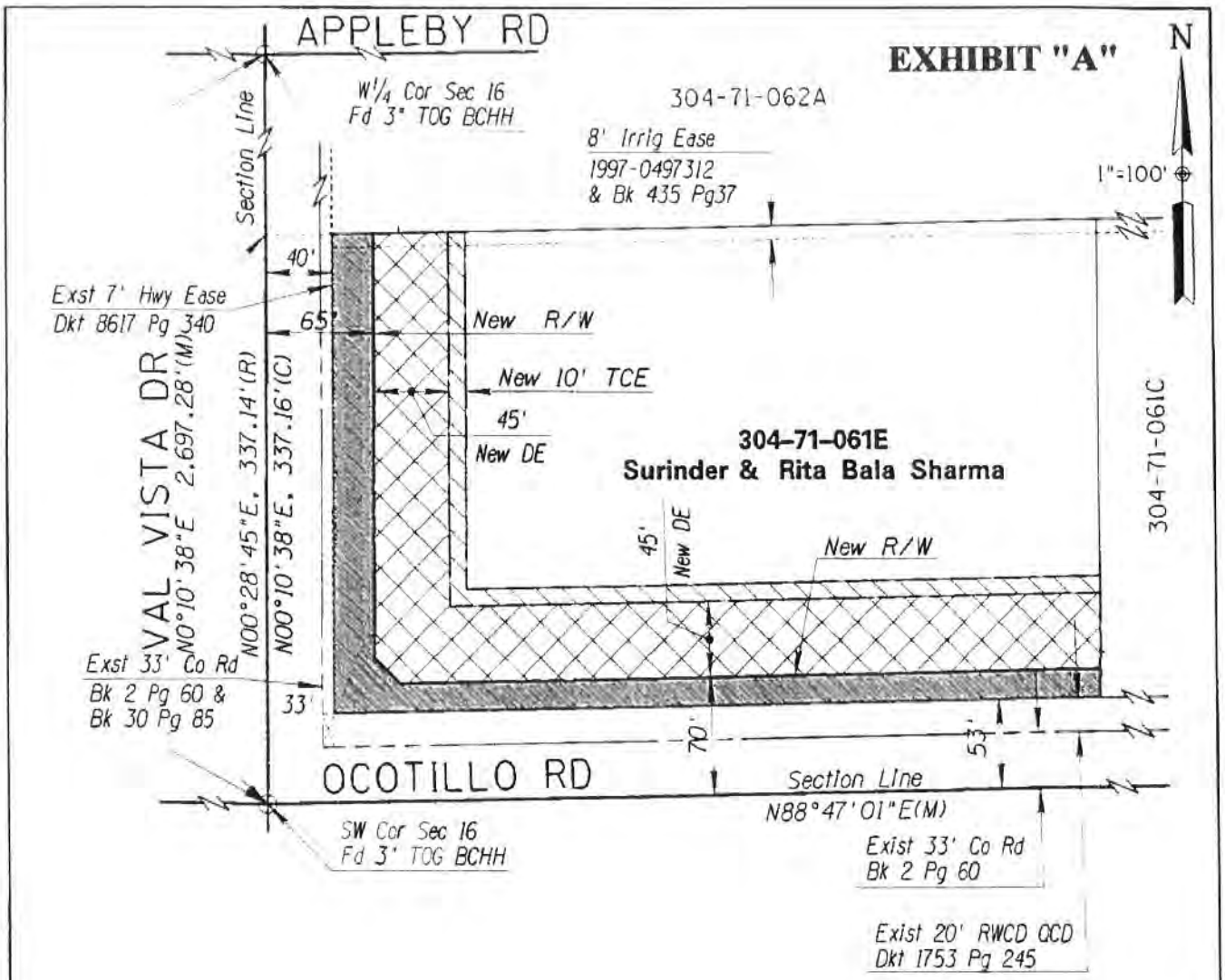
For Public ROW

Commencing from a tie at the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 337.16 feet; thence North 88° 51′ 01" East, 40.01 feet to a point on the east line of a 7.00 foot Highway Easement as found in Docket 8617 Page 340 of Maricopa County Recorder records paralleling said west line of the Southwest Quarter and the True Point of Beginning;

Thence continuing North 88° 51′ 01" East, 25.01 feet;
Thence South 00° 10′ 38" West, 252.06 feet;
Thence South 45° 31′ 10" East, 20.95 feet;
Thence North 88° 47′ 01" East, 420.76 feet;
Thence South 00° 07′ 52" West, 17.00 feet;
Thence South 88° 47′ 01" West, 460.78 feet to a point on the east line of said 7.00 foot Highway Easement;
Thence paralleling said west line of the Southwest Quarter North 00° 10′ 38" East, 284.10 feet returning to the Point of Beginning;

Containing 14,623 square feet (0.3357 acres) more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE
GRANDY
Date Signed 11/19/13
ARIZONA, U.S.A.
Expires 12/31/14

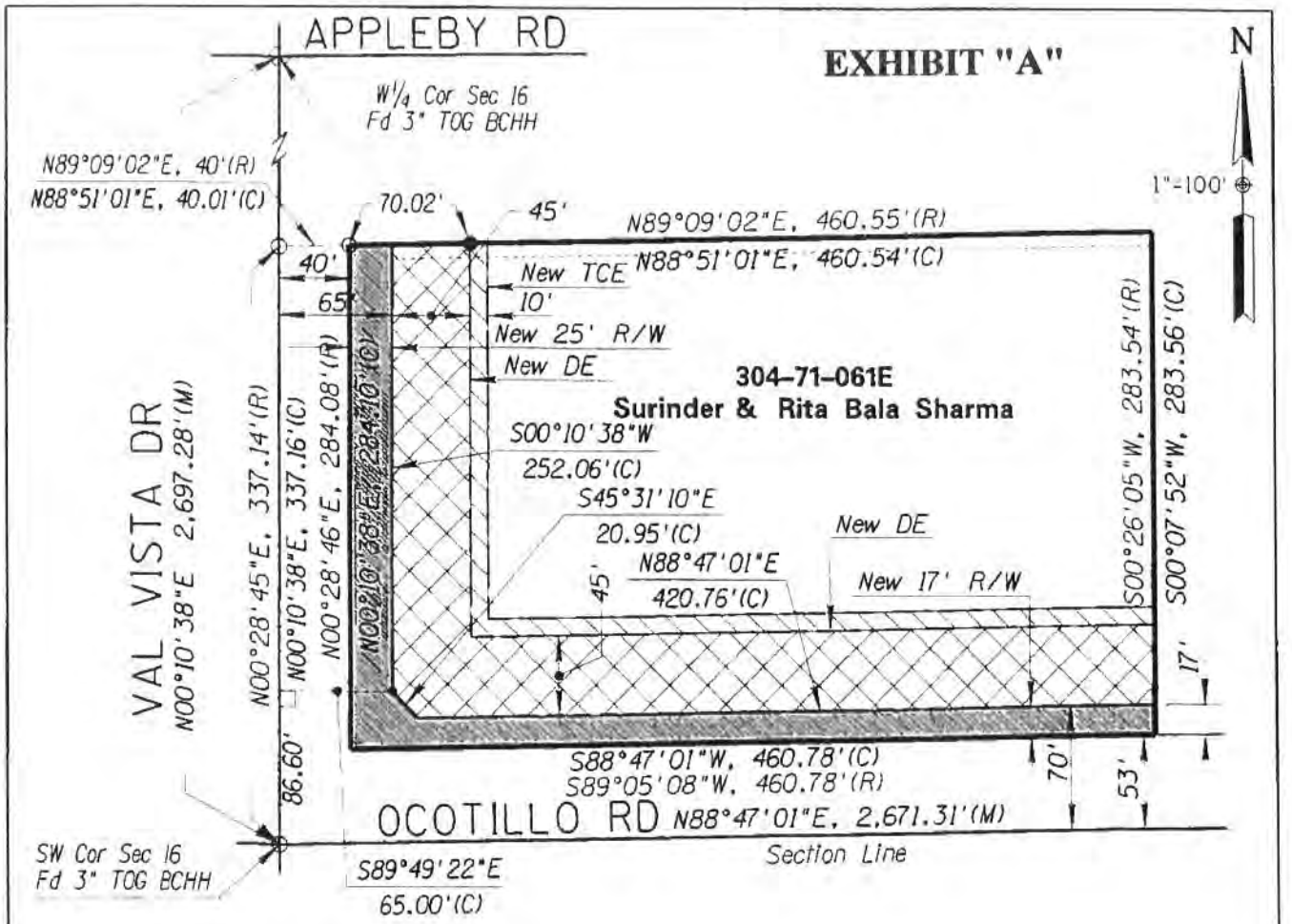


Basis of Bearings is N00°10'38"E as Measured Along the West Line of SW1/4 Section 16, T2S, R6E G&SRB&M, Maricopa County, Arizona

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/9/13
ARIZONA U.S.A.
Expires 12/31/14

Gordon Grandy

NFra Inc. *a transportation engineering firm* 77 East Thomas Road, Suite 200 Phoenix, Arizona 85012	EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION FOR RIGHT OF WAY, DRAINAGE EASEMENT & TEMPORARY CONSTRUCTION EASEMENT ASSESSOR PARCEL 304-71-061E	
GILBERT ARIZONA	DATE: 11/13 DSN: GLG DRN: JRW CHK: RPW	PROJECT NUMBER ST112 SHEET 1 OF 2



Parcel Area		Sq Ft	Acres
Before	Gross/Net	130,712	3.0007
Proposed Acquisition	New R/W	14,623	0.3357
	New DE	29,487	0.6769
After	Net	116,089	2.6650
	New TCE	6,026	0.1383

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/19/14
ARIZONA U.S.A.
Expires 12/31/14

NFra Inc.
a transportation engineering firm
77 East Thomas Road, Suite 200
Phoenix, Arizona 85012

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT OF WAY, DRAINAGE EASEMENT
& TEMPORARY CONSTRUCTION EASEMENT
ASSESSOR PARCEL 304-71-061E

GILBERT ARIZONA

DATE: 11/13
DSN: GLG
DRN: JRW
CHK: RPW

PROJECT NUMBER
ST112

SHEET 2 OF 2

When recorded return to:

Town of Gilbert
c/o Susan D. Goodwin
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
501 E. Thomas Road
Phoenix, Arizona 85012-3205

DRAINAGE AND RETENTION BASIN EASEMENT

That for and in consideration of $44,231.00, Surinder Sharma and Ritu Bala Sharma, Husband and Wife ("Grantor"), hereby conveys to the Town of Gilbert, Arizona ("Grantee"), an easement for drainage and retention basin purposes in and upon the property legally described in **Exhibit A** (the "Easement Area"). This easement is granted conditioned upon all of the following:

1. This easement shall continue in perpetuity, commencing upon recordation and terminating when the drainage and retention basin and uses authorized by this easement are no longer required by the Grantee or its assigns as set forth in a recorded Termination of Easement.

2. The use granted herein shall be limited exclusively to the purposes of construction and maintenance of drainage and retention basin in the Easement Area, installation and maintenance of an underground storage pipe and drywells in the Easement Area, and uses incidental to such purposes, including removal of trees and fences. As used herein "drainage" shall mean the flow of normal and excess rainwater across the Easement Area.

3. Grantee or its assigns shall have the right to enter the Easement Area at all times necessary to maintain the drainage and retention basin, the underground storage pipe and the drywells. Grantee shall be responsible for maintenance of the basin, the underground pipe and drywells provided however, that if this easement is terminated and a replacement drainage and retention basin easement is approved in a future site plan or final plat, the Grantor or its assigns shall be responsible for maintenance of the basin, the underground pipe and drywells.

4. No building or structure of any nature or kind whatsoever shall be constructed or placed on or over the Easement Area without the prior written consent of Grantee, provided, however, that Grantor, or its successors and assigns may plant, install or construct such landscaping improvements and related facilities as are depicted in the site plan and landscape plan approved subject to administrative approval of final building plans.

5. Grantor shall have the right to enter the Easement Area for ingress and egress purposes at the locations designated on Exhibit A.

6. This easement constitutes a covenant running with the land for the benefit of Grantee, its successors and assigns.

7. This easement may be terminated by a written termination of easement signed by the Town Manager and recorded in the Official Records of Maricopa County, Arizona.

IN WITNESS WHEREOF, the parties herein have executed this Agreement on the date and year first herein written.

GRANTOR: Surinder Sharma and Ritu Bala Sharma, Husband and Wife

By: Surinder Sharma
Surinder Sharma

By: Ritu Sharma
Ritu Bala Sharma

ACKNOWLEDGEMENT

STATE OF ARIZONA)
) ss.
County of Maricopa)

NANCY JO MADDEN
Notary Public - Arizona
Maricopa County
My Commission Expires
SEPTEMBER 4,2017

On this 9th day of June, 2014, before me, a notary public in and for said state, personally appeared Surinder Sharma and Ritu Bala Sharma, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Nancy Jo Madden
Notary public

My Commission Expires: September 4, 2017

Description Of Document This Notarial Certificate Is Being Attached To:	
TYPE/TITLE	Drainage Easement
DATE OF DOCUMENT	6-9-14
NUMBER OF PAGES	5
ADDITIONAL SIGNORS	None
(other than those named in	
the notarial certificate)	

Drainage Easement
Form No. 3.2.7
Revised November 14, 2012

EXHIBIT "A"

LEGAL DESCRIPTION FOR
TOWN OF GILBERT – VAL VISTA DRIVE (ST112)
ASSESSOR PARCEL 304-71-061E
DRAINAGE EASEMENT

An "L" shaped area of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 2 South, Range 6 East of the Gila and Salt River Base Line and Meridian, (SW¼, SW¼, Sec 16, T2S, R6E, G&SRB&M) Maricopa County, Arizona more particularly described below:

A basis for bearings is North 00° 10′ 38" East as measured along the west line of said Southwest Quarter of Section 16 having a distance between found brass caps in hand holes locating the Southwest corner and West quarter corner of said Section 16 measured as 2,697.28 feet.

For DE

The east 45.00 feet of the west 70.00 feet together with north 45.00 feet of the south 62.00 feet of the following:

Commencing from a tie at the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 337.16 feet; thence North 88° 51′ 01" East, 40.01 feet to a point on the east line of a 7.00 foot Highway Easement as found in Docket 8617 Page 340 of Maricopa County Recorder records paralleling said west line of the Southwest Quarter and the True Point of Beginning;

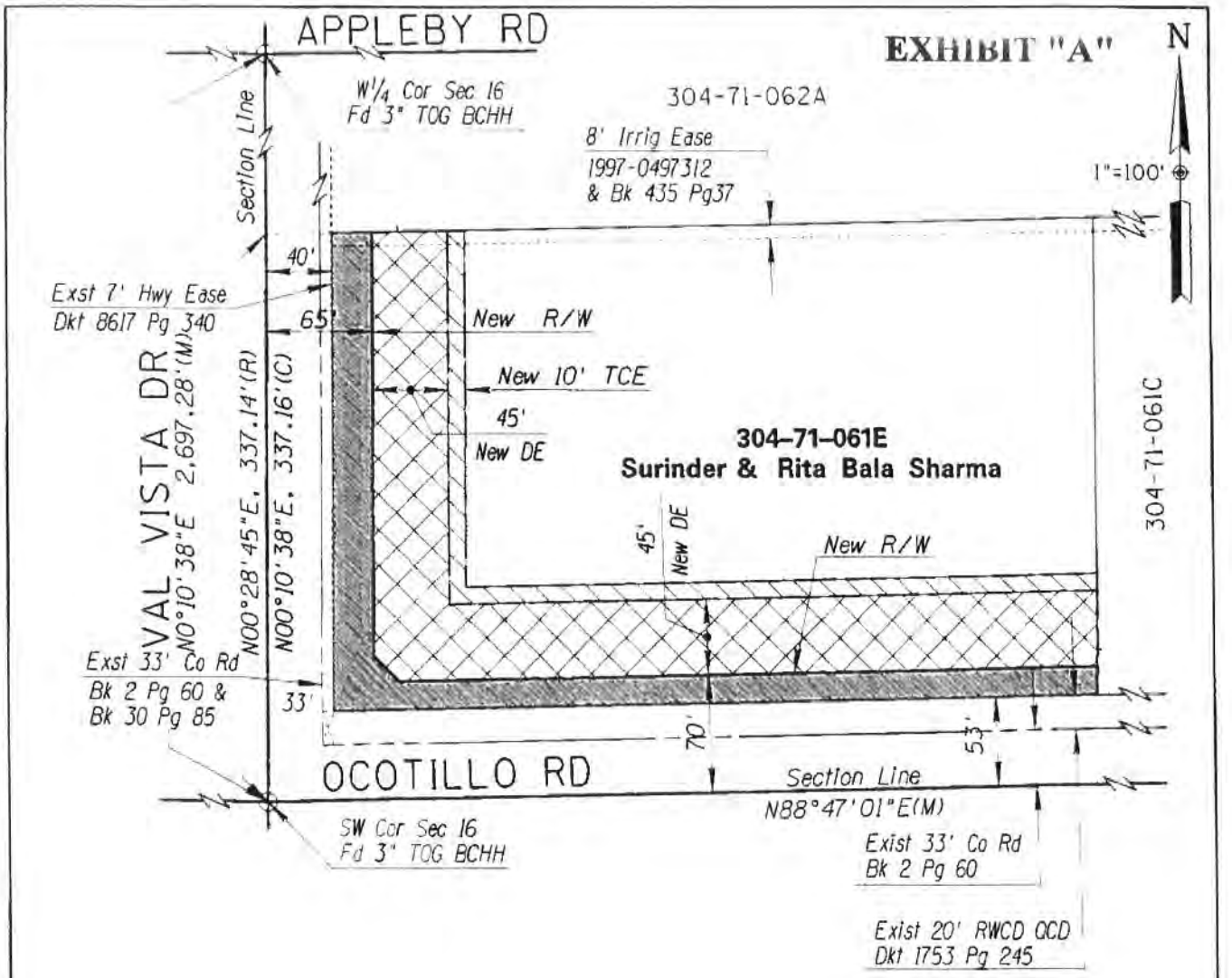
Thence continuing North 88° 51′ 01" East, 460.54 feet;
Thence South 00° 07′ 52" West, 283.56 feet to a point on a line parallel to and 53.00 feet north of the south line for the Southwest quarter of said Section 16;
Thence along said parallel line South 88° 47′ 01" West, 460.78 feet to a point on the east line of said 7.00 foot Highway Easement;
Thence North 00° 10′ 38" East 284.10 feet returning to the Point of Beginning.

Except a triangular area described as commencing from the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 86.60 feet; thence perpendicular South 89° 49′ 22" East, 65.00 feet to the True Point of Beginning; thence South 45° 31′ 10" East, 20.95 feet to a point on a line parallel to and 70.00 feet north of the south line for the Southwest quarter of said Section 16; thence along said parallel line South 88° 47′ 01" West, 15.00 feet to a point on a line parallel to and 65.00 feet east of the west line for the Southwest quarter of said Section 16; thence along this parallel line North 00° 10′ 38" East 15.00 feet returning to the Point of Beginning.

Containing 29,487 square feet (0.6769 acres) more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE
GRANDY
Date Signed 11/19/14
ARIZONA, U.S.A.
Expires 12/31/14

Gordon Grandy

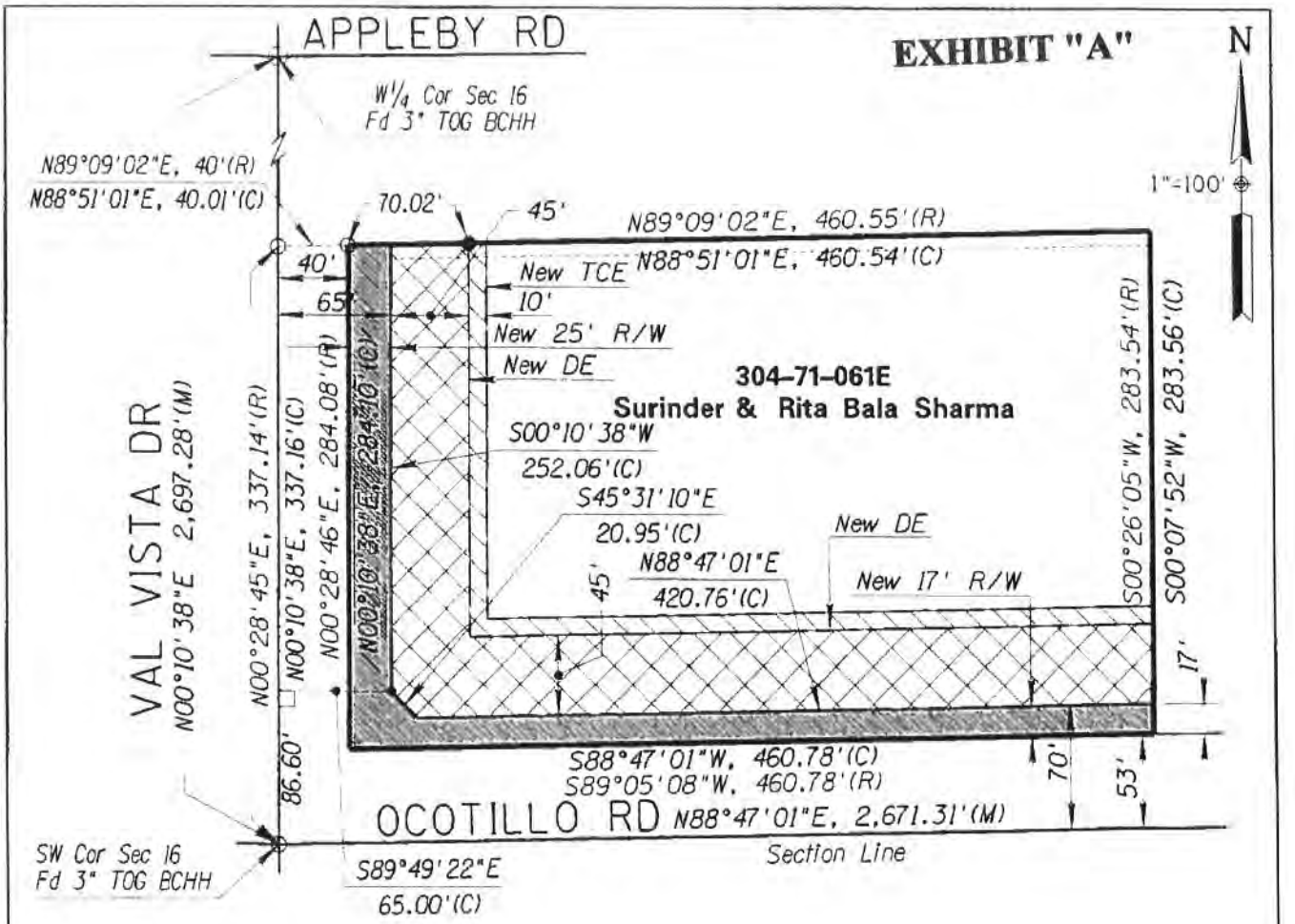


Basis of Bearings Is N00°10'38"E as Measured Along the West Line of SW1/4 Section 16, T2S, R6E G&SRB&M, Maricopa County, Arizona

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/9/13
ARIZONA U.S.A.
Expires 12/31/14

Gordon Grandy

NFra Inc. *a transportation engineering firm* 77 East Thomas Road, Suite 200 Phoenix, Arizona 85012	EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION FOR RIGHT OF WAY, DRAINAGE EASEMENT & TEMPORARY CONSTRUCTION EASEMENT ASSESSOR PARCEL 304-71-061E	
GILBERT ARIZONA	DATE: 11/13 DSN: GLG DRN: JRW CHK: RPW	PROJECT NUMBER ST112 SHEET 1 OF 2



Parcel Area		Sq Ft	Acres
Before	Gross/Net	130,712	3.0007
Proposed Acquisition	New R/W	14,623	0.3357
	New DE	29,487	0.6769
After	Net	116,089	2.6650
	New TCE	6,026	0.1383

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/19/14
ARIZONA U.S.A.
Expires 12/31/14

Gordon Grandy

NFra Inc.
a transportation engineering firm
77 East Thomas Road, Suite 200
Phoenix, Arizona 85012

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT OF WAY, DRAINAGE EASEMENT
& TEMPORARY CONSTRUCTION EASEMENT
ASSESSOR PARCEL 304-71-061E

GILBERT
ARIZONA

DATE: 11/13
DSN: GLG
DRN: JRW
CHK: RPW

PROJECT NUMBER
ST112

SHEET 2 OF 2

When Recorded Mail To:

Town of Gilbert
c/o Susan D. Goodwin
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
501 E. Thomas Road
Phoenix, Arizona 85012-3205

Exempt under A.R.S. § 11-1134(A)(2)

TEMPORARY CONSTRUCTION EASEMENT

For and in consideration of the sum of Ten Dollars ($10.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, we Surinder Sharma and Ritu Bala Sharma, Husband and Wife, ("Grantors") do hereby grant and convey to the TOWN OF GILBERT, ARIZONA, an Arizona Municipal Corporation ("Grantee"), a Temporary Construction Easement for Roadway/ Utility/Drainage/Driveway Slope installation purposes, together with the temporary right of ingress and egress for the purposes of excavating and removing, installation, placement or replacement of soil and/or asphalt and construction plans identified below, including any additional grading work deemed necessary or appropriate by the Grantee over, under and across the real property situated in Maricopa County, Arizona, as described in **Exhibit A** and **Exhibit B** attached hereto and made a part hereof, and as shown on Construction Plans entitled "Val Vista Drive Improvements", prepared by NFra Inc., and dated September 9, 2013. Grantor's property shall be restored by Grantee to an "as good as" condition as existed prior to construction.

This easement right, related to Parcel No.: 304-71-061E, shall be extinguished 18 months from the date of commencement of construction by Town of Gilbert.

Grantors agree that for a period of one year following construction completion and upon five (5) days' prior written notice by Grantee to Grantor, Grantee may enter upon the property described in **Exhibit A** and **Exhibit B** for the purposes of performing any required warranty work. Grantee shall pay Grantor the amount of $4.95 per day for each day such property is used to perform the warranty work. Grantor's property shall be restored by Grantee to an "as good as" condition as existed prior to performance of the warranty work.

Dated this 9th day of June, 2014.

By: Surinder Sharma
Surinder Sharma

By: Ritu Sharma
Ritu Bala Sharma

STATE OF ARIZONA)
) ss
County of Maricopa)

NANCY JO MADDEN
Notary Public - Arizona
Maricopa County
My Commission Expires
SEPTEMBER 4,2017

The foregoing Temporary Construction Easement was personally acknowledged before me this 9th day of June, 2014, by Surinder Sharma and Ritu Bala Sharma who executed the foregoing instrument for the purposes therein contained.

Nancy Jo Madden
Notary Public

My Commission Expires:
September 4, 2017

Description Of Document This Notarial Certificate Is Being Attached To:	
TYPE/TITLE	Temporary Construction Easement
DATE OF DOCUMENT	6-9-14
NUMBER OF PAGES	5
ADDITIONAL SIGNORS	None
(other than those named in	
the notarial certificate)	

EXHIBIT "A"

LEGAL DESCRIPTION FOR
TOWN OF GILBERT – RIGGS ROAD (ST112)
ASSESSOR PARCEL 304-71-061E
TEMPORARY CONSTRUCTION EASEMENT

An "L" shaped strip of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 2 South, Range 6 East of the Gila and Salt River Base Line and Meridian, (SW¼ SW¼, Sec 16, T2S, R6E, G&SRB&M) Maricopa County, Arizona more particularly described below:

A basis for bearings is North 00° 10′ 38" East as measured along the west line of said Southwest Quarter of Section 16 having a distance between found brass caps in hand holes locating the Southwest corner and West quarter corner of said Section 16 measured as 2,697.28 feet.

For TCE

The east 10.00 feet of the west 80.00 feet together with the north 10.00 feet of the south 72.00 feet of the following:

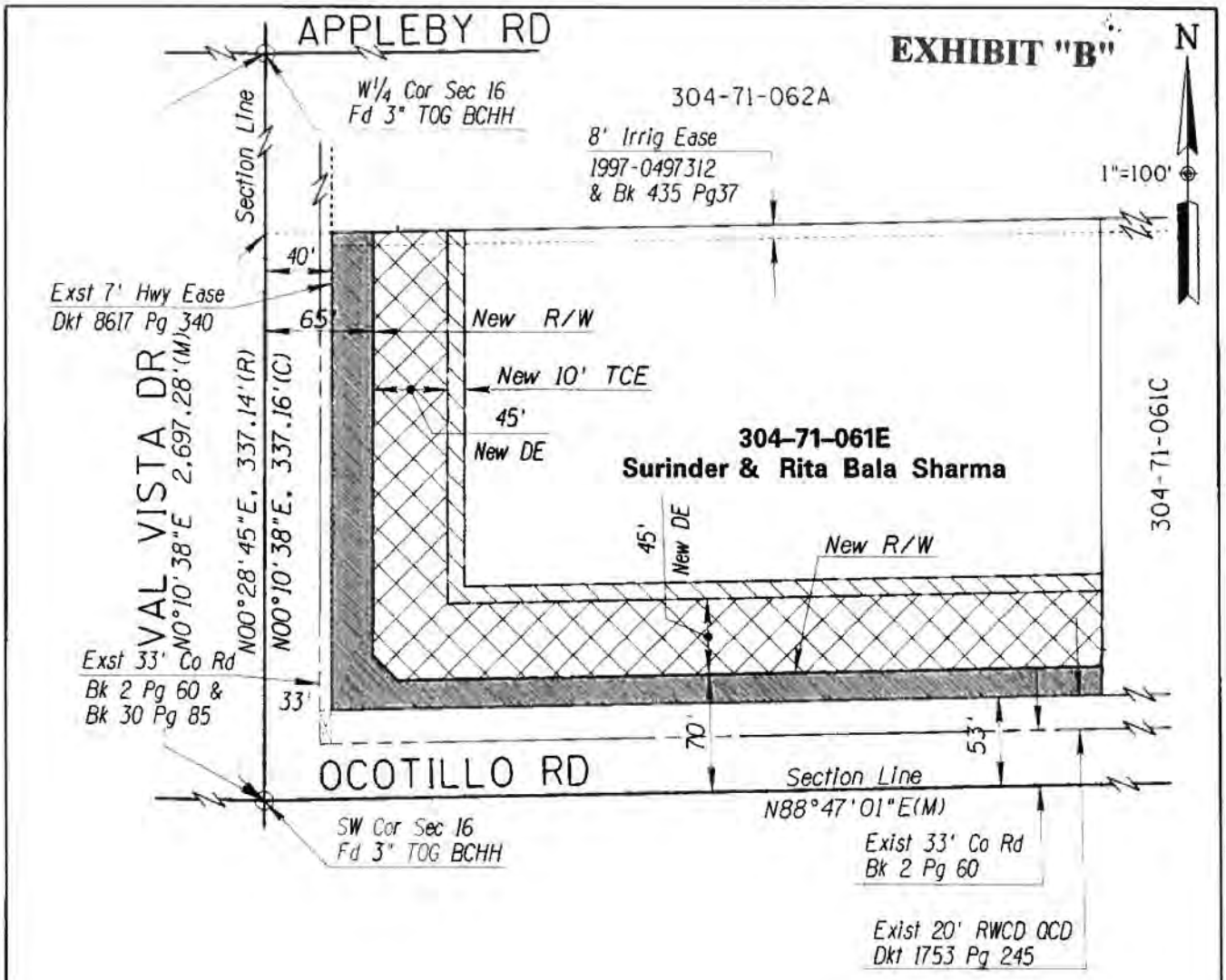
Commencing from a tie at the Southwest corner of said Section 16; thence North 00° 10′ 38" East along the west line of said Southwest Quarter of Section 16, 337.16 feet; thence North 88° 51′ 01" East, 40.01 feet to a point on the east line of a 7.00 foot Highway Easement as found in Docket 8617 Page 340 of Maricopa County Recorder records paralleling said west line of the Southwest Quarter and the True Point of Beginning;

Thence continuing North 88° 51′ 01" East, 460.54 feet;
Thence South 00° 07′ 52" West, 283.56 feet to a point on a line parallel to and 53.00 feet north of the south line for the Southwest quarter of said Section 16;
Thence along said parallel line South 88° 47′ 01" West, 460.78 feet to a point on the east line of said 7.00 foot Highway Easement;
Thence North 00° 10′ 38" East 284.10 feet returning to the Point of Beginning.

Containing 6,026 square feet (0.1383 acres) more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE
GRANDY
Date Signed 11/19/13
ARIZONA, U.S.A.
Expires 12/31/14

Gordon Grandy



Basis of Bearings is N00°10'38"E as Measured Along the West Line of SW1/4 Section 16, T2S, R6E G&SRB&M, Maricopa County, Arizona

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17238
GORDON LEE GRANDY
Date Signed 11/19/13
ARIZONA U.S.A.
Expires 12/31/14

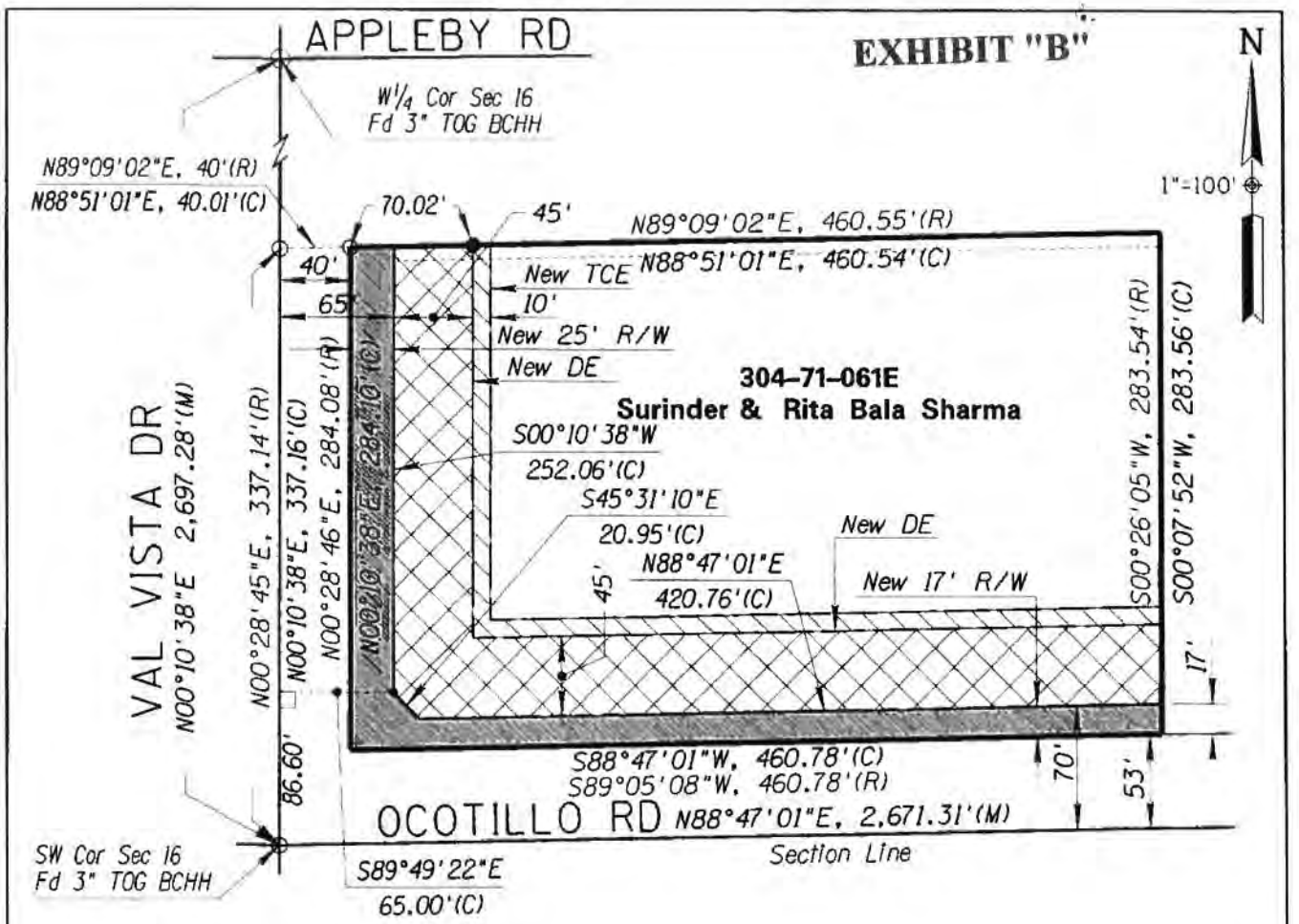
Gordon Grandy

NFra Inc.
a transportation engineering firm
77 East Thomas Road, Suite 200
Phoenix, Arizona 85012

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT OF WAY, DRAINAGE EASEMENT
& TEMPORARY CONSTRUCTION EASEMENT
ASSESSOR PARCEL 304-71-061E

GILBERT ARIZONA

DATE: 11/13	PROJECT NUMBER
DSN: GLG	ST112
DRN: JRW	
CHK: RPW	SHEET 1 OF 2



Parcel Area		Sq Ft	Acres
Before	Gross/Net	130,712	3.0007
Proposed Acquisition	New R/W	14,623	0.3357
	New DE	29,487	0.6769
After	Net	116,089	2.6650
	New TCE	6,026	0.1383

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ASSESSOR PARCEL 304-71-061E

GILBERT ARIZONA

DATE: 11/13
DSN: GLG
DRN: JRW
CHK: RPW

PROJECT NUMBER
ST112

SHEET 2 OF 2

Great American
[redacted]
TITLE AGENCY, INC.

7720 North 16th Street, Suite 450
Phoenix Arizona 85020
Phone (602) 324-2070, Fax (602) 279-1103

NOTICE

A SEPARATE AFFIDAVIT MUST BE COMPLETED FOR EACH SIGNER

Notary's Affidavit
(For Out of Office Notary Acknowledgement)

NANCY JO MADDEN
Notary Public - Arizona
Maricopa County
My Commission Expires
SEPTEMBER 4,2017

State of Arizona)
)§
County of Maricopa)

I hereby certify, under the penalty of perjury, that I am authorized to act as a Notary Public in and for the above named County and State, and that in performing my duties as a Notary Public I have complied with all applicable State and local laws and that I have been presented with original government-issued identification which has not expired and which bears a photo or physical description and has a signature which matches the signature on the documents being executed herein.

A copy of the identification document is attached: Yes _____ **No** ✓

I notarized the signature of: Rita Bala Sharma
(enter one name only)

Date of Notarial Acknowledgement: 6-9-14

Capacity of Signer:
- ✓ **Individual**
- _____ **Corporate Officer** (Title: President)
- _____ **Partner** (Limited_____ / General _____)
- _____ **Attorney in Fact**
- _____ **Trustee**
- _____ **Guardian/Conservator**
- _____ **Other: LLC Manager or Member**

Identification document used: Drivers License

Title and date of Document(s) notarized: Warranty Deed, Drainage Easement, Temporary Construction Easement

Notary's signature: Nancy Jo Madden

Print name: Nancy Jo Madden

Address: 2001 W Camelback Rd #285 Phoenix

Phone: 602-682-0000

Great American

[redacted]

TITLE AGENCY, INC.

7720 North 16th Street, Suite 450
Phoenix Arizona 85020
Phone (602) 324-2070, Fax (602) 279-1103

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NANCY JO MADDEN
Notary Public - Arizona
Maricopa County
My Commission Expires
SEPTEMBER 4,2017

State of Arizona)
)§
County of Maricopa)

I hereby certify, under the penalty of perjury, that I am authorized to act as a Notary Public in and for the above named County and State, and that in performing my duties as a Notary Public I have complied with all applicable State and local laws and that I have been presented with original government-issued identification which has not expired and which bears a photo or physical description and has a signature which matches the signature on the documents being executed herein.

A copy of the identification document is attached: Yes _____ **No** ✓

I notarized the signature of: Surinder Sharma
(enter one name only)

Date of Notarial Acknowledgement: 6-9-14

Capacity of Signer:
- ✓ **Individual**
- _____ **Corporate Officer** (Title: President)
- _____ **Partner** (Limited_____ / General _____)
- _____ **Attorney in Fact**
- _____ **Trustee**
- _____ **Guardian/Conservator**
- _____ **Other: LLC Manager or Member**

Identification document used: Drivers License

Title and date of Document(s) notarized: Warranty Deed, Drainage Easement, Temporary Construction Easement

Notary's signature: Nancy Jo Madden

Print name: Nancy Jo Madden

Address: 2001 W. Camelback Rd. #285, Phoenix

Phone: 602-682-0000

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
Rutu Bala Sharma

Business name, if different from above

Check appropriate box: ☒ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶
☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.) 574 W. Harmony Place

Requester's name and address (optional)

City, state, and ZIP code
Chandler AZ. 85248

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
601 36 0489

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Rutu Sharma Date ▶ 6-9-2014

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
SURINDER SHARMA

Business name, if different from above

Check appropriate box: ☑ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶
☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)
574 W. HARMONY PL

Requester's name and address (optional)

City, state, and ZIP code
CHANDLER AZ 85248

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

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Social security number

or

Employer identification number

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2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Surinder Sharma Date ▶ 6-9-2014

General Instructions

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1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

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- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Ryan Blair, Project Manager, 480-503-6906

MEETING DATE: January 15, 2015

SUBJECT: Approval of the Construction Management Services Contract with Wood Patel for the Ash Extention Project

STRATEGIC INITIATIVE: Infrastructure

This project expands and improves the street system to meet the needs of Gilbert's citizens.

RECOMMENDED MOTION

- A motion to approve the Construction Management Services Contract with Wood Patel for the Ash Extension Project, in an amount not to exceed $100,000, and authorize the Mayor to execute the required documents.
- Authorize a General Fund Contingency transfer in the amount of $135,000.

BACKGROUND/DISCUSSION

This project is a new CIP Project which currently does not have a CIP number. However, it is proposed as RDNEW4 in the 2016-20 Capital Improvement Plan. The proposed project scope is as follows:

Extend Ash Street from the Western Power Line Trail north to Juniper Avenue with a tie in connection to Heather Court to the west. Design improvements will include a 40' back of curb to back of curb roadway, drainage pipes and retention basin, new water and sewer lines, street lights and piping an open irrigation ditch. Curb, gutter and sidewalk will be added to the south side of Juniper Avenue to complete a continuous pedestrian path.

The purpose of this new roadway is to help the flow of traffic to the down town businesses, the newly built Parking Garage and Saint Xavier University. The preliminary engineering estimate for construction of the new roadway is $1,300,000 for an overall preliminary project budget estimate, including monies for design and project management, of $1,600,000. As the project is better defined during the design phase so too will the project budget. This project has been requested to be completed by the end of September 2015 therefore staff anticipates bringing a contingency request for the remainder of the project costs prior to the adoption of the 2016-2020 CIP.

Wood Patel will provide Construction Management/Inspection from Design through Construction.

In addition to the roadway, there is an anticipated second phase of the project to include an entertainment venue adjacent to the extension of Ash. It is anticipated that Wood Patel will provide the construction management services for this phase as well. Once the scope for this entertainment venue is established, staff will be provided project costs associated with this phase to council.

This Contract was reviewed by Susan Goodwin.

FINANCIAL IMPACT

Approval of this authorization requires General Fund Contingency transfer in the amount of $135,000.

Summary of Contract Activity

Wood Patel Contract	$100,000	Approval Pending
Internal Construction Management	$35,000	Approval Pending

The financial impact was reviewed by Laura Lorenzen, Office of Management & Budget.

STAFF RECOMMENDATION

Staff has reviewed the fees associated with this work and finds that they meet Gilbert's expectations for the services, and recommends approval of the Construction Management Services Contract.

Respectfully submitted,

Ryan Blair
Project Manager
Attachments and Enclosures: Contract

Approved By	Approval Date
Kenneth Morgan	1/5/2015 4:06 PM
Jack Vincent	1/6/2015 3:52 PM
Laura Lorenzen	1/6/2015 6:23 PM

PROJECT MANAGEMENT/CONSTRUCTION MANAGEMENT CM SERVICES CONTRACT FOR DESIGN-BID-BUILD (DBB) PROJECT

THIS CONTRACT is entered into as of this _____ day of _____ of the year 20__, by and between the Town of Gilbert, Arizona, a municipal corporation (hereinafter referred to as "GILBERT") and **Wood Patel**, (hereinafter referred to as the CM).

FOR THE PURPOSE of providing professional project management/construction management services for the Town of Gilbert on the **Ash Extension Project**, more specifically described in Exhibit A and hereinafter referred to as the "Project", GILBERT and CM do hereby mutually agree to the following:

1. RELATIONSHIP OF THE PARTIES

1.1 GILBERT and CM

CM shall act as GILBERT's fiduciary and shall furnish the services described in Exhibit A of this Agreement ("Services"). CM and GILBERT shall perform as stated in this Agreement. CM accepts the relationship of trust and confidence between it and GILBERT established by this Agreement.

1.1.1 Conflict of Interest: CM agrees that its officers and employees do not now have a conflict of interest with respect to any aspect of this Agreement and that CM, its officers or employees will not contract for or accept employment for the performance of any work or service with any individual business, corporation or government unit that would create a conflict of interest in the performance of the Services. CM further agrees that during the term of this Agreement CM will not enter into contracts with an architect, engineer or contractor that has a contract to perform work or services related to the Project.

1.1.2 Standard of Care: CM covenants with GILBERT to furnish its best skill and its best judgment in all matters related to the Project and in all ways to further the interests of GILBERT and the Project. CM's services shall be rendered in accordance with this Agreement, professional standards for project managers and construction managers as adopted by the Construction Managers' Association of America, and applicable federal, state and local laws and regulations. CM shall furnish the Services in an efficient manner and shall use its best efforts to see that the Project is completed in conformity with the Contract Documents in the best and most expeditious, economical manner consistent with the interest of GILBERT.

1.1.3 CM'S Project Representative: The CM'S Project Representative shall be **Robert Gofonia P.E**. All communications from GILBERT to CM, the architect or engineering firm and the construction contractor ("CONSTRUCTION CONTRACTOR") shall be directed to the Project Representative. This designation shall not be changed without GILBERT'S prior approval. CM shall substitute an alternative experienced Project Representative upon GILBERT'S request. CM'S key personnel for the Project are set forth in Exhibit B.

1.2 GILBERT and A/E

GILBERT shall enter into a separate agreement with one or more architects and/or engineers (A/E) to provide architectural and/or engineering design for the Project.

1.3 GILBERT and Contractors

GILBERT shall enter into a separate contract with a Contractor for the construction of the Project.

1.4 Relationship of CM to Other Project Participants

In providing the Services, CM shall maintain working relationships with the Construction Contractor and A/E on behalf of GILBERT. However, nothing in this Agreement shall be construed to mean that CM assumes any of the responsibilities or duties of the Construction Contractor or the A/E. The Construction Contractor is solely responsible for construction means, methods, sequence and procedures used in the construction of the Project and for the safety of its personnel and its operations and for performing in accordance with the Construction Contractor's contract with GILBERT. The A/E is solely responsible for the Project design and shall perform in accordance with the agreement between the A/E and GILBERT. There are no third party beneficiaries of this Agreement and no one except the parties to this Agreement may seek to enforce its terms.

2. PROJECT DESCRIPTION

The Project is generally described as follows: Extend Ash Street from the Western Power Line Trail north to Juniper Avenue with a tie in connection to Heather Court to the west. Design improvements will include a 40' back of curb to back of curb roadway, drainage pipes and retention basin, new water and sewer lines, street lights and piping an open irrigation ditch. Curb, gutter and sidewalk will be added to the south side of Juniper Avenue to complete a continuous pedestrian path.

3. CM SERVICES

The CM Services are set forth in Exhibit A.

4. TERM OF AGREEMENT

The term of this Agreement shall be from the date of Notice to Proceed issued by GILBERT to CM, through Project Close-out and Warranty Inspection, as set forth in the Notice to Proceed. The term of this Agreement may be extended pursuant to the provisions of Paragraph 5.

5. CHANGES TO THE SCOPE OF SERVICES

GILBERT may, at any time, and by written change order, make changes in the Services. If such changes cause an increase or decrease in the CM's cost or time required for performance of the Services, an equitable adjustment shall be made and the Agreement shall be modified in

writing accordingly; provided however, any claim of the CM for adjustment under this paragraph must be submitted in writing within thirty (30) days from the date of receipt by the CM of the notification of change. It is distinctly understood and agreed by the parties that no claim for extra services provided or materials furnished by CM will be allowed by GILBERT except as provided herein, nor shall CM provide any services or furnish any materials not covered by this Agreement unless GILBERT first approves in writing.

6. GILBERT'S RESPONSIBILITIES

6.1 GILBERT shall provide to CM complete information regarding GILBERT's requirements for the Project.

6.2 GILBERT shall examine information submitted by CM and shall render decisions pertaining thereto promptly.

6.3 GILBERT shall furnish legal, accounting, contract review and insurance counseling services to GILBERT as may be necessary for the Project.

6.4 If GILBERT observes or otherwise becomes aware of any fault or defect in the Project or CM's services, or any nonconformity with the Contract Documents, GILBERT shall give prompt written notice thereof to CM, provided however, this shall not diminish CM's obligations to notify GILBERT of any such fault or defect.

6.5 GILBERT shall furnish CM with a copy of its written agreement between GILBERT and A/E, including amendments. The services, duties and responsibilities set out in the agreement between GILBERT and the A/E shall be compatible and consistent with this Agreement and the Contract Documents. GILBERT shall, in its agreement with the A/E, require that the A/E perform its services in cooperation with CM, consistent with this Agreement and in accordance with the planning and scheduling requirements and budgetary restraints of the Project as determined by GILBERT and documented by CM.

6.6 The terms and conditions of the Agreement between GILBERT and A/E shall not be changed without written notification by CM and approval by GILBERT.

6.7 GILBERT shall cause any and all agreements between GILBERT and the CONSTRUCTION CONTRACTOR to be compatible and consistent with this Agreement. Each of the agreements shall include waiver of subrogation and shall expressly recognize CM as GILBERT's representative in providing the CM's Services specified in this Agreement.

6.8 At the request of CM, GILBERT shall furnish sufficient copies of the Contract Documents to CM to permit the timely performance of Services by CM.

6.9 GILBERT shall, in a timely manner secure, submit and pay for necessary approvals, easements, assessments, permits and charges required for the construction of the Project, and the use or occupancy of permanent structures or for permanent changes in existing facilities, where applicable.

6.10 GILBERT, its representatives and consultants shall communicate with the CONSTRUCTION CONTRACTOR through CM.

6.11 GILBERT shall send to CM and shall require the A/E to send to CM, copies of all notices and communications sent to or received by GILBERT or A/E relating to the Project. During the Construction Phase of the Project, GILBERT shall require that the A/E and CONSTRUCTION CONTRACTOR'S submit all notices and communication relating to the Project directly to CM.

6.12 GILBERT shall designate an officer, employee or other authorized representatives to act in GILBERT'S behalf with respect to the Project. GILBERT'S representative for the Project is **Ryan Blair**. This representative shall have the authority to approve changes in the scope of the Project and shall be available during working hours and as often as may be required to render decisions and to furnish information in a timely manner.

7. COMPENSATION AND PAYMENT

7.1 Compensation for Services: The Basis of Compensation to CM for Services rendered under this agreement is set forth in Exhibit C and as follows:

7.1.1 A fee for all approved project labor not to exceed **ninety-nine thousand, eight hundred twenty dollars ($99,820.00)**. The labor hours and fee breakdown is indicated in Exhibit C. This breakdown outlines the various positions, billing rates for each position and the estimated hours for each project task for each position during the contract duration.

7.1.2 A fee for all approved project expenses not to exceed **zero dollars ($0)**. CM will not exceed the reimbursable expenses allowance of each line item without prior written authorization.

7.1.3 The total cost to GILBERT for the Services described in this Agreement shall not exceed **ninety-nine thousand, eight hundred twenty dollars ($99,820.00)**. (sum of labor and expenses) without the written agreement of GILBERT.

7.2 Payment: Payment to be made by GILBERT to CM for the cost of providing SERVICES will be based on monthly invoices which will set forth the hours actually worked during the billing period. The billing rates indicated in Exhibit C will be applied against the actual hours for each position to arrive at the total fee for each month. Reimbursable expenses incurred during the billing period and during previous billing periods and not yet invoiced will be submitted for payment on the monthly invoice along with expense receipts and other acceptable back up. All payment requests shall be certified by the CM's Project Representative and shall be accompanied by a progress report indicating the work completed during the previous month(s), including the project progress to date by tasks as a percentage (%) of the total of each individual project task.

7.2.1 GILBERT shall make payment to CM of one hundred percent (100%) of the approved invoiced amount within thirty (30) days of GILBERT's receipt of the invoice.

7.2.2 Payments due to CM which are unpaid for more than sixty (60) days from the date of CM'S invoice shall bear interest at the prevailing rate.

7.3 Accounting Records: Records of CM's personnel expense, consultant fees and direct expenses pertaining to the Project shall be maintained on the basis of generally-accepted accounting practices and shall be available for inspection by GILBERT or GILBERT's representative at mutually convenient times for a period from the date of this Agreement through two years after completion of the Construction Phase Services.

8. INSURANCE REPRESENTATIONS AND REQUIREMENTS

8.1 General: Without limiting any obligations or liabilities of CM, CM shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to GILBERT. Failure to maintain insurance as specified may result in termination of this Agreement at GILBERT's option.

8.2 No Representation of Coverage Adequacy: By requiring insurance herein, GILBERT does not represent that coverage and limits will be adequate to protect CM. GILBERT reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve CM from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

8.3 Additional Insured: All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

8.4 Coverage Term: All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by GILBERT, unless specified otherwise in this Agreement.

8.5 Primary Insurance: CM's insurance shall be primary insurance as respects performance of subject contract and in the protection of GILBERT as an Additional Insured.

8.6 Claims Made: In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.

8.7 Waiver: All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against GILBERT, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of CM. CM shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

8.8 Policy Deductibles and/or Self Insured Retentions: The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to GILBERT. CM shall be solely responsible for any such deductible or self insured retention amount. GILBERT, at its option, may require CM to secure payment of such deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

8.9 Use of Subcontractors: If any Services under this Agreement is subcontracted in any way, CM shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting GILBERT and CM. CM shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

8.10 Evidence of Insurance: Prior to commencing any Services under this Agreement, CM shall furnish GILBERT with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by CM's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. If a Certificate of Insurance as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Risk Manager. If any of the above cited policies expire during the life of this Agreement, it shall be CM's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

8.10.1 GILBERT, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

A. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent
B. Auto Liability-Under ISO Form CA 20 48 or equivalent
C. Excess Liability-Follow Form to underlying insurance

8.10.2 CM'S insurance shall be primary insurance as respects performance of this Agreement.

8.10.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against GILBERT, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by CM under this Agreement.

8.10.4 Certificate shall cite a thirty (30) day advance notice cancellation provision.

8.10.5 Project descriptive information including:
- A. Project Name
- B. Project Number
- C. Town of Gilbert Contract Number

8.11 Required Coverage

8.11.1 Commercial General Liability: CM shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate, and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insureds clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

8.11.2 Professional Liability: CM shall maintain Professional Liability insurance covering errors and omissions arising out of the Services performed by CM, or anyone employed by CM, or anyone for whose acts, mistakes, errors and omissions CM is legally liable, with an unimpaired liability insurance limit of $1,000,000 each claims and $2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three (3) years past completion and acceptance of the Services, and CM shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.

8.11.3 Vehicle Liability: CM shall maintain Business Automobile Liability Insurance with a limit of $1,000,000 each occurrence on CM's owned, hired, and non-owned vehicles assigned to or used in the performance of the CM's Services under this Agreement. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

8.11.4 Workers' Compensation Insurance: CM shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of CM's employees engaged in the performance Services under this Agreement and

shall also maintain Employer Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

8.12 Indemnification

8.12.1 To the fullest extent permitted by law, CM, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless GILBERT, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the CM, its agents, employees or any tier of CM's subcontractors related to the Services in the performance of this Agreement. CM's duty to defend, hold harmless and indemnify GILBERT, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting there from, caused by CM's acts, errors, mistakes, omissions, Services in the performance of this Agreement including any employee of CM, any tier of CM's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services CM may be legally liable. Such indemnity does not extend to GILBERT's negligence.

8.12.2 If any claim, action or proceeding is brought against GILBERT by reason of any act or omission of CM or any employee, agent or subcontractor of CM in performing the Services under this Agreement and or described herein, upon demand made by GILBERT, CM, at its sole costs and expense, shall pay, resist or defend such claim or action on behalf of GILBERT by attorney of CM, or if covered by insurance, CM's insurer, all of which must be approved by GILBERT, which approval shall not be unreasonably withheld or delayed. GILBERT shall cooperate with all reasonable efforts in the handling and defense of such claim. Included in the foregoing, GILBERT may engage its own attorney to defend or assist in its defense. Any settlement of claims shall fully release and discharge the indemnified parties from any further liability for those claims. The release and discharge shall be in writing and shall be subject to approval by GILBERT, which approval shall not be unreasonable withheld or delayed. If CM neglects or refuses to defend GILBERT as provided by this Agreement, any recovery or judgment against GILBERT for a claim covered under this Agreement shall conclusively establish CM's liability to GILBERT in connection with such recovery or judgment, and if GILBERT desires to settle such dispute, GILBERT shall be entitled to settle such dispute in good faith and CM shall be liable for the amount of such settlements and all expenses connected to the defense, including reasonable attorney fees, and other investigative and claims adjusting expenses.

8.12.3 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

9. TERMINATION AND SUSPENSION

9.1 Termination: GILBERT may, by written notice to CM, terminate this Agreement in whole or in part, either for the convenience of GILBERT or because of failure of CM to fulfill his contract obligations. Upon receipt of such notice, CM shall (1) immediately discontinue all services affected (unless the Notice directs otherwise), and (2) deliver to GILBERT copies of all data, reports, calculations, drawings, specifications and estimates entirely or partially completed, together with all unused materials supplied by GILBERT, used by GILBERT or its agents of the completed documents for the projects for which intended, or for any completed divisible part of the Project which can been deemed to stand alone (the completed divisible parts of the Project will be determined by both parties prior to at the time of termination) shall not relieve CM of liability for errors and omissions. Any use of incomplete documents for this Project without the specific written authorization by CM will be without liability or legal exposure to CM. Any use of the aforesaid documents for other projects without the specific written authorization by CM will be without liability or legal exposure to CM. CM shall appraise the work he has completed and submit his appraisal to GILBERT for evaluation. This Agreement may be terminated in whole or in part by CM in the event of substantial failure by GILBERT to fulfill its obligations.

9.2 Termination by GILBERT for Convenience: If GILBERT terminates this Agreement for its convenience, GILBERT shall pay the CM for the Services rendered prior thereto in accordance with percent completion at the time the Services are suspended minus previous payments.

9.3 Administrative Termination: Under Section 38-511, Arizona Revised Statutes, as amended, GILBERT may cancel any contract it is a party to within three (3) years after its execution and without penalty or further obligation, if any person significantly involved in the initiating, negotiating, securing, drafting or creating the contract on behalf of GILBERT is, at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. In the event GILBERT looks to exercise its rights under Section 38-511, Arizona Revised Statutes, as amended, GILBERT agrees to immediately give notice thereof to CM.

9.4 Termination by GILBERT for Failure to Fulfill Obligations; Abandonment by CM: If GILBERT terminates this Agreement for failure of CM to fulfill its obligations or if CM abandons this Project without the consent of GILBERT, CM shall be liable for all actual, incidental and consequential damages arising from or related to said abandonment, including, but not limited to: (1) the difference between the cost of a replacement CM to complete the Project and the contract price for CM under this Agreement; and (2) any additional charges, costs, fees or expenses for labor, materials or professional services incurred by GILBERT as a result of delays caused by abandonment of the Project by CM. GILBERT shall use its best efforts to replace CM within a reasonable time.

9.5 Suspension

9.5.1 GILBERT may in writing order CM to suspend all or any part of the CM's Services for the Project for the convenience of GILBERT or for stoppage beyond the control of GILBERT or CM. If the performance of all or any part of the Services for the project is so suspended, an adjustment in CM's compensation shall be made for the increase, if any, in the cost of CM's performance of this Agreement caused by such suspension, and this Agreement shall be modified in writing accordingly.

9.5.2 In the event the CM's Services for the Project are suspended, GILBERT shall reimburse CM for all of the costs of its construction staff, assigned Project home office staff and other costs as provided for by this Agreement for the first thirty (30) days of such suspension. CM shall reduce the size of its staff for the remainder of the suspension period as directed by GILBERT and, during such period, GILBERT shall reimburse CM for all of the costs of the staff continuing their assignment to the Project. Upon cessation of the suspension, CM shall restore the construction site staff and home office staff to its former size within thirty (30) days of notification from GILBERT.

9.5.3 Persons assigned to another project during such suspension periods and not available to return to the Project upon cessation of the suspension shall be replaced. GILBERT shall reimburse CM for costs incurred in relocating previous staff persons returning to the Project or new persons assigned to the Project.

9.5.4 If the Project is suspended by GILBERT for more than three (3) months, CM shall be paid compensation for Services performed prior to receipt of written notice from GILBERT of the suspension, together with direct expenses then due and all expenses and costs directly resulting from the suspension, together with direct expenses then due and all expenses and costs directly resulting from the suspension. If the Project is resumed after being suspended for more than six (6) months, CM shall have the option of requiring that its compensation, including rates and fees, be renegotiated. Subject to the provisions of this Agreement relating to termination, a suspension of the Project does not void this Agreement.

9.5.5 Rain Delays: Delays resulting from non-typical weather conditions which make it unreasonable to perform the Services in accordance with the schedule. The CM shall allow for no less than **5** working days to be lost due to rain delays. In the event that bad weather conditions are forecasted, the CM shall notify the Contractor to take necessary precautions to protect the construction work.

10. ADDITIONAL PROVISIONS

10.1 Confidentiality: CM shall not disclose or permit the disclosure of any confidential information, except as required by Federal, State, or Local Government, as necessary to defend CM from any suit or claim, or to its agents, employees and other consultants who need such confidential information in order to properly perform their duties relative to this Agreement.

10.2 Immigration Law Compliance Warranty

10.2.1 As required by A.R.S. § 41-4401, CM hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). CM further warrants that after hiring an employee, CM verifies the employment eligibility of the employee through the E-Verify program.

10.2.2 If CM uses any subcontractors in performance of the Services, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program.

10.2.3 A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. CM is subject to a penalty of $100 per day for the first violation, $500 per day for the second violation, and $1,000 per day for the third violation. GILBERT at its option may terminate the Contract after the third violation. CM shall not be deemed in material breach of this Contract if the CM and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A).

10.2.4 GILBERT retains the legal right to inspect the papers of any CM or subcontractor employee who works on the Contract to ensure that the CM or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times.

10.2.5 If state law is amended, the parties may modify this paragraph consistent with state law.

10.3 Equal Treatment of Workers: CM shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. CM shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). CM shall protect and indemnify GILBERT and its representatives against any claim or liability arising form or based on the violation of such, whether by CM or its employees.

10.4 Sudan and Iran: CM warrants that it does not have scrutinized business operations in Sudan or Iran, as prohibited by A.R.S. §§ 35-391.06 and 35-393.06, and further acknowledge that any subcontractor who is contracted by PM/CM to perform work pursuant to this Contract shall warrant that they do not have scrutinized business operations in Sudan or Iran.

10.5 Limitations and Assignment

10.5.1 GILBERT and CM each bind themselves, their successors, assigns and legal representatives to the terms of this Agreement.

10.5.2 Neither GILBERT nor CM shall assign or transfer its interest in this Agreement without the written consent of the other, except that CM may assign accounts receivable to a commercial bank for securing loans without approval of GILBERT.

10.6 Governing Law: Unless otherwise provided, this Agreement shall be governed by the laws of the State of Arizona where the Project is located.

10.7 Extent of Agreement: This Agreement represents the entire and integrated agreement between GILBERT and CM and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both GILBERT and CM. Nothing contained in this Agreement is intended to benefit any third party. The Contractor is not an intended third party beneficiary of this Agreement.

10.8 Severability: If any portion of this Agreement is held as a matter of law to be unenforceable, the remainder of this Agreement shall be enforceable without such provisions.

10.9 Meaning of Terms: References made in the singular shall include the plural and the masculine shall include the feminine or the neuter.

10.10 Notices: All Notices required by this Agreement or other communications to either party by the other shall be deemed given when made in writing and deposited in the United States Mail, first class, postage prepaid, addressed as follows:

GILBERT:

Gregory Smith, PE, PS
Town Engineer
Town of Gilbert
90 East Civic Center Drive
Gilbert, Arizona 85296

CM:

Robert D. Gofonia, PE
Vice President
Wood/Patel
2051 West Northern, Suite 100
Phoenix, AZ 85021

This Agreement is executed as of the day and year first written above.

TOWN OF GILBERT

By: _____
John Lewis, Mayor

ATTEST:

_____
Catherine A. Templeton, CMC
Town Clerk

APPROVED AS TO FORM:

_____
L. Michael Hamblin, Town Attorney

By: _____

PROJECT MANAGER/CONSTUCTION MANAGER

_____

By:_____

Title:_____

EXHIBIT A
CM SCOPE OF WORK
FOR DESIGN-BID-BUILD PROJECT

A. PROJECT DISCRIPTION:

The Project is generally described as follows: Extend Ash Street from the Western Power Line Trail north to Juniper Avenue with a tie in connection to Heather Court to the west. Design improvements will include a 40' back of curb to back of curb roadway, drainage pipes and retention basin, new water and sewer lines, street lights and piping an open irrigation ditch. Curb, gutter and sidewalk will be added to the south side of Juniper Avenue to complete a continuous pedestrian path.

B. PRE-CONSTRUCTION PHASE

1. PROJECT MANAGEMENT

1.1 Project Review: CM shall meet with GILBERT'S representative and other Project team members to fully understand the Project budget and scope and to refine the Project scope as needed. CM shall visit the Project site and become familiar with the local conditions under which the Services and the construction work will be performed.

D. BID AND AWARD PHASE

1. PROJECT MANAGEMENT

1.1 Bid Opening and Recommendations: CM shall assist GILBERT in conducting the bid opening and shall evaluate the bids for bidder responsibility (including previous experience, capabilities, reputation for similar work, and subcontractors), bidder responsiveness (including conformance to instructions, specifications and financial data required) and price. CM shall make a written recommendation to GILBERT concerning the acceptance or rejection of bids.

1.2 Bid Protests: CM shall assist GILBERT in evaluating any bid protest filed.

1.3 Pre-Construction Conference: In consultation with GILBERT and A/E, CM shall conduct a Pre-Construction Conference during which CM shall review the Project organization, communication protocols, security, responsibilities and other general project procedures and other matters set forth in the Construction Contract documents.

1.4 Permits, Insurance and Labor Affidavits: CM shall verify that the Contractor has secured the building permits, bonds, insurance, labor affidavits and waivers as required by the Contract Documents. Such action by CM shall not relieve the Contractor of his responsibilities to comply with the provisions of the Contract Documents.

2. TIME MANAGEMENT

CM shall monitor compliance with the Master Schedule and recommend revisions to GILBERT as appropriate.

3. COST MANAGEMENT

3.1 Analyzing Bids: Upon receipt of the bids, CM shall evaluate the bids, including additive or deductive alternates and unit bid prices, and shall make a written recommendation to GILBERT regarding the award of the construction contract.

E. CONSTRUCTION PHASE

1. PROJECT MANAGEMENT

1.1 On-Site Management and Construction Phase Communication Procedures: CM shall provide and maintain a management team AS NEEDED to provide construction/ contract administration, to be GILBERT'S representative, and to establish and implement coordination and communication procedures among CM, GILBERT, A/E and CONSTRUCTION CONTRACTOR. Construction observations for the Project shall be performed by CM personnel with sufficient expertise to determine whether the construction is proceeding in accordance with the Construction Contract Documents. CM shall comply with and have sufficient trained personnel to meet the schedule and man-hour requirements.

1.2 Construction Administration Procedures: CM, with input from A/E, shall establish and implement procedures for expediting and processing requests for information (RFI'S); review and approval of shop drawings, material and equipment sample submittals, contract schedule adjustments; change orders; material and equipment substitution requests; and payment requests. CM shall establish and maintain logs for tracking all relevant information related to the above. CM shall maintain daily job reports. As GILBERT'S representative at the construction site, CM shall be the party to whom requests for information, submittals, CONSTRUCTION CONTRACTOR schedule adjustments, substitution requests, change order requests and payment applications shall be submitted, processed, approved, and returned to CONSTRUCTION CONTRACTOR.

1.3 Construction Observation: CM shall establish and implement a program to observe and monitor the quality of the construction. The purpose of the program shall be to identify defects and deficiency in the work of the CONSTRUCTION CONTRACTOR. While CM shall not be responsible for construction means, methods, techniques, sequences and procedures employed by the construction contractor in the performance of its contract, CM shall nevertheless report in writing to GILBERT whether the construction means, methods, techniques, sequences or procedures will delay the work or cause a defect in the work. CM may from time to time, issue work directives, or field orders, which consist of minor changes in the work not involving

an adjustment in the Contract Sum or the Contract Time, but consistent with the overall intent of the Contract Documents. CM is authorized to reject work and transmit to GILBERT and CONSTRUCTION CONTRACTOR a notice of nonconforming work when the Work does not conform to the requirements of the Contract Documents. CM is not authorized as a part of this service to change, revoke, alter, enlarge, relax or release any requirements of the Contract Documents or to approve or accept any portion of the Work not performed in accordance with the Contract Documents. In the event the Design Bid Build fails to correct deficient work, CM shall issue a stop work order on behalf of GILBERT until such deficiencies are corrected. No action taken by CM shall relieve the CONSTRUCTION CONTRACTOR from his obligation to perform his work in strict conformity with the Contract Documents and in strict conformity with all applicable laws, rules and regulations.

1.4 Design Changes: Any decision or action related to the design or engineering of the Project shall be referred to the A/E for action. No change in the design documents shall be made without written approval of the A/E.

1.5 Project Meetings: CM shall conduct Weekly Project meetings attended by GILBERT, A/E and others. Such meetings shall serve as a forum for the exchange of information concerning the Project, review of design progress, and discussion of any proposed changes in the scope of the Project. CM shall prepare and distribute minutes of these meetings to GILBERT, A/E and others, as agreed to by GILBERT. No change in the scope of the Project that increases the cost of the Project shall be made without a corresponding change to the Project budget as approved by GILBERT.

1.6 Construction Quality Assurance (Testing): Technical or special inspections required in the Contract Documents per IBC, and testing provided by the A/E or others shall be directed, scheduled, and monitored by CONTRACTOR. CM shall be provided a copy of all inspection and testing reports on the day of the inspection or test or within a reasonable time period. In the event of a failed test, re-testing will be performed as directed in the Contract Documents.

1.7 Review of Requests for Changes to the Contract Time and Price: CM shall review with A/E the contents of requests for changes to the contract work, time or price submitted by a Contractor, assemble information concerning the request to determine the cause of the requests and make written recommendations to GILBERT with respect to acceptance of the requests. Any change affecting the design must first be approved by A/E. CM will implement GILBERT'S decisions regarding all requests for changes. All changes to the Agreement between GILBERT and Contractor shall be only by change orders executed by GILBERT.

1.8 Record Drawings, Operation and Maintenance Materials: As required by the Contract Documents, CM shall receive from the Contractor red-line construction record drawings, operation and maintenance manuals, warranties and guarantees for materials and equipment installed on the Project, and review such documents for completeness and submit documents to GILBERT. Upon verification of the red-line construction record drawings for correctness, CM shall transmit same to the A/E for preparation of the as-built drawings. Upon return of the as-built drawings to the CM from the A/E, CM'S engineer shall be the responsible engineer(s) for purposes of certifying the as-built drawings. "Certify the as-built drawings" means the as-built

drawings will be signed, sealed and dated by engineer(s) registered in the State of Arizona in his field of competence. Each plan sheet in the set shall be marked "As-Built". In addition, if the Project requires certification by Maricopa County Environmental Services Department or the Arizona Department of Environmental Quality, CM shall provide such certification.

1.9 Substantial and Final Completion: In consultation with the A/E and GILBERT'S inspectors (when applicable), CM shall review the Contractor's written request for substantial completion and final completion and recommend to GILBERT when the Project and the Contractor's Work has achieved substantial and final completion as defined in the Design Bid Build contract. CM shall, prior to issuing a Certificate of Substantial Completion, compile a list of incomplete work or work that does not conform to the Contract Documents (punch-list items) based on his observations and input from the A/E and GILBERT'S inspectors (when applicable). This list shall be attached to the Certificate of Substantial Completion. The Certificate of Final Completion shall not be issued until the incomplete work has been completed and GILBERT is ready to accept the Project. CM shall issue the Certificate of Substantial Completion and Certification of Final Completion to the Contractor.

1.10 Project Close-out:

1.10.1 Within five (5) days of the receipt of Contractor's written request for a punch list, CM shall make a punch list inspection or inform Contractor that the work is not ready for punch list inspection. Upon completion of the deficient work, Contractor may again request a punch list inspection.

1.10.2 CM shall notify Contractor in writing of any deficiencies to be remedied prior to final acceptance by written punch-list. Final acceptance shall not be given until the punch-list items are completed in accordance with the Contract Documents. No one is authorized to amend the Contract Documents by use of the punch list, which is solely for the benefit of Contractor to enable him to determine what items must be corrected before final acceptance will be recommended by the CM.

1.10.3 After all work has been completed, as determined by CM, CM shall recommend in writing to GILBERT that final acceptance of the entire work be made as of the date of CM'S final inspection.

1.10.4 Simultaneously with Contractor's request for final payment, Contractor is required to submit the following items to CM: (1) red-line construction record drawings; (2) warranties; (3) three sets of documentation covering the operation and maintenance of the mechanical and electrical installation and all other equipment required to be furnished with such manuals; (4) other items required by the Special Conditions. No recommendation shall be made for final acceptance until these items have been received and are complete.

1.11 Final Payment: CM shall provide to GILBERT a written recommendation regarding final payment to the Contractor. A final change order, if applicable, shall be prepared by the Contractor, reviewed and approved by the CM, with a written recommendation for approval by GILBERT. CM'S recommendation for final payment shall take into account the Contract Sum, as adjusted by any change orders, amounts already paid, and sums to be retained for incomplete

work, liquidated damages, and for any other cause under the Contract Documents. CM shall prepare a statement of final inspection, stating that the work has been given a final inspection, that Contractor has submitted the required documents, setting forth with detail any deviations in the work as completed, and estimating the cost of correction of such deviations. CM'S statement shall be transmitted to GILBERT along with Contractor's request for final payment. CM shall provide a copy of the statement of final inspection and CM'S estimate of the sum due to Contractor.

1.12 CM shall review the design drawings and technical specifications (Design Documents), prepared by A/E for compliance with (1) Town of Gilbert Standard Details and Specifications, (2) MAG Standard Details, Current Edition, (3) MAG Standard Specifications, Current Edition, (4) Manual on Uniform Traffic Control Devices, 1988 Edition, (5) Heritage District Redevelopment Plan (if the Project is located in the Heritage District), (6) GILBERT'S Building and Construction Codes, (7) East Valley Asphalt Committee Mix Design Standards, and (8) other local, state, and federal requirements applicable to the Project. The results of the review shall be provided to GILBERT in writing and as notations on the documents.

1.13 CM shall review the design documents for clarity, consistency, constructability and coordination. As part of this review CM shall prepare a plan for construction sequencing that will result in maintaining traffic flow and business and residential access throughout the duration of the construction phase. The results of the review shall be provided to GILBERT in writing and as notations on the documents.

1.14 CM shall make recommendations to GILBERT with respect to constructability, construction cost, and sequence of construction, construction duration and separation of the contract into categories of the work.

1.15 CM is not responsible for providing, nor does CM control, the Project design or the contents of the design documents; however, CM shall notify GILBERT if the design or other documents prepared by A/E may result in costs exceeding the Project budget, may depart from accepted architectural or engineering standards, may fail to comply with applicable laws, or may result in delays in the Project schedule. By performing the reviews described herein, CM is not acting in a manner so as to assume responsibility or liability, in whole or in part, for all or any part of the Project design or contract documents. However, CM'S actions shall comply with the fiduciary and professional standards set forth in Paragraph 1 of this Agreement. The A/E is not a third party beneficiary of CM'S work described in this paragraph and the A/E remains solely responsible for the contents of design drawings and contract documents; however, CM remains solely responsible for establishing the overall Project costs and schedule.

1.16 Public Participation Meetings: CM will coordinate and attend a number of meetings planned for public involvement in CIP projects, which will be scheduled at the onset of the project, as determined by GILBERT. Typically, a medium scale project will provide for up to three (3) such meetings occurring after the review of the 60% plans, and approximately 2 weeks prior to the start of construction

2. TIME MANAGEMENT

2.1 Contractor's Construction Schedule: CM shall review the Contractor's Construction Schedule and shall verify that the schedule is prepared in accordance with the requirements of the Contract Document and that it establishes completion dates that comply with the requirements of the Contract Documents. If changes in the Master Schedule maintained by CM are appropriate, CM shall make such modifications as approved by GILBERT.

2.2 CM Review of Time Extension Requests: Prior to the issuance of change orders, CM shall advise GILBERT as to the effect Contractor's requests for time extensions will have on the Master Schedule.

2.3 Recovery Schedules: Where Construction Schedule delays are encountered, CM shall request a recovery schedule in writing from the CONSTRUCTION CONTRACTOR and review the recovery schedule for compliance with the Contract Documents. Any delays that may affect the Master Schedule shall be reported to GILBERT in writing.

3. COST MANAGEMENT

3.1 Schedule of Values: The CONSTRUCTION CONTRACTOR'S Schedule shall have the total contract price allocated among the CONSTRUCTION CONTRACTOR'S scheduled activities, by project number when more than one project is involved in the contract, so that each of the CONSTRUCTION CONTRACTOR'S activities shall be allocated a price and the sum of the prices of the activities, all equal to the total contract price ("Schedule of Values"). In a unit price contract with lump sum items, a schedule of values shall be provided for all major lump sum items. Procurement of long lead items shall be identified. CM shall review the contract price allocations and verify that such allocations are made in accordance with the requirements of the Contract Documents. Progress payments to the CONSTRUCTION CONTRACTOR shall be based on the CONSTRUCTION CONTRACTOR'S percentage of completion of the scheduled activities as set out in the Construction Schedule Reports and the CONSTRUCTION CONTRACTOR'S compliance in accordance with the Contract Documents.

3.2 Change Order Control: CM, with input from A/E, shall establish and implement a change order control system. All proposed change orders shall first be described in detail by CM, with the assistance of the A/E when necessary, in a request for a proposal to the CONSTRUCTION CONTRACTOR, and shall be accompanied by technical drawings and specifications prepared by the A/E, when required. All change orders shall be classified into one of three categories: "Owner Initiated Change Order", "Error and/or Omission Change Order", and "Unforeseen Conditions Change Order". Change order dollar amounts shall be traced by these three categories. At the end of construction, a Final Change Order Report will be prepared identifying each change order, its classification, and amount. Total amounts for each classification shall also be reported. In response to the request for a proposal, the CONSTRUCTION CONTRACTOR shall submit to CM for evaluation detailed information concerning the cost and time adjustments, if any, as may be necessary to perform the proposed change work order. CM shall discuss the proposed change order with the CONSTRUCTION CONTRACTOR and determine the CONSTRUCTION CONTRACTOR'S basis of the cost

and time impacts of performing the work. CM shall make recommendations to GILBERT on acceptability of the change in the work, prior to GILBERT'S execution of change orders. CM shall verify that change order work and adjustments of time, if any, required by approved change orders have been incorporated into the CONSTRUCTION CONTRACTOR'S Schedule, the Master Schedule, and the Construction Budget. No change in the design shall be made without written approval of the A/E. No change order shall be approved without the written approval of GILBERT.

3.3 Change Order Pricing and Verification: If a Change Order provides for an adjustment to the Contract Sum, the cost of the change in the work shall be made as prescribed in the Contract Documents.

3.3.1 Where a unit price is contained in the Bid Schedule and agreed to by CM and Contractor, or when a unit price or lump sum is mutually agreed upon for the change in the work, the CM shall make recommendation to GILBERT. A Change Order shall be executed by GILBERT and Contractor, prior to proceeding with the change in the work, unless an emergency situation exists.

3.3.2 Where a change in work is to be performed on a Cost Plus basis, an estimate of the work shall be prepared by the Contractor and reviewed by CM. With GILBERT approval, and based on recommendation from CM, CM'S Project Representative shall direct the Contractor, in writing, to proceed with the change in the work.

3.3.3 In addition to receiving the required information from the Contractor documenting time, materials, equipment, and sub-contractors employed to complete the change of work, CM shall personally monitor and record work effort involved in the change of work. CM and Contractor shall confer on a daily basis, and come to a mutual agreement on the time, materials, equipment, and sub-contractors' cost that day. As stipulated in the Contract Documents, final cost of the change in the work shall be reflected and formalized in a Change Order, signed by both GILBERT and Contractor.

3.3.4 Should negotiations break down between CM and Contractor over the cost of the change in the work, CM, with GILBERT approval, shall be authorized to seek bids and have the work performed by another contractor.

3.4 Progress Payments: CM shall review the payment applications submitted by the Contractor and determine whether the amount requested reflects the progress of the Contractor's work. CM shall make appropriate adjustments to each payment application and shall provide and forward to GILBERT a Progress Payment Report. The Report shall state the total contract price, payments to date, current payment requested, percent work complete, percent payments made, retainage and actual amounts owed for the current period by project number for each project included within the contract. Included in this report shall be a Certificate of Payment that shall be signed by CM and delivered to GILBERT. The issuance of a Certificate of Payment by CM shall constitute a representation by CM to GILBERT, based on CM'S observations and inspections at the site and on the data comprising the Contractor's application for payment, that the work has progressed to the point indicated; that, to the best of CM'S knowledge, information and belief, the quality of the work is in accordance with the Contract Documents, subject to an evaluation of the work for conformance with the Contract

Documents upon Substantial Completion, and to the results of any subsequent tests required by or performed under the Contract Documents, to minor deviations from the Contract Documents correctable prior to completion, and to any specific qualifications stated in the application for payment; that red-line construction record drawings are up to date; and that the Contractor is entitled to payment in the amount certified.

4. MANAGEMENT INFORMATION SYSTEM (MIS)

4.1 Project Cost Reports: CM shall prepare and distribute bi-weekly Project Cost Reports during the Construction Phase. The Reports shall specify actual Project and construction costs compared to GILBERT-approved Project and Construction Budget.

4.2 Project and Construction Budget Revision: CM shall make recommendations to GILBERT on the impact of construction changes that may result in revision to the Project and Construction Budget.

F. POST-CONSTRUCTION PHASE

1. PROJECT MANAGEMENT

1.1 Record Documents: CM shall coordinate and expedite submittals of information from the Contractor for as-built record drawings and specification preparation and shall coordinate and expedite the transmittal of Record Documents to GILBERT.

1.2 Organize and Index Operation Maintenance Materials: Prior to the Final Completion of the Project, CM shall compile and verify completeness of manufacturers' operations and maintenance manuals, warranties and guarantees as received from the Contractor, and submit such documents to GILBERT.

1.3 Occupancy Permits: CM shall assist GILBERT in obtaining an Occupancy Permit and final approvals by accompanying governmental officials during inspections of the Project, preparing and submitting documentation to governmental agencies and coordinating final testing and other activities.

1.4 Warranty Inspection: CM shall notify GILBERT Project Manager and Operations Staff and jointly perform a warranty inspection ten (10) months after final acceptance.

2. COST MANAGEMENT

Change Orders: CM shall continue to provide services related to Change Orders, as required, during the Post-Construction Phase.

3. MANAGEMENT INFORMATION SYSTEMS (MIS)

3.1 Close-out Reports: At the conclusion of the Project, CM shall prepare final Project Cost and closeout reports. All of the project information and documents shall be delivered to GILBERT upon completion of the Project. Following is a list of items to be included with the close-out package:

3.1.1 Copy of Certificate of Substantial Completion with a copy of the punch list itemizing incomplete or deficient items.

3.1.2 Copy of Certificate of Final Completion.

3.1.3 Copy of final change order, if required, prior to submitting final pay applications.

3.1.4 Final pay application with Affidavit for the Settlement of Claims, Record Drawings, Warranties, Operations and Maintenance Manuals and other items as required by the special conditions and/or contract documents.

3.1.5 8½" x 11" drawings showing the actual locations of landscape controllers and electric services, if applicable.

3.2 Close-out Meeting: At the conclusion of the Project, CM shall participate in a Project close-out meeting with GILBERT staff and the A/E to evaluate the process used on the Project and the results obtained and to discuss how the process might be improved for the next project. CM shall provide meeting minutes from close-out meeting.

EXHIBIT B
CM'S PROJECT MANAGEMENT KEY PERSONNEL

Principal in Charge: Darell Wood

Project Manager/Construction Manager: Bob Gofonia

Resident Engineer: Ron Martinez

Construction Inspector: Charlie Rodriguez

Others:

EXHIBIT C
FEE AND REIMBURSABLE COSTS

		PM		DM/RE		CM		ADMIN		Total	
Resource ID		PM		DM/RE		CM		ADMIN			
Resource Name		Bob Gofonia		Ron Martinez							
Resource		Project Manager		CM/RE		Senior Construction Inspector		Admin Assistant			
Resource Billing Rate		$ 150.00 per hour		$ 120.00 per hour		$ 90.00 per hour		$ 70.00 per hour			
Task	**Activity**	Budgeted Time (hrs)	Budgeted Cost ($)	Budgeted Time (hrs)	Budgeted Cost ($)	Budgeted Time (hrs)	Budgeted Cost ($)	Budgeted Time (hrs)	Budgeted Cost ($)	Budgeted Time (hrs)	Budgeted Cost ($)
1.0	**Design Phase**	12	1800	12	1440	0	0	0	0	24	3240
1.1	*30% Review*	4	$ 600.00	4	$ 480.00		$ -		$ -	8	$ 1,080.00
1.2	*60% Review*	4	$ 600.00	4	$ 480.00		$ -		$ -	8	$ 1,080.00
1.3	*90% Review*	4	$ 600.00	4	$ 480.00		$ -		$ -	8	$ 1,080.00
2.0	**Pre Construction Phase**	6	900	10	1200	2	180	0	0	18	$ 2,280.00
2.1	*Review of Cost Estimate & Schedule of Values*	2	$ 300.00	4	$ 480.00		$ -		$ -	6	$ 780.00
2.2	*Construction Phase Procedures*	2	$ 300.00	4	$ 480.00		$ -	0	$ -	6	$ 780.00
2.3	*Pre Construction Meeting*	2	$ 300.00	2	$ 240.00	2	$ 180.00	0	$ -	4	$ 540.00
3.0	**Construction Phase**	30	4500	156	18720	688	61920	16	1120	890	$ 86,260.00
3.1	*Project Management*	10	$ 1,500.00	108	$ 12,960.00		$ -	4	$ 280.00	122	$ 14,740.00
3.2	*Submittal Review*		$ -	8	$ 960.00		$ -	0	$ -	8	$ 960.00
3.3	*Construction Observation*		$ -		$ -	688	$ 61,920.00	0	$ -	0	$ -
3.4	*Project Site Meetings*	12	$ 1,800.00	10	$ 1,200.00		$ -	4	$ 280.00	26	$ 3,280.00
3.5			$ -	0	$ -		$ -	0	$ -	0	$ -
3.6	*Review Payment Request*	2	$ 300.00	4	$ 480.00		$ -	0	$ -	6	$ 780.00
3.7	*Review of Requests for Information (RFI) and Respond Accordingly*		$ -	8	$ 960.00		$ -	2	$ 140.00	10	$ 1,100.00
3.8	*Contractor's Construction Schedule*	2	$ 300.00	6	$ 720.00		$ -	0	$ -	8	$ 1,020.00
3.9	*Review of Time Extension Requests & Review Schedules*	2	$ 300.00	4	$ 480.00		$ -	0	$ -	6	$ 780.00
3.10	*Change Order Control, Pricing and Verification*	2	$ 300.00	4	$ 480.00		$ -	2	$ 140.00	8	$ 920.00
3.11	*Cash Flow Reports*		$ -	4	$ 480.00		$ -	4	$ 280.00	8	$ 760.00
4.0	**Post Construction**	2	300	14	1680	4	360	6	420	26	$ 2,760.00
4.1	*Record Drawings, Operation and Maintenance Materials*		$ -	4	$ 480.00		$ -	0	$ -	4	$ 480.00
4.2	*Final Payment*		$ -	2	$ 240.00		$ -	0	$ -	2	$ 240.00
4.3	*Substantial and Final Completion*		$ -	4	$ 480.00	4	$ 360.00	0	$ -	4	$ 480.00
4.4	*Project Close-out*	2	$ 300.00	4	$ 480.00		$ -	6	$ 420.00	12	$ 1,200.00
		50	7500	192	23040	694	62460	22	1540	26	$ 94,540.00

Allowance for Public Out Reach	-	$5,280
	0	$0
	0	$0
	0	$0
	0	$0
	0	$0
		$5,280

	Reimbursa	$5,280
NOT TO EXCEED	**Total**	**$ 99,820.00**

EXHIBIT D
CHANGE ORDER NO. _____
(CM)

PROJECT:
DATE:
OWNER: Town of Gilbert
PROJECT NO:
CONTRACT NO:
CONTRACT DATED:
A/E: (Name)
PM/CM: Wood/Patel

CHANGES: The CONTRACT is changed as follows: (Insert brief description)

_____

_____

_____

COST/TIME: Original CONTRACT SUM: $_____

Previously Authorized CHANGE ORDERS: $_____

CONTRACT sum prior to this CHANGE ORDER: $_____

CHANGE ORDER # Amount: $_____

New CONTRACT SUM: $_____

CONTRACT TIME will be increased by:

SUBSTANTIAL COMPLETION as of this Change Order:

Approved/Accepted by:

A/E _____
(Name) (Date)

PM/CM _____
(Name) (Date)

GILBERT: _____
(Name) (Date)

Not valid until signed by GILBERT and/or A/E and/or PM/CM. Signature of A/E and/or PM/CM indicates acceptance, including CONTRACT SUM and CONTRACT TIME.

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Ryan Blair, Project Manager, 480-503-6906

MEETING DATE: January 15, 2015

SUBJECT: Approval of the Engineering Services Contract with NFra Inc. for the Ash Extention Project and Authorization of a General Fund Contingency Transfer. Contract No. 2015-7102-0547

STRATEGIC INITIATIVE: Infrastructure

This project will expand and improve the steet system to meet the needs of Gilbert's citizens.

RECOMMENDED MOTION

- A motion to approve The Engineering Services Contract with Nfra Inc. for The Ash Extension Project, in an amount not to exceed $124,000 and authorize The Mayor to execute the required documents.
- Authorize a General Fund Contingency Transfer in the amount of $130,000.

BACKGROUND/DISCUSSION

This project is a new CIP Project which currently does not have a CIP number. However, it is proposed as RDNEW4 in the 2016-20 Capital Improvement Plan. The proposed project scope is as follows:

Extend Ash Street from the Western Power Line Trail north to Juniper Avenue with a tie in connection to Heather Court to the west. Design improvements will include a 40' back of curb to back of curb roadway, drainage pipes and retention basin, new water and sewer lines, street lights and piping an open irrigation ditch. Curb, gutter and sidewalk will be added to the south side of Juniper Avenue to complete a continuous pedestrian path.

The purpose of this new roadway is to help the flow of traffic to the down town businesses, the newly built Parking Garage and Saint Xavier University. The preliminary engineering estimate for construction of the new roadway is $1,300,000 for an overall preliminary project budget estimate, including monies for design and project management, of $1,600,000. As the project is better defined during the design phase so too will the project budget. This project has been requested to be completed by the end of September 2015 therefore staff anticipates bringing a contingency request for the remainder of the project costs prior to the adoption of the 2016-2020 CIP.

NFra will be providing Professional Engineering Services for design and construction through this contract.

In addition to the roadway, there is an anticipated second phase of the project to include an entertainment venue adjacent to the extension of Ash. NFra will also provide a conceptual layout of an entertainment area adjacent to Ash Street. Once the scope for this entertainment venue is established, staff will be provided project costs associated with this work from NFra to present to council.

This Contract was reviewed by M. Hamblin, Town Attorney.

FINANCIAL IMPACT

Approval of this authorization requires a General Fund Contingency Transfer in the amount of $130,000.

Summary of Contract Activity

NFra's Contract	$124,000	Approval Pending
Legal Services	$6,000	Approval Pending

Financial Impact reviewed by Laura Lorenzen, Management and Budget Analyst.

STAFF RECOMMENDATION

Staff has reviewed the fees associated with this work and finds that they meet Gilbert's expectations for the services, and recommends approval of the Engineering Services Contract.

Respectfully submitted,

Ryan Blair
Project Manager
Attachments and Enclosures: Contract

Approved By	Approval Date
Eliana Hayes	1/5/2015 2:34 PM
Gregory Smith	1/6/2015 7:25 AM
Kenneth Morgan	1/6/2015 4:41 PM
Michael Hamblin	1/7/2015 10:46 AM
Laura Lorenzen	1/6/2015 6:08 PM

ARCHITECTURAL/ENGINEERING (A/E) SERVICES CONTRACT FOR DESIGN-BID-BUILD (DBB) PROJECT

THIS CONTRACT is entered into as of this _____ day of _____, 20___, by and between the Town of Gilbert, Arizona, a municipal corporation, hereinafter referred to as the "GILBERT" and NFra Inc, hereinafter referred to as the "A/E."

FOR THE PURPOSE of providing professional architectural or engineering services for the Town of Gilbert on the Ash Extension project**,** hereinafter referred to as the "Project," GILBERT and A/E do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of the A/E: In consideration of the mutual promises contained in this Agreement ("Services"), GILBERT engages the A/E to render professional services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services: The A/E shall do, perform and carry out in a satisfactory and proper manner, as determined by GILBERT, the Services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work for this Project is set forth in Exhibit A. At a minimum, construction documents shall conform to the following standards: (i) all plans (of the same type) shall be drawn at the same scale, (ii) the correct information shall be shown the least number of times, (iii) all plans shall have the same orientation, (iv) consistent terminology shall be used between the plans and specifications, (v) vague notes (such as "see architectural" or "see structural") shall be avoided and cross references shall be specific, (vi) match line locations shall be consistent in all descriptions, (vii) wall sections on the same sheet shall be shown at relative elevations to each other and (viii) references to "by others" shall be avoided and specific responsibilities shall be set forth. Construction documents shall satisfy all applicable standards of the industry for complete documents necessary to construct a fully operational and functional facility. A/E shall take measures necessary to comply with this requirement prior to final submittal to GILBERT. Incomplete items shall be completed by the A/E at its cost.

1.3 Responsibility of the A/E

1.3.1 A/E hereby agrees that the specifications and Contract Documents prepared by A/E will fulfill the purposes of the Project, shall meet all applicable code requirements and shall comply with applicable laws and regulations. In addition, and not as a limitation on the foregoing, such specifications and contract documents and all other documents prepared by A/E shall be prepared in accordance with professional architectural or engineering standards, as applicable. Any review or approval of said specifications and Contract Documents does not diminish these requirements.

1.3.2 GILBERT's construction budget for this Project is $1,318,000. A/E shall tour the Project site and become familiar with existing conditions, including utilities, prior to commencing the Services and notify GILBERT of any constraints associated with the Project site. During design, A/E shall maintain cost controls to deliver the Project within the construction budget. A/E shall complete the Schematic, Design

Development, and Construction Documents, such that construction cost of the Project designed by A/E will not exceed the construction budget and shall not proceed from one phase to another unless the budget for the phase in is compliance with the construction budget or any approved revised construction budget. If at any time during the design of the Project it appears the cost of construction may exceed the construction budget, A/E shall immediately notify GILBERT. If the construction budget is exceeded, A/E shall value engineer the Project at no additional cost to GILBERT. As used herein, "cost of construction" shall mean the total cost or estimated cost to GILBERT of all elements of the Project designed or specified by A/E, but does not include the compensation of the A/E and the A/E's subcontractor or consultants.

1.3.3 If GILBERT retains a Construction Manager for the Project, A/E shall cooperate with the construction manager during the design phase in the performance of constructability reviews and value engineering studies. A/E shall incorporate construction manager's comments into the construction documents at no additional cost to GILBERT; provided however, that if A/E believes such comments should not be incorporated, A/E shall notify construction manager of the reason the comments were not incorporated. Nothing in this paragraph shall authorize construction manager to design the Project and A/E shall remain solely responsible for the design of the Project.

1.3.4 A/E shall perform the Services under this Agreement with the assistance of Computer Aided Design Drafting (CADD) Technology. A/E shall deliver to GILBERT, on request, the tape and/or his disc format and the name of the supplier of the software/hardware necessary to use the design file. In order to document exactly what CADD information was given to GILBERT, A/E and GILBERT shall each sign a "hard" copy of reproducible documents that depict this information at that time. GILBERT agrees to release A/E from all liability, damages, and/or for claims that arise due to any changes made to this information subsequent to it being given to GILBERT.

1.3.5 A/E shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.6 A/E shall designate **Randy Weyrauch P.E** as Project Manager and all communications shall be directed to him. Key A/E Personnel are set forth in Exhibit B. "Key Personnel" includes the A/E employee who will place his license number and signature on key documents and those employees who have significant responsibilities regarding the Services and Project. Prior to changing such designation A/E shall first make a written request to and obtain the approval of GILBERT.

1.3.7 A/E's subcontracts are set forth in Exhibit B attached hereto and made a part hereof. Any modification to the list of Subcontractors on Exhibit B, either by adding, deleting or changing subcontractors, shall require the written consent of GILBERT.

1.3.8 A/E shall obtain its own legal, insurance and financial advice regarding A/E's legal, insurance and financial obligations under this Agreement.

1.3.9 A/E shall provide required reports on the progress of the Services and the design budget to GILBERT or, if a separate Construction Manager is retained by GILBERT, then such reports shall be provided to the Construction Manager. A/E shall coordinate its activities with GILBERT's representative and Construction Manager, if any.

1.4 Responsibility of GILBERT

1.4.1 GILBERT shall cooperate with the A/E by placing at his disposal all available information concerning the site of the Project, including all previous plans, drawings, specifications, and design and construction standards; assistance in obtaining necessary access to public and private lands; legal, accounting, and necessary permits and approval of governmental authorities or other individuals. GILBERT agrees to obtain its own legal, insurance and financial advice GILBERT may require for the Project.

1.4.2 GILBERT shall provide A/E with the budget for the Project in order that preparation of the Contract Documents will be consistent with such budget.

1.4.3 GILBERT shall provide A/E with any technical requirements of GILBERT, which shall be incorporated into the specifications and Contract Documents.

1.4.4 GILBERT designates **Ryan Blair** as its Project Representative. All communications from GILBERT to PM/CM, the architect or engineering firm and the construction contractor ("Construction Contractor") shall be directed to the Project Representative.

2. CONTRACT TIME AND CONTRACT SUM

2.1 Contract Time: The Contract Time and any applicable schedule of Services are set forth in Exhibit C.

2.2 Contract Sum: The Basis of Compensation to A/E for Services rendered under this agreement is set forth in Exhibit D and as follows:

2.2.1 A fee for all approved project labor not to exceed one hundred twenty-two thousand, fifty-five dollars ($122,055). The labor hours and fee breakdown is indicated in Exhibit D. This breakdown outlines the various positions, billing rates for each position and the estimated hours for each project task for each position during the contract duration.

2.2.2 A fee for all approved project expenses not to exceed one thousand, ninety-two dollars ($1,092). Allowable reimbursable expenses are indicated in Exhibit D. A/E will not exceed the reimbursable expenses allowance of each line item without prior written authorization.

2.2.3 The total cost to GILBERT for the Services described in this Agreement shall not exceed one hundred twenty-three thousand, one hundred forty-seven dollars ($123,147) (sum of labor and expenses) without the written agreement of GILBERT.

2.3 Method of Payment: Method of payment shall be set forth in Exhibit D. Payment to be made by GILBERT to A/E for the cost of providing services will be based on monthly invoices which will set forth the hours actually worked during the billing period. The billing rates indicated in Exhibit D-1 will be applied against the actual hours for each position to arrive at the total fee for each month. Reimbursable expenses incurred during the billing period and during previous billing periods and not yet invoiced will be submitted for payment on the monthly invoice along with expense receipts and other acceptable back-up. All payment requests shall be certified by the A/E's Project Manager and shall be accompanied by a progress report indicating the work completed during the previous month(s), including the

project progress to date by tasks as a percentage (%) of the total of each individual project task. All invoices shall be for Services completed.

3. CHANGES TO THE SCOPE OF SERVICES

3.1 Change Orders: GILBERT may, at any time, by written change order, make changes in the Scope of Work. A form of change order is attached hereto as Exhibit E. If A/E believes a change in the Scope of Work has been ordered, A/E shall submit a request for a change order in writing within ten (10) days from the date of receipt by A/E of notice of the change. It is distinctly understood and agreed by the parties that no claim for extra services provided or materials furnished by A/E will be allowed by GILBERT except as provided herein nor shall A/E provide any services or furnish any materials not covered by this Agreement unless GILBERT first approves in writing.

4. INSURANCE REPRESENTATIONS AND REQUIREMENTS

4.1 General: A/E agrees to comply with all GILBERT ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of A/E, A/E shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to GILBERT. Failure to maintain insurance as specified may result in termination of this Agreement at GILBERT's option.

4.2 No Representation of Coverage Adequacy: By requiring insurance herein, GILBERT does not represent that coverage and limits will be adequate to protect A/E. GILBERT reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve A/E from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

4.3 Additional Insured: All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

4.4 Coverage Term: All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by GILBERT, unless specified otherwise in this Agreement.

4.5 Primary Insurance: A/E's insurance shall be primary insurance. All insurance, except Workers' Compensation and Professional Liability, shall provide protection of GILBERT as an Additional Insured.

4.6 Claims Made: In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.

4.7 Waiver: All policies, except Workers' Compensation Insurance and Professional Liability, shall contain a waiver of rights of recovery (subrogation) against GILBERT, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of A/E. A/E shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

4.8 Policy Deductibles and or Self Insured Retentions: The policies set forth in these requirements may provide coverage, which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to GILBERT. A/E shall be solely responsible for any such deductible or self-insured retention amount. GILBERT, at its option, may require A/E to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

4.9 Use of Subcontractors: If any Services under this Agreement are subcontracted in any way, A/E shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting GILBERT and A/E. A/E shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

4.10 Evidence of Insurance: Prior to commencing any Services under this Agreement, A/E shall furnish GILBERT with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by A/E's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Acceptance of and reliance by GILBERT on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Risk Manager. If any of the above cited policies expire during the life of this Agreement, it shall be A/E's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

4.10.1 GILBERT, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

A. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent
B. Auto Liability-Under ISO Form CA 20 48 or equivalent
C. Excess Liability-Follow Form to underlying insurance

4.10.2 A/E's insurance shall be primary insurance as respects performance of this Agreement.

4.10.3 All policies, except Workers' Compensation and Professional Liability, waive rights of recovery (subrogation) against GILBERT, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by A/E under this Agreement.

4.10.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

4.10.5 Project descriptive information including:

A. Project Name
B. Project Number
C. Contract Number

4.11 Required Coverage

4.11.1 Commercial General Liability: A/E shall maintain "occurrence" form Commercial Liability Insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate, and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

4.11.2 Professional Liability: A/E shall maintain Professional Liability insurance covering errors and admissions arising out of the Services performed by A/E, or anyone employed by A/E, or anyone for whose acts, mistakes, errors and omissions A/E is legally liable, with an unimpaired liability insurance limit of $1,000,000 each claims and $2,000,000 all claims. Professional Liability coverage specifically for Architects, Engineers and Surveyors shall contain contractual liability insurance covering the contractual obligations of this Agreement. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three (3) years past completion and acceptance of the Services, and A/E shall be required to

submit Certificates of Insurance evidencing proper coverage is in effect as required above.

4.11.3 Vehicle Liability: A/E shall maintain Business Automobile Liability Insurance with a limit of $1,000,000 each occurrence on A/E's owned, hired, and non-owned vehicles assigned to or used in the performance of the A/E's Services under this Agreement. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

4.11.4 Workers' Compensation Insurance: A/E shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of A/E's employees engaged in the performance Services under this Agreement and shall also maintain Employer Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

5. INDEMNIFICATION

5.1 To the fullest extent permitted by law, A/E, its successors and assigns shall indemnify and hold harmless GILBERT, its officers and employees from and against all liabilities, damages, losses and costs (including reasonable attorney fees and court costs) to the extent caused by the negligence, recklessness or intentional wrongful conduct of A/E or other persons employed or used by the A/E in the performance of this Agreement. A/E's duty to indemnify and hold harmless GILBERT, its officers and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting there from, caused by A/E's negligence, recklessness or intentional wrongful conduct in the performance of this Agreement and the negligence, recklessness or intentional wrongful conduct of any person employed by A/E or used by A/E in the performance of this Agreement.

5.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

6. TERMINATION OF THIS AGREEMENT

6.1 Termination: GILBERT may, by written notice to the A/E, terminate this Agreement in whole or in part with seven (7) days notice, either for GILBERT's convenience or because of the failure of the A/E to fulfill his contract obligations. Upon receipt of such notice, the A/E shall: (1) immediately discontinue all Services affected (unless the notice directs otherwise), and (2) deliver to GILBERT copies of all data, drawings, reports, estimates, summaries, and such other

information and materials as may have been accumulated by the A/E in performing this Agreement, whether completed or in process. This Agreement may be terminated in whole or in part by the A/E in the event of substantial failure by GILBERT to fulfill its obligations.

6.2 Payment to A/E Upon Termination: If the Agreement is terminated, GILBERT shall pay the A/E for the Services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

7. ASSURANCES

7.1 Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the A/E for Services to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the A/E of the A/E's obligations under this Agreement and any Regulations relative to nondiscrimination on the grounds of race, color or national origin.

7.2 Examination of Records: The A/E agrees that duly authorized representatives of GILBERT shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of the A/E involving transactions related to this Agreement.

7.3 Ownership of Document and Other Data: Original documents, such as tracings, plans, specifications, maps, basic survey notices and sketches, charts, computations, and other data prepared or obtained under the terms of this Agreement or any change order are and will remain the property of GILBERT unless otherwise agreed to by both parties. GILBERT may use such documents for other purposes without further compensation to the A/E; however, any reuse without written verification or adaptation by A/E for the specific purpose intended will be at GILBERT's sole risk and without liability or legal exposure to A/E. Any verification or adaptation of the documents by A/E for other purposes than contemplated herein will entitle A/E to further compensation as agreed upon between the parties.

7.4 Litigation: Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, that all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

7.5 Independent Contractor: A/E shall be an independent contractor and not an agent of GILBERT and shall direct and supervise the Services required by this Agreement and shall be responsible for all means, methods, techniques, sequences and proceedings associated with the Services and shall be responsible for the acts and omissions of its employees, agents and other persons performing any of the Services under a contract with the A/E.

7.6 Exclusive Use of Services – Confidentiality: The services agreed to be provided by A/E within this Agreement are for the exclusive use of GILBERT and A/E shall not engage in conflict of interest nor appropriate GILBERT work product or information for the benefit of any third parties without GILBERT consent.

7.7 Sole Agreement: There are no understandings or agreements except as herein expressly stated.

7.8 Caption: Paragraph captions are for convenience only and are not to be construed as a part of this Agreement; and in no way do they define or limit the Agreement.

7.9 Time is of the Essence: The timely completion of the Project is of critical importance to the economic circumstances of GILBERT.

7.10 Controlling Law: This Agreement is to be governed by the laws of the State of Arizona.

7.11 Immigration Law Compliance Warranty:

7.11.1 As required by A.R.S. § 41-4401, A/E hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A/E further warrants that after hiring an employee, A/E verifies the employment eligibility of the employee through the E-Verify program.

7.11.2 If A/E uses any subcontractors in performance of the Services, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program.

7.11.3 A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. A/E is subject to a penalty of $100 per day for the first violation, $500 per day for the second violation, and $1,000 per day for the third violation. Gilbert at its option may terminate the Contract after the third violation. A/E shall not be deemed in material breach of this Contract if the A/E and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A).

7.11.4 Gilbert retains the legal right to inspect the papers of any A/E or subcontractor employee who works on the Contract to ensure that the A/E or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times.

7.11.5 If state law is amended, the parties may modify this paragraph consistent with state law.

7.12 Equal Treatment of Workers: A/E shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. A/E shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration (“OSHA”) and the Fair Labor Standards Act (“FLSA”). A/E shall protect and indemnify GILBERT and its representatives against any claim or liability arising form or based on the violation of such, whether by A/E or its employees.

7.13 Notices: Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

GILBERT:	A/E:
Gregory Smith, PE, PS	Randy Weyrauch
Town Engineer	Project Manager
Town of Gilbert	NFra Inc
90 East Civic Center Drive	77 E Thomas road, Suite 200
Gilbert, Arizona 85296	Phoenix, AZ 85012

The address may be changed from time to time by either party by serving notices as provided above.

8. SUSPENSION OF WORK

8.1 Order to Suspend: GILBERT may order the A/E, in writing, to suspend all or any part of the Services for such period of time as he may determine to be appropriate for the convenience of GILBERT.

8.2 Adjustment to Contract Sum: If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of GILBERT in the administration of this Agreement, or by its failure to act within the time specified in this Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance was suspended or delayed for any other cause, including the fault or negligence of the A/E, or (2) for which a change order is executed.

9. INTERESTS AND BENEFITS

9.1 Conflict of Interest of A/E: The A/E covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Services required to be performed under this Agreement. The A/E further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

9.2 Interest of GILBERT Members and Others: No officer, member or employee of GILBERT and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his

personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

9.3 Non-Solicitation: A/E agrees that it has not employed or retained any company or person, other than a bona fide employee working for A/E, to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this clause, GILBERT may terminate this Agreement without liability, or, in its discretion, deduct from the Contract Sum, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingency fee.

9.4 Notice Regarding A.R.S. § 38-511: Under Section 38-511, Arizona Revised Statutes, as amended, GILBERT may cancel any Agreement it is a party to within three (3) years after its execution and without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of GILBERT is, at any time while the Agreement or any extension thereof is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party to the Agreement with respect to the subject matter of the Agreement. In the event GILBERT elects to exercise its rights under Section 38-511, Arizona Revised Statutes, as amended, GILBERT agrees to immediately give notice thereof to the A/E.

10. ASSIGNABILITY

The A/E shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of GILBERT thereto; provided, however, that claims for money due or to become due to the A/E from GILBERT under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to GILBERT.

IN WITNESS WHEREOF, GILBERT and the A/E have executed this Agreement as of the date first written.

TOWN OF GILBERT

By: _____
John Lewis, Mayor

APPROVED AS TO FORM:

_____

ARCHITECT/ENGINEER

_____

By:_____

Title:_____

EXHIBIT A
ENGINEER SCOPE OF WORK
FOR DESIGN-BID-BUILD PROJECT

A. GENERAL

1. The Project is generally described as follows: Extend Ash Street from the Western Power Line Trail north to Juniper Avenue with a tie in connection to Heather Court to the west. Design improvements will include a 40' back of curb to back of curb roadway, drainage pipes and retention basin, new water and sewer lines, street lights and piping an open irrigation ditch. Curb, gutter and sidewalk will be added to the south side of Juniper Avenue to complete a continuous pedestrian path.

2. ENGINEER shall be responsible for the professional quality, technical accuracy and the coordination of all studies, reports, projections, master plans, designs, drawings, specifications and other Services furnished by ENGINEER under this Contract. ENGINEER shall, without additional compensation, correct or revise any errors or omissions in its studies, reports, projections, master plans, design, drawings, specifications and other Services.

3. The Contract sets forth the construction budget for the Project. ENGINEER shall complete the Design and Construction Documents, such that construction cost of the Project designed by ENGINEER will not exceed the construction budget and shall not proceed from one phase to another unless the budget for the phase is in compliance with the construction budget or any approved revised construction budget. If at any time during the design of the Project it appears the cost of construction may exceed the construction budget, ENGINEER shall immediately notify GILBERT. If the construction budget is exceeded, ENGINEER shall value ENGINEER the Project at no additional cost to GILBERT.

4. ENGINEER shall maintain a log of all meetings, site visits or discussions held in conjunction with the Services, with documentation of major discussion points, observations, decisions, question or comments. These shall be furnished to GILBERT or PM/CM if applicable, for inclusion in the overall Project documentation.

5. All Services performed under this Contract shall be performed by or under the direct supervision of persons then licensed in the State of Arizona to perform these Services. The name of each such licensed individual shall be listed on the title sheet of the Plans and Specifications.

6. All designs and specifications prepared by ENGINEER shall comply with applicable engineering and design standards to include, but not be limited to, MAG Standard Details and Specifications (current edition), Town of Gilbert Supplement to MAG Standard Details and Specifications (current edition), and the Americans with Disabilities Act, as determined by permitting agencies.

7. If ENGINEER provides defective, incomplete, unclear, or uncoordinated documents in preparing the specifications and Contract Documents, all costs of responding to any protest or appeal or of any necessary rebidding will be borne by ENGINEER.

8. ENGINEER shall attend three (3) public meetings/open houses for this project. The public meetings will be held after review of the 30% submittal, at the 95% submittal and approximately two (2) weeks prior to commencement of construction activities.
9. Time is of the essence in this contract.

B. PRE-DESIGN PHASE

1. PROJECT INITIATION

1.1 Upon final execution of the Contract with GILBERT, the ENGINEER shall:

1.1.1 Meet with GILBERT and its representatives to prepare a detailed design schedule. The ENGINEER shall produce the final design schedule prepared in Primavera compatible scheduling software, and shall forward the schedule to the PM/CM, if applicable, for inclusion in a Project Master Schedule.

1.1.2 This design schedule shall identify specific tasks including, but not limited to: interviews, data collection, required GILBERT filing standards, analysis, report preparation, planning, engineering programming, concepts and schematic design preparation, coordination and estimating that are part of the work of the Project. Also identified will be milestone activities or dates, specific task responsibilities, required times for completion and additional definition of deliverables including plan submittals to all utilities and permitting agencies.

1.1.3 Review the developed work plan with GILBERT and its representatives to familiarize them with the proposed tasks and design schedule and develop necessary modifications.

1.1.4 Participate in a general Project kick-off meeting to include the ENGINEER'S appropriate Sub-consultants, GILBERT staff Project Manager/Construction Manager (PM/CM) if applicable, and/or other stakeholders.

1.1.4.1 The project kick-off meeting will introduce key team members from GILBERT, the PM/CM and the ENGINEER to each other defining roles and responsibilities relative to the Project.

1.1.4.2 Identify and review pertinent information and/or documentation necessary from GILBERT for the completion of the Project.

1.1.4.3 Review and explain the overall project goals, general approach, tasks, work plan and procedures and deliverable products of the Project.

1.1.4.4 Review and explain the task analysis and project work plan for all parties present; determine any adjustments or fine tuning that needs to be made to the work plan.

1.1.4.5 Prepare and distribute minutes of the project kick-off meeting, or review and comment on minutes prepared by the PM/CM (if applicable) prior to distribution.

2. DEVELOPMENT OF engineering PROGRAM

Identify design issues relating to functional need, directives and constraints imposed by regulatory codes, complete design checklist as provided by GILBERT. The design of the Project shall take into consideration impacts of the Project on neighboring residential uses.

2.1 Complete GILBERT'S design information check list below:

2.1.1 Identify critical issues affecting project completion.

2.1.2 Identify significant site considerations.

2.1.3 Identify applicable permit requirements, code requirements, and GILBERT, County, State and Federal requirements.

2.1.4 Identify utility locations for all GILBERT and outside agency utilities impacting the project and develop a plan to address the conflicts.

2.1.5 Identify Railroad crossings that impact the project.

2.1.6 Check with GILBERT Town ENGINEER and Planning Department and identify plans for property development adjacent to the project and identify all planning and zoning stipulations for ROW and Easement dedications along with stipulations for developer construction and/or construction cost participation.

2.1.7 Check with the Town ENGINEER to determine if any property or Right of Way should be annexed.

2.1.8 Become familiar with GILBERT property acquisition requirements.

2.1.9 Review GILBERT "As Built" plans that impact the project.

2.1.10 Obtain a list of Special Issues and concerns from the GILBERT Program Manager for the project.

2.1.11 Determine if an Intergovernmental Agreement will be needed with the County, SRP or neighboring community for condemnation, cost sharing, or coordination.

2.2 Manage the design schedule and budget to meet GILBERT requirements.

2.3 Conduct engineering program meeting with the GILBERT selected project committee.

2.4 Prepare an overall planning map showing the proposed improvements for this project along with improvements for a temporary staging area that will be located between Ash Street and Gilbert Road at the south end of the property. Intent of the aerial planning map is to gain consensus from stakeholders on proposed improvements prior to final design beginning.

3. MEETINGS

During the Pre-Design Phase it is anticipated that approximately one (1) meeting per week will be convened between GILBERT, PM/CM, if applicable, and the A/E. Such meetings shall not exceed one (1) day in duration and will normally be held at the Municipal Complex in the Town of Gilbert. Documented decisions made at such meetings and subsequently approved by GILBERT shall be binding. These meeting notes shall be distributed within 48 hours of the

meeting. Any revisions or reconsiderations of such decisions shall constitute a change in the scope of services of the ENGINEER.

4. DELIVERABLES

ENGINEER shall present and review with GILBERT the summary and detail of the Pre-Design Phase Services work.

5. PROJECT CESSATION PROVISIONS

Upon completion of review and comments on the Functional and engineering Program Report, no further work shall be done unless and until GILBERT has approved the Pre-design Services Phase as complete and has given a written Notice to Proceed to A/E for the Design Services Phase.

C. DESIGN PHASE

1. GENERAL

1.1 The proposed improvements at each of these locations are more specifically described as follows:

1.1.1 This project will be delivered using a Design-Bid-Build method of procurement.

1.1.2 The ENGINEER shall be responsible for coordinating and consulting with GILBERT'S PM/CM (if applicable) during the design development and construction of this project.

1.1.3 During the Design Phase it is anticipated that progress meetings will be convened bi-weekly between the PM/CM, the ENGINEER, the CM@R, GILBERT and other project stakeholders. Such meetings will normally be held at the Municipal Complex at the Town of Gilbert. Documented decisions made at such meetings and subsequently approved by GILBERT shall be binding. These meeting notes shall be distributed within 48 hours of the meeting. Any revisions or reconsiderations of such decisions shall constitute a change in the scope of services of the ENGINEER.

1.2 The proposed improvements are more specifically described in the following paragraphs.

2. SURVEYS AND MAPPING

2.1 Topographic Survey

2.1.1 The ENGINEER shall provide topographic survey services for this project to prepare electronic CADD base files depicting existing topographic features.

2.1.2 The ENGINEER shall survey for horizontal and vertical control for topographic surveys and supplemental ground surveys.

2.2 Ground Survey

The ENGINEER shall provide ground survey services for this project. The work shall include providing horizontal and vertical control points for the topographic survey, providing cross sections of existing pavement, curb and concrete-lined canal ditches.

2.3 Utility Location Survey

2.3.1 The ENGINEER shall provide locations of existing utilities for this project. The work shall include locating overhead lines and poles, manholes, valves, meter boxes, risers, and underground utilities.

2.3.2 ENGINEER shall obtain necessary as-built information and perform potholing to adequately identify underground utilities.

2.4 Completed surveys and maps shall be recorded in an acceptable format and, upon approval, the books, maps, drawing files and other diskettes shall be submitted to the Town of Gilbert for archiving.

3. MATERIALS INVESTIGATION AND DESIGN

3.1 Geotechnical Investigation

3.1.1 The ENGINEER shall provide geotechnical services for this project. The ENGINEER shall perform test borings to determine subsurface conditions for the proposed new roadway, drainage features, pipe materials, etc.

3.1.2 The ENGINEER shall prepare a geotechnical investigation work plan and/or a boring plan to be submitted to the PM/CM for review and approval prior to proceeding with the work. The ENGINEER, with the assistance of the PM/CM, shall be responsible for obtaining all clearances and right-of-entry agreements prior to proceeding with the work.

3.1.3 The ENGINEER shall prepare a Materials Design Memorandum that summarizes the results of all data collection and presents recommendations for earthwork factors (shrink and swell), permanent and temporary cut and fill slope rates and stability, groundwater, pH and resistivity and soil permeability (percolation testing), as well as any high soil moisture content or high soil sulfate level locations for pipe material selection.

3.2. Pavement Design

The ENGINEER shall provide pavement designs based on information obtained from the geotechnical investigation. The pavement design shall be in accordance with the requirements of the GILBERT ENGINEER, the East Valley Asphalt Committee (EVAC) and the Arizona Department of Transportation Materials Preliminary engineering and Design (ADOT MPE&D) Manual. The recommendations for final pavement design shall be in the Pavement Design Summary section of the Materials Design Memorandum. These shall be evaluated along with GILBERT minimum pavement section requirements.

4. PUBLIC INFORMATION MEETINGS

The Town of Gilbert will be responsible for organizing and scheduling public information meetings. The ENGINEER shall allow for attendance and preparation of materials for open-house public information meetings over the course of design, occurring after the review of the 30% plans, at the 95% submittal, and approximately 2 weeks prior to start of construction. The ENGINEER shall be responsible for preparing presentation boards depicting the overall limits of the project, typical roadway sections, and landscaping details for the open-house meetings. The ENGINEER shall also be prepared to discuss impacts to traffic and access during construction. GILBERT will be responsible for any fees or costs associated with securing a venue for the open-house meetings as well as costs for advertisements or "fliers" to inform the public of these meetings.

5. RAILROAD COORDINATION – NOT APPLICABLE

5.1

6. UTILITY COORDINATION

6.1 The ENGINEER shall obtain as-built information, shall indicate existing utilities and planned relocations on construction plans, and shall assist the PM/CM, if applicable, with communication and coordination with the utility companies. Any relevant utility information shall be shown on the plans prior to submittal to utility companies for review. All work shall be performed in accordance with applicable agency and GILBERT standards.

6.2 The ENGINEER shall participate in utility coordination meetings led by the PM/CM, if applicable, at an agreed upon location as required. If there is no PM/CM, the ENGINEER and shall organize and lead the meetings and shall prepare and distribute meeting minutes to all attendees.

6.3 Existing Information

6.3.1 The ENGINEER shall use all available utility location information. This information shall be shown on the plans prior to submittal to the utility companies.

6.3.2 Identification of Utilities:

6.3.2.1 The ENGINEER shall contact Blue Stake to obtain the most current information about utilities having facilities within the project area. ENGINEER shall use this information to obtain utility as-built information from all the utility companies serving the project area, including from the Town of Gilbert. Some utilities may not be shown on Blue Stake records and may require a set of plans to determine potential conflicts.

6.3.2.2 The ENGINEER shall prepare an electronic CADD file depicting the horizontal locations of existing utilities both overhead and underground. The horizontal locations of the existing utilities shall be determined by the ENGINEER based on utility as-built information supplemented by utility location survey and horizontal designating.

6.3.2.3 Where elevations are necessary for the determination of conflicts, the ENGINEER shall provide a list of the possible conflict locations and conflicting utilities. This list shall be used for identification of potholing locations to provide accurate horizontal and vertical location of the utility following completion of 30% plans. The ENGINEER will perform potholing coordination with the PM/CM if applicable. Ten potholes have been included in the scope of work as an Allowance Item to be used as needed.

6.4 Utilities Conflicts and Adjustments

6.4.1 The ENGINEER shall determine any utility conflicts that require the utility to be relocated or adjusted, and shall advise the PM/CM, if applicable, or GILBERT.

6.4.2 The ENGINEER shall advise the PM/CM, if applicable, or GILBERT of relocations, replacements, or new facilities requested by the utility companies.

6.4.3 The ENGINEER, with assistance from the PM/CM if applicable, shall be responsible for reviewing relocation plans produced by utility companies to assure that utility conflicts are mitigated or eliminated and that proposed utility installations conform to GILBERT'S requirements.

6.4.4 At the request of the PM/CM, if applicable, or GILBERT, the ENGINEER shall verify that prior rights documentation submitted by the utility companies represent the correct relocation area.

6.4.5 Only the PM/CM, if applicable or GILBERT will authorize utility companies to start design on relocation of their facilities where they have prior rights and want reimbursement for their design.

6.5 Utility Special provisions & Clearance Letter

6.5.1 The ENGINEER, in coordination with the PM/CM, if applicable, shall prepare Utility Special provisions. The utility Special provisions shall include the following:

6.5.1.1 List of utility companies in the area, and contact person's name and telephone number.

6.5.1.2 A statement that there are no utility conflicts.

6.5.1.3 Work to be performed by utility companies during project construction.

6.5.1.4 Completion date or schedule for each utility conflict to be removed by utility company.

6.5.1.5 Work to be performed for the utility company by the Contractor.

6.5.1.6 Utility license, permit, insurance or right of entry requirements.

6.5.1.7 Utility company requirements related to protection of or construction adjacent to their facilities.

6.6 The ENGINEER shall assist the PM/CM, if applicable, in working with the utility companies to facilitate clearing of utilities. The PM/CM, if applicable, shall be responsible for preparing and

obtaining actual clearance/conflict letters. If there is no PM/CM, the clearance/conflict letters shall be the ENGINEER'S responsibility.

7. RIGHT-OF-WAY

7.1 The ENGINEER shall determine the requirements for new right-of-way (ROW) and easements, including, but not limited to, new roadway R/W, public utility easements, slope easements, drainage easements and temporary construction easements. The ENGINEER shall submit a written request to the PM/CM, if applicable, or GILBERT for copies of title reports for all affected parcels within three (3) weeks of the notice to proceed.

7.2 The ENGINEER shall submit the final ROW and easement requirements in writing to the PM/CM, if applicable, or GILBERT concurrent with the 30% design submittal. No revisions or additions to the ROW and easement requirements will be allowed after the 30% design submittal without the approval of GILBERT.

7.3 The new ROW requirements shall be submitted in writing to the PM/CM, if applicable, or to GILBERT for review and shall include the following as a minimum:

7.3.1 A letter indicating the project name, project number, contract number, project location, originator of report (Firm's Name), submittal date.

7.3.2 A plan of sufficient scale and detail to show the existing and proposed ROW and easements.

7.3.3 At the 30% design submittal, the new requirements shall be accurately defined with widths, lengths, stations, offsets, etc, and enough definition to identify all ownerships that will be affected. ENGINEER shall show all property lines, parcel numbers and parcel ownership on the project plans.

7.4 Appraisal and Acquisition Support

7.4.1 ENGINEER shall prepare all required right-of-way exhibits and legal descriptions associated with this project and submit to the PM/CM, if applicable or to GILBERT for review following approval of right-of-way requirements at the 30% submittal. Legal descriptions shall be sealed by an Arizona Registered Land Surveyor (RLS) and shall be in a format provided by and approved by GILBERT and acceptable to the Maricopa County Recorder's office for recording.

7.4.2 ENGINEER shall prepare a right-of-way strip map showing all required rights-of-way, property lines, parcel numbers, ownership and required right-of-way by type of acquisition for each property affected by the project. Right-of-way strip map shall be on 11x17 sheets and shall be provided concurrently with exhibits and legal descriptions.

7.4.3 ENGINEER shall field stake the proposed right-of-way, easements, and/or Temporary Construction Easements, at the direction of the PM/CM, if applicable, or GILBERT for completion of appraisals. Staking shall clearly delineate all new ROW and easements

clearly, with all stakes and lathe clearly visible, and will include all corners and angle points. The staking schedule shall be coordinated with the Appraiser.

7.5 Temporary Right of Entry Documents

A temporary right of entry document is required for entry to each parcel to conduct geotechnical investigations and design or construction survey work. The ENGINEER shall notify the PM/CM, if applicable, or GILBERT of the need for any temporary entry documents no later than ten (10) days after the notice to proceed. If required, the PM/CM, if applicable, or GILBERT will assist the ENGINEER in obtaining the appropriate owner's signature. The ENGINEER may not enter any such property prior to approval of the temporary entry documents by the Property Owner.

8. ROADWAY DESIGN

8.1 The ENGINEER shall prepare 30% Initial Design, 60% Preliminary Design, 95% Final Design, and 100% Construction Documents on Town of Gilbert standard sheets using AutoCAD format for the roadway improvements. All design shall comply with GILBERT standards and guidelines and shall be developed, at a minimum, in accordance with the requirements of the respective sections of this scope of work.

8.2 30% Initial Design Submittal. The following material shall be developed and submitted for review:

8.2.1 Final roadway geometry and preliminary roadway plan and profile sheets

8.2.2 Typical roadway sections

8.2.3 Initial drainage plans and details and Initial Drainage Report

8.2.4 Location of existing utilities and identification of initial utility conflicts

8.2.5 Initial location of proposed utilities

8.2.6 Initial development of intersection plans including basic geometry and channelization

8.2.7 Initial RWCD/SRP and/or private irrigation design (coordinate with utilities as required)

8.2.8 Initial bridge layout (general plan) – Not Applicable

8.2.9 Initial wall layout

8.2.10 Graphic layout of proposed pavement markings

8.2.11 Final ROW and easement requirements

8.2.12 Final Geotechnical Report and Pavement Design Memo

8.2.13 Initial roadway cross sections at one hundred (100) ft. intervals, as a minimum, with additional sections at breaks in the terrain

8.2.14 Final survey information

8.2.15 Initial summary of quantities

8.2.16 Specification section listing

8.2.17 30% ENGINEER'S construction cost estimate

8.3 60% Preliminary Design Submittal. The following material shall be developed and submitted for review:

8.3.1 Preliminary design sheet with index and general notes, summary sheets and special details

8.3.2 Pre-final roadway plan and profile sheets

8.3.3 Final typical roadway sections

8.3.4 Pre-final drainage plans and details and Final Drainage Report

8.3.5 Identification of final utility conflicts and preliminary plans of utility installations and/or relocations to be included in project construction

8.3.6 Preliminary special details

8.3.7 Pre-final intersection plan sheets

8.3.8 Pre-final RWCD/SRP and/or private irrigation plan sheets (coordinate with utilities as required)

8.3.9 Pre-final bridge plans – Not Applicable

8.3.10 Pre-final wall plans

8.3.11 Preliminary signing and pavement marking plans

8.3.12 Preliminary street lighting and traffic signal plans

8.3.13 Preliminary landscape and irrigation plans, summaries, and details and proposed sources of water and power

8.3.14 Preliminary roadway cross sections at one hundred (100) ft. intervals, as a minimum, with additional sections at breaks in the terrain

8.3.15 Preliminary Summary of quantities

8.3.16 Specification section paragraphs

8.3.17 Preliminary Bid Schedule

8.3.18 60% ENGINEER'S construction cost estimate

8.4 95% Final Design Submittal. The following final material shall be completed, checked and submitted for review:

8.4.1 Design sheet(s) with index and general notes

8.4.2 Summary sheets

8.4.3 Special details

8.4.4 Typical roadway sections

8.4.5 Roadway plan and profile sheets

8.4.6 Drainage plans and details

8.4.7 Utility installation/relocation plans and details to be included in project construction

8.4.8 Intersection plans and details

8.4.9 RWCD/SRP and/or private Irrigation plans and details (coordinate with utilities as required)

8.4.10 Bridge plans – Not Applicable

8.4.11 Wall plans

8.4.12 Signing and pavement marking plans

8.4.13 Street lighting and traffic signal plans, including interconnect

8.4.14 Landscape and irrigation plans and details

8.4.15 Roadway cross sections

8.4.16 Final summary of quantities

8.4.17 Final design calculations

8.4.18 Final specifications

8.4.19 Special Conditions

8.4.20 Final Bid Schedule

8.4.21 95% ENGINEER'S construction cost estimate

8.5 100% Construction Documents Submittal. The following material shall be submitted to GILBERT for completion of the project:

8.5.1 A complete reproducible set of sealed and signed contract plans necessary to bid and construct the improvements identified in this contract.

8.5.2 A complete reproducible set of sealed and signed specifications and Special provisions necessary to bid and construct the improvements identified in this contract.

8.5.3 A complete reproducible bid schedule necessary to bid and construct the improvements identified in this contract.

8.5.4 Electronic versions of all plan sheets in fully AutoCAD compatible format on compact disk (CD) in CD-R format.

8.5.5 Final and complete quantity summaries.

8.5.6 Final survey computations and original field books.

8.5.7 A reproducible set of earthwork cross sections by station showing the plotted roadway template superimposed on the plotted natural terrain.

8.5.8 100% ENGINEER'S construction cost estimate.

9. WATER MAIN DESIGN

9.1 The ENGINEER shall prepare 30% Initial Design, 60% Preliminary Design, 95% Final Design, and 100% Construction Documents on Town of Gilbert standard sheets using AutoCAD format for any water mains associated with the project.

9.2 30% Initial Design Submittal. The following material shall be developed and submitted for review:

9.2.1 Initial water line plan and profile sheets (profile not required for lines smaller than 12-inch diameter)

9.2.2 Initial location of valves, vaults, drains, air release assemblies and blow-offs

9.2.3 Initial location of connections to other lines or facilities

9.2.4 Initial location of fire hydrants

9.2.5 Location of existing utilities and identification of initial utility conflicts

9.2.6 Initial location of proposed utilities by others

9.2.7 Final ROW and easement requirements

9.2.8 Final Geotechnical Report

9.2.9 Final survey information

9.2.10 Initial summary of quantities

9.2.11 Specification section listing

9.2.12 30% ENGINEER'S construction cost estimate

9.3 60% Preliminary Design Submittal. The following material shall be developed and submitted for review:

9.3.1 Preliminary design sheet with index and general notes, summary sheets and special details

9.3.2 Pre-final water line plan and profile sheets

9.3.3 Final location of valves, vaults, drains, air release assemblies and blow-offs

9.3.4 Final location of connections to other lines or facilities

9.3.5 Final location of fire hydrants

9.3.6 Identification of final utility conflicts and preliminary plans of utility installations and/or relocations to be included in project construction

9.3.7 Preliminary special details

9.3.8 Preliminary landscape and irrigation restoration plans, summaries, and details (if required)

9.3.9 Preliminary Summary of quantities

9.3.10 Specification section paragraphs

9.3.11 Preliminary Bid Schedule

9.3.12 60% ENGINEER'S construction cost estimate

9.4 95% Final Design Submittal. The following final material shall be completed, checked and submitted for review:

9.4.1 Design sheet(s) with index and general notes

9.4.2 Summary sheets

9.4.3 Special details

9.4.4 Final water line plan and profile sheets with all appurtenances included

9.4.5 Utility installation/relocation plans and details to be included in project construction

9.4.6 Landscape and irrigation restoration plans and details (if required)

9.4.7 Final summary of quantities

9.4.8 Final design calculations

9.4.9 Final specifications

9.4.10 Special Conditions

9.4.11 Final Bid Schedule

9.4.12 95% ENGINEER'S construction cost estimate

9.5 100% Construction Documents Submittal. The following material shall be submitted to GILBERT for completion of the project:

9.5.1 A complete reproducible set of sealed and signed contract plans necessary to bid and construct the improvements identified in this contract.

9.5.2 A complete reproducible set of sealed and signed specifications and Special provisions necessary to bid and construct the improvements identified in this contract.

9.5.3 A complete reproducible bid schedule necessary to bid and construct the improvements identified in this contract.

9.5.4 Electronic versions of all plan sheets in fully AutoCAD compatible format on compact disk (CD) in CD-R format.

9.5.5 Final and complete quantity summaries.

9.5.6 Final survey computations and original field books.

9.5.7 100% ENGINEER'S construction cost estimate.

9.6 With the support of the PM/CM, if applicable, ENGINEER shall prepare and submit the plans and applications for plan approval, permit to construct, and approval of construction from the Maricopa County Environmental Services Department (MCESD). GILBERT will be responsible for permit fees and expedited review fees required by the County.

10. SANITARY SEWER DESIGN

10.1 The ENGINEER shall prepare 30% Initial Design, 60% Preliminary Design, 95% Final Design, and 100% Construction Documents on Town of Gilbert standard sheets using AutoCAD format for any sanitary sewers associated with the project.

10.2 30% Initial Design Submittal. The following material shall be developed and submitted for review:

10.2.1 Initial sewer line plan and profile sheets

10.2.2 Initial location, diameter and depth of manholes with inverts shown

10.2.3 Initial location and inverts of connections to other lines or facilities

10.2.4 Location of existing utilities and identification of initial utility conflicts

10.2.5 Initial location of proposed utilities by others

10.2.6 Final ROW and easement requirements

10.2.7 Final Geotechnical Report

10.2.8 Final survey information

10.2.9 Initial summary of quantities

10.2.10 Specification section listing

10.2.11 30% ENGINEER'S construction cost estimate

10.3 60% Preliminary Design Submittal. The following material shall be developed and submitted for review:

10.3.1 Preliminary design sheet with index and general notes, summary sheets and special details

10.3.2 Pre-final sewer line plan and profile sheets

10.3.3 Final location, diameter and depth of manholes with inverts shown

10.3.4 Final location and inverts of connections to other lines or facilities

10.3.5 Identification of final utility conflicts and preliminary plans of utility installations and/or relocations to be included in project construction

10.3.6 Preliminary special details

10.3.7 Preliminary landscape and irrigation restoration plans, summaries, and details (if required)

10.3.8 Preliminary Summary of quantities

10.3.9 Specification section paragraphs

10.3.10 Preliminary Bid Schedule

10.3.11 60% ENGINEER'S construction cost estimate

10.4 95% Final Design Submittal. The following final material shall be completed, checked and submitted for review:

10.4.1 Design sheet(s) with index and general notes

10.4.2 Summary sheets

10.4.3 Special details

10.4.4 Final sewer line plan and profile sheets with all manholes included

10.4.5 Utility installation/relocation plans and details to be included in project construction

10.4.6 Landscape and irrigation restoration plans and details (if required)

10.4.7 Final summary of quantities

10.4.8 Final design calculations

10.4.9 Final specifications

10.4.10 Special Conditions

10.4.11 Final Bid Schedule

10.4.12 95% ENGINEER'S construction cost estimate

10.5 100% Construction Documents Submittal. The following material shall be submitted to GILBERT for completion of the project:

10.5.1 A complete reproducible set of sealed and signed contract plans necessary to bid and construct the improvements identified in this contract.

10.5.2 A complete reproducible set of sealed and signed specifications and Special provisions necessary to bid and construct the improvements identified in this contract.

10.5.3 A complete reproducible bid schedule necessary to bid and construct the improvements identified in this contract.

10.5.4 Electronic versions of all plan sheets in fully AutoCAD compatible format on compact disk (CD) in CD-R format.

10.5.5 Final and complete quantity summaries.

10.5.6 Final survey computations and original field books.

10.5.7 100% ENGINEER'S construction cost estimate.

10.6 With the support of the PM/CM, if applicable, ENGINEER shall prepare and submit the plans and applications for plan approval, permit to construct, and approval of construction from the Maricopa County Environmental Services Department (MCESD). GILBERT will be responsible for permit fees and expedited review fees required by the County.

11. RECLAIMED WATER MAIN/SEWER FORCE MAIN DESIGN – NOT APPLICABLE

12. DRAINAGE DESIGN

12.1 The ENGINEER shall be responsible for preparing the Initial and Final Drainage Reports.

12.1.1 The ENGINEER shall conduct hydrologic and hydraulic analysis and/or obtain available public information to identify flood plains and probable flood plain impacts. The ENGINEER shall determine existing and developed conditions, discharges for all pertinent drainage systems, and existing flow patterns; assess possible drainage problems, identify possible solutions and propose tentative hydraulic improvements. The results shall be presented in an Initial Drainage Report submitted concurrent with the 30% design submittal.

12.1.2 The ENGINEER shall prepare a Final Drainage Report, pursuant to comments and approval of the Initial Drainage Report, based on refined hydraulic structure selections and sizing. The report shall provide analysis of changes to existing flow patterns and the design of channels, culverts, storm drains and other drainage structures. The Final Drainage Report shall be submitted concurrent with the 60% design submittal.

12.2 The ENGINEER shall prepare designs and construction documents for drainage features including, but not limited to:

12.2.1 Drainage culverts

12.2.2 Catch basins, manholes and connector pipes

12.2.3 Drainage Pipe and Concrete Box Culvert Summary Sheets

12.2.4 Drainage details

12.2.5 Drainage culvert profiles

12.2.6 Retention Basins

12.2.7 Permanent Erosion Control Plans and Details

12.2.8 ENGINEER shall review drainage patterns of side streets up to 300 feet adjacent to the project to insure existing drainage patterns are not altered

13. IRRIGATION DESIGN

13.1 Private Irrigation Design - ENGINEER shall prepare designs and construction documents for private irrigation facility features including, but not limited to:

13.1.1 Ditch and/or pipe relocation

13.1.2 Turnout, gate or valve structure relocation

13.1.3 Special details

13.2 Salt River Project Irrigation Design:

The irrigation design shall be coordinated with the the Salt River Project (SRP) representative(s) for modifications to their irrigation system. The ENGINEER will support the PM/CM, if applicable and Contractor in obtaining a permit to construct from SRP.

14. STRUCTURES DESIGN – ALLLOWANCE ITEM

14.1 The ENGINEER shall prepare designs and construction documents for structures within the project limits that are consistent with all current ADOT and AASHTO design criteria for walls. Structures plans shall be developed to include the following:

14.1.4 Foundation data

14.1.5 Wall layout

14.1.6 Typical wall cross sections and details

14.2 A 6' to 8' high standard block wall will be designed along the west property line to replace the existing view fence to provide noise reduction to condos close to the property line.

15. LANDSCAPE AND LANDSCAPE IRRIGATION DESIGN

15.1 The ENGINEER shall prepare designs and construction documents for landscape and landscape irrigation within the project limits that are consistent with GILBERT Landscape and Character Area guidelines and in accordance with direction provided by GILBERT and PM/CM, if applicable, during design. The design will address the roadway median islands and outside limits to the ROW including the multi-use easements where applicable. Landscaping plans shall be included with each submittal beginning with the 60% design submittal, and shall include at a minimum:

15.1.1 Legends with all plant material and irrigation symbols defined, quantity summaries and material requirements

15.1.2 Planting plans with plant palette and locations

15.1.3 Planting and groundcover details

15.1.4 Curbing or header layout, locations and details

15.1.5 Paver or asphalt stamping layout, locations and details

15.1.6 Controller, meter and backflow prevention device locations and details

15.1.7 Valve key showing valve type, controller station, size and flow

15.1.8 Electric point of service location for each controller

15.1.9 General and construction notes

15.2 The ENGINEER shall design landscaping and irrigation improvements within the area bounded by the east right-of-way line on Ash Street to the west property boundary along with new retention basins. All other landscaping will be completed with the staging area phase.

16. SIGNING DESIGN

16.1 The ENGINEER shall prepare designs and construction documents for signing for the roadways within the project limits that are consistent with current signing practice and in conformance with the Manual on Uniform Traffic Control Devices (MUTCD) and Town of Gilbert standards.

16.2 Non-standard signs shall be detailed on the project plans following the formats given in the above referenced documents. A signing summary, a detailed summary of quantities, and any Special provisions shall be included with each submittal beginning with 60% design submittal.

16.3 Signing shall be included on the pavement marking plans.

17. PAVEMENT MARKING DESIGN

17.1 The ENGINEER shall prepare design and construction documents for permanent pavement marking of the roadways within the project limits in conformance to the requirements of the MUTCD. Types of marking or delineation materials will be in accordance with GILBERT standards.

17.2 A graphical representation of the roadway pavement marking layout shall be provided at the 30% design submittal to allow verification of the geometric design in relationship to the desired marking configuration.

17.3 Permanent pavement marking of the roadways within the project limits shall be shown to include center, edge and lane line striping, stop lines, crosswalks, arrows, legends and symbols, raised or recessed pavement markers, object markers, delineation or other markings as may be consistent with the needs of the project with each submittal beginning with 60% design submittal.

17.4 A detailed summary of quantities and marking Special provisions shall be included with each submittal beginning with 60% design submittal.

18. STREET LIGHTING

18.1 The ENGINEER shall coordinate with APS for the design and construction documents for street lighting within the project limits in accordance with current GILBERT standards. Street lighting plans shall be included with each submittal beginning with the 60% design submittal, and shall include at a minimum:

18.1.1 Lighting layout including poles, conduit and pull boxes

18.1.2 Light pole stationing with offset dimensions

18.1.3 Electric points of service for street lighting

18.1.4 General and construction notes

18.2 Street Lighting for this project will be located along the west side of Ash Street from the Western Canal to Juniper Avenue and along the south side of Juniper Avenue. Lights will not be installed along the east side of Ash Street and lights already exist on the north side of Juniper Avenue.

18.3 Street Lighting shall be in accordance with the Downtown Heritage District guidelines with poles and fixtures matching existing street lighting located next to the Town's newly constructed parking structure.

19. COST ESTIMATES

19.1 The ENGINEER will prepare detailed quantity summaries and construction cost estimates in the format provided by the PM/CM, if applicable, or GILBERT at the 30%, 60%, 95% and 100% design submittals.

19.2 The ENGINEER will support the PM/CM, if applicable, or GILBERT value evaluation and value engineering processes. The ENGINEER shall incorporate the PM/CM, if applicable, or GILBERT'S comments and suggestions unless the ENGINEER believes the comments do not conform to good engineering practice.

19.3 Allowances for design, bidding or construction, if included in the estimate, are to be shown as individual line items, with the percentage and base of calculation clearly identified.

20. SPECIFICATIONS

20.1 The ENGINEER shall develop technical specifications for the project in a format that follows the Maricopa Association of Governments (MAG) format. Specifications shall be developed as follows:

20.1.1 Schematic Design (30%) – List the technical Specification sections to be included in the Contract Documents.

20.1.2 Design Development (60%) – Include a paragraph summary of all technical Specification sections.

20.1.3 Construction Documents (95-100%) – Provide the complete technical Specification package suitable for constructing the project.

21. SPECIAL PROVISIONS

21.1 The ENGINEER shall assist the PM/CM in the development of, if applicable, or shall prepare the Special provisions for items, details, and procedures not adequately covered by Maricopa Association of Governments (MAG) Uniform Standard Specifications for Public Works Construction, Town of Gilbert Supplements, Maricopa County Department of Transportation Supplements, Arizona Department of Transportation Standard Specifications for Road and Bridge Construction and other specifications identified by GILBERT. Special provisions will be provided at the 60%, 95% and 100% Submittals.

21.2 The ENGINEER shall assist the PM/CM in identification of, if applicable, or shall identify critical elements of construction, including but not limited to, construction limits, access requirements, potential night construction, coordination with affected local agencies (police, fire, etc.), traffic lanes open, utility trench close ups, and critical materials requiring advanced purchase.

22. BID SCHEDULE

The ENGINEER shall assist the PM/CM in the development of, if applicable, or shall prepare the Bid Schedule for all items determined to be pay items for the project. Bid Schedules will be prepared in GILBERT'S standard format and will be provided at the 60%, 95% and 100% Submittals.

23. REVIEWS AND SUBMITTALS

23.1 Review and coordination of the ENGINEER'S work by the PM/CM, if applicable, or GILBERT will continue through the project development process.

23.2 Submittals for review shall be made when the studies and/or plans have been developed to the following levels of completion:

23.2.1 Pre-design Documents

23.2.2 30% design

23.2.3 60% design

23.2.4 95% design

23.3 The ENGINEER shall distribute copies of the review submittals and finalized documents per the PM/CM, if applicable, or GILBERT'S instructions. For each review submittal, the ENGINEER shall coordinate the method of distribution and review comment return deadline with the PM/CM, if applicable, or GILBERT in advance so as to ensure thorough and timely reviews of deliverables.

23.4 GILBERT'S review of submittals will include technical content, incorporation of previous comments and completion of design and details, as well as:

23.4.1 Conformance with GILBERT requirements.

23.4.2 Completeness of the contract documents.

23.4.3 Compatibility of plans, specifications, and Special provisions.

23.4.4 Coordination between disciplines, phases and outside parties.

23.4.5 Clarity of the contract documents.

23.4.6 Consistency of presentation.

23.4.7 Return any documents and other materials provided for use on this project.

24. DELIVERABLES

24.1 All reproduction is to be provided by Engineer and included as a reimbursable cost. The number of copies of each deliverable shall be confirmed with the PM/CM, if applicable, or GILBERT prior to delivery for reproduction, and shall be sufficient for the required full and half size sets for all GILBERT and outside agency and utility company reviewers. Deliverables for each submittal are as follows:

24.1.1 Thirty percent (30%) submittal – thirty percent (30%) working drawings, and required reports.

24.1.2 Sixty percent (60%) submittal – sixty percent (60%) working drawings, specifications, Special provisions, and required reports.

24.1.3 Ninety Five percent (95%) submittal – ninety five percent (95%) working drawings, specifications, engineering calculations, Special provisions and bid schedule.

24.1.4 Final (100%) Submittal – final drawings, specifications, engineering calculations, Special provisions and bid schedule.

24.2 At each submittal ENGINEER shall provide the following:

24.2.1 A statement indicating any authorized changes made to the program from the last submittal.

24.2.2 A statement certifying that the deliverables were reviewed using the ENGINEER'S QA/QC program prior to submittal.

24.2.3 Project Design File including all correspondence, meeting, back check comments, checklists, calculations, etc. to date.

24.2.4 Statement of requirements for testing and inspection of service for compliance with construction documents and applicable codes.

D. BIDDING PHASE

1. ENGINEER shall participate in a Pre-bid conference conducted by the CM and respond to questions related to the design of the Project and the Contract Documents.

2. ENGINEER shall prepare and publish addenda to the bid documents as required.

3. ENGINEER shall assist the CM in evaluating bids and preparing a recommendation to GILBERT.

E. CONSTRUCTION PHASE

1. ENGINEER shall participate in the Pre-Construction Conference. Meeting coordination and minutes shall be provided by the PM/CM.

2. The ENGINEER will coordinate with the Contractor to answer/resolve any design related questions or issues that arise. The PM/CM will coordinate all post design services and will act as the initial contact for construction phase questions.

3. If requested, ENGINEER shall participate in meetings with the Contractor. Meeting coordination and minutes shall be provided by the PM/CM.

4. ENGINEER shall review submittals transmitted to the PM/CM and forwarded to ENGINEER for shop drawings, project information, shop and mill test results and alternate products for compliance with the Contract Documents. The PM/CM shall provide a written estimate of time required to respond to the submittal at the time the PM/CM forwards the submittal to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify the PM/CM in writing and advise of the reason ENGINEER believes the estimate is in error. Upon review, submittals shall be marked with appropriate comments by ENGINEER on all copies. Reviewed submittals shall be returned to Contractor via the PM/CM for action.

5. ENGINEER shall respond to Requests for Information forwarded to ENGINEER by the PM/CM. ENGINEER shall issue, as necessary, written and verbal interpretations and clarifications of the Contract Documents. ENGINEER shall prepare sketches to clarify Contract Documents where necessary. The PM/CM shall provide a written estimate of time required to respond to the Request for Information at the time the PM/CM forwards the Request to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify the PM/CM in writing and advise of the reason ENGINEER believes the estimate is in error.

6. The ENGINEER shall correct any errors discovered in the plans and specifications and supplemental drawings. ENGINEER shall not be compensated for such services.

7. The ENGINEER shall respond to requests for change orders forwarded by the PM/CM and provide written recommendations to the PM/CM for change orders. This work will involve ENGINEER'S comments on change order memos and preparation of necessary sketches, if required. The PM/CM shall prepare the change order documents. PM/CM shall provide a written estimate of time required to respond to the request for change order at the time the PM/CM forwards the request to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify the PM/CM in writing of the reason ENGINEER believes the estimate is in error.

8. ENGINEER shall respond to requests from the PM/CM for recommendations regarding Work Change Directives. All design and engineering questions and revisions will be forwarded to ENGINEER by the PM/CM for ENGINEER'S written recommendation. The PM/CM shall provide a written estimate of time required to respond to the request for regarding Work Change Directive at the time PM/CM forwards the request to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify PM/CM in writing of the reason ENGINEER believes the estimate is in error.

9. ENGINEER will provide opinions and milestone observations in writing to the PM/CM regarding compliance with plans and specifications for improvements that are observed by the ENGINEER at the time of the ENGINEER'S site visits. ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work. Nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor or safety precautions and programs incident to the work of Contractor or for any failure of Contractor to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor furnishing and performing work. Accordingly, ENGINEER can neither guarantee the performance of the construction contracts by Contractor nor assume responsibility for Contractor's failure to furnish and perform work in accordance with the Contract Documents. However, if during a milestone inspection, ENGINEER observes a construction means, method, technique, sequence or procedure which will delay the work or cause a defect in the work, ENGINEER shall immediately report such information to the PM/CM.

10. ENGINEER shall attend technical meetings with GILBERT, PM/CM, and/or Contractor regarding instrumentation and control or other highly technical equipment installation and operational issues.

F. POST CONSTRUCTION PHASE

1. SUBSTANTIAL COMPLETION INSPECTION

The ENGINEER shall participate in a substantial completion inspection, prepare a punch-list of items noted during the walk-through, and transmit these to the PM/CM.

2. FINAL COMPLETION INSPECTION

The ENGINEER shall participate in a final completion inspection, ensure that the substantial completions punch-list items have been completed, and transmit his final comments to the CM.

3. RECORD DRAWINGS

As required by the Contract Documents, CM shall receive from the Contractor **certified** red-line construction record drawings and shall transmit these documents to the ENGINEER. Upon receipt of the red-line construction record drawings, ENGINEER shall prepare the as-built drawings on original mylars using information provided on the **certified** Contractor red-line drawings. Upon completion of the as-built drawings, ENGINEER shall submit the as-built drawings to the CM who is responsible for certifying the record drawings.

4. WARRANTY INSPECTION

The ENGINEER shall participate in the warranty inspection, generate comments resulting from that inspection, and transmit them to the PM/CM.

EXHIBIT B
ENGINEER'S KEY PERSONNEL AND SUBCONTRACTORS

ENGINEER'S KEY PERSONNEL:

Randy Weyrauch – Project Manager

Kevin Thomas – Project Engineer

Eric Watkins – Drainage Engineer

Gordon Grandy – Right-of-Way

SUBCONTRACTORS:

Ken Ricker – Geotechnical Engineer

Carl Sitterley – Surveyor

Scott Wright – Electrical Engineer

Art Mehler – SUE Investigator

Aaron Allan – Landscaping / Irrigation

Teresa Makinen – Public Outreach

EXHIBIT C
SCHEDULE OF WORK

Promptly after the execution of this Agreement, the ENGINEER shall prepare and submit for approval to GILBERT a Schedule of Work showing the order in which ENGINEER proposes to carry our ENGINEER'S work. The schedule shall apply to the completion of all services listed hereunder within the times established by this Agreement. The Schedule shall be in the form of a progress chart clearly delineating all important increments and review dates. ENGINEER shall update the Schedule of Work on a monthly basis and deliver to GILBERT along with the monthly billing.

1. ENGINEER shall complete all work and services required under the Pre-Design Services within 20____ working days after written authorization from GILBERT to proceed.

2. ENGINEER shall complete all work and services required under the Design Services within 80____ working days after receipt of a written authorization from GILBERT to proceed.

3. ENGINEER shall complete all work and services required under Bidding Phase within _20___ working days after receipt of a written authorization from GILBERT to proceed.

4. ENGINEER shall complete all work and services required under Construction Phase within _80___ working days after receipt of a written authorization from GILBERT to proceed. Excluded from this duration is the time associated with the construction document back-check stage.

5. ENGINEER shall proceed with all work and services required under the Post-Construction Phase, upon the commencement of construction, and shall continue through completion and acceptance of the Project by GILBERT.

The durations stated above exclude the review periods required by GILBERT and all other regulatory agencies.

All times to complete tasks set forth in this Exhibit are of the essence. If delays in schedules are imposed by GILBERT'S inability to comply with requested meeting schedules, ENGINEER shall maintain the right to request an adjustment in schedule if deemed necessary to meet the deadlines set forth in this Exhibit. If approved, such extensions shall be authorized in writing by GILBERT.

EXHIBIT D
PAYMENT SCHEDULE

A. COMPENSATION

1. The consideration of payment to ENGINEER, as provided herein shall be in full compensation for all of ENGINEER'S work incurred in the performance hereof, including offices, travel, per diem or any other direct or indirect expenses incident to providing the services.

2. Such amount shall be based upon the Schedule attached hereto

B. METHOD OF PAYMENT

1. Invoices shall be on a form and in the format provided by GILBERT and are to be submitted to GILBERT via GILBERT'S authorized representative.

2. Upon receipt and approval of ENGINEER'S invoices, GILBERT agrees to make payments within thirty days of receipt of the invoice as follows:

Phase	Cumulative Amount

C. REIMBURSABLE COSTS

ENGINEER will be reimbursed for expenses up to a maximum amount of $1,092.00. All reimbursable costs must be submitted with monthly bill. The items allowable for reimbursement are as follows:

1. Cost of transportation. (Mileage associated with Project, but not to/from Project site at 0.56 cents per mile**.** Any out of state travel must receive prior approval of GILBERT.)

2. Costs of outside printing services, as required by the contract.

3. Cost of long distance telephone, postage, courier, UPS, Federal Express, etc. to the extent such item is specifically quantified and estimated for this project.

4. Cost of other items as required, with prior approval from GILBERT.

EXHIBIT E
CHANGE ORDER NO. _____
(A/E and/or PM/CM)

PROJECT: Ash Street Extension
DATE:
OWNER: Town of Gilbert
PROJECT NO:
CONTRACT NO:
CONTRACT DATED:
A/E: NFra Inc.
PM/CM: (Name)

CHANGES: The CONTRACT is changed as follows: (Insert brief description)

_____
_____
_____

COST/TIME: Original CONTRACT SUM: $_____

Previously Authorized CHANGE ORDERS: $_____

CONTRACT sum prior to this CHANGE ORDER: $_____

CHANGE ORDER # Amount: $_____

New CONTRACT SUM: $_____

CONTRACT TIME will be increased by:

SUBSTANTIAL COMPLETION as of this Change Order:

Approved/Accepted by:

A/E _____
(Name) (Date)

PM/CM _____
(Name) (Date)

GILBERT: _____
(Name) (Date)

Not valid until signed by GILBERT and/or A/E and/or PM/CM. Signature of A/E and/or PM/CM indicates acceptance, including CONTRACT SUM and CONTRACT TIME.

ARCHITECTURAL/ENGINEERING (A/E) SERVICES CONTRACT FOR DESIGN-BID-BUILD (DBB) PROJECT

THIS CONTRACT is entered into as of this _____ day of _____, 20___, by and between the Town of Gilbert, Arizona, a municipal corporation, hereinafter referred to as the "GILBERT" and NFra Inc, hereinafter referred to as the "A/E."

FOR THE PURPOSE of providing professional architectural or engineering services for the Town of Gilbert on the Ash Extension project, hereinafter referred to as the "Project," GILBERT and A/E do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of the A/E: In consideration of the mutual promises contained in this Agreement ("Services"), GILBERT engages the A/E to render professional services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services: The A/E shall do, perform and carry out in a satisfactory and proper manner, as determined by GILBERT, the Services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work for this Project is set forth in Exhibit A. At a minimum, construction documents shall conform to the following standards: (i) all plans (of the same type) shall be drawn at the same scale, (ii) the correct information shall be shown the least number of times, (iii) all plans shall have the same orientation, (iv) consistent terminology shall be used between the plans and specifications, (v) vague notes (such as "see architectural" or "see structural") shall be avoided and cross references shall be specific, (vi) match line locations shall be consistent in all descriptions, (vii) wall sections on the same sheet shall be shown at relative elevations to each other and (viii) references to "by others" shall be avoided and specific responsibilities shall be set forth. Construction documents shall satisfy all applicable standards of the industry for complete documents necessary to construct a fully operational and functional facility. A/E shall take measures necessary to comply with this requirement prior to final submittal to GILBERT. Incomplete items shall be completed by the A/E at its cost.

1.3 Responsibility of the A/E

1.3.1 A/E hereby agrees that the specifications and Contract Documents prepared by A/E will fulfill the purposes of the Project, shall meet all applicable code requirements and shall comply with applicable laws and regulations. In addition, and not as a limitation on the foregoing, such specifications and contract documents and all other documents prepared by A/E shall be prepared in accordance with professional architectural or engineering standards, as applicable. Any review or approval of said specifications and Contract Documents does not diminish these requirements.

1.3.2 GILBERT's construction budget for this Project is $1,318,000. A/E shall tour the Project site and become familiar with existing conditions, including utilities, prior to commencing the Services and notify GILBERT of any constraints associated with the Project site. During design, A/E shall maintain cost controls to deliver the Project

within the construction budget. A/E shall complete the Schematic, Design Development, and Construction Documents, such that construction cost of the Project designed by A/E will not exceed the construction budget and shall not proceed from one phase to another unless the budget for the phase in is compliance with the construction budget or any approved revised construction budget. If at any time during the design of the Project it appears the cost of construction may exceed the construction budget, A/E shall immediately notify GILBERT. If the construction budget is exceeded, A/E shall value engineer the Project at no additional cost to GILBERT. As used herein, "cost of construction" shall mean the total cost or estimated cost to GILBERT of all elements of the Project designed or specified by A/E, but does not include the compensation of the A/E and the A/E's subcontractor or consultants.

1.3.3 If GILBERT retains a Construction Manager for the Project, A/E shall cooperate with the construction manager during the design phase in the performance of constructability reviews and value engineering studies. A/E shall incorporate construction manager's comments into the construction documents at no additional cost to GILBERT; provided however, that if A/E believes such comments should not be incorporated, A/E shall notify construction manager of the reason the comments were not incorporated. Nothing in this paragraph shall authorize construction manager to design the Project and A/E shall remain solely responsible for the design of the Project.

1.3.4 A/E shall perform the Services under this Agreement with the assistance of Computer Aided Design Drafting (CADD) Technology. A/E shall deliver to GILBERT, on request, the tape and/or his disc format and the name of the supplier of the software/hardware necessary to use the design file. In order to document exactly what CADD information was given to GILBERT, A/E and GILBERT shall each sign a "hard" copy of reproducible documents that depict this information at that time. GILBERT agrees to release A/E from all liability, damages, and/or for claims that arise due to any changes made to this information subsequent to it being given to GILBERT.

1.3.5 A/E shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.6 A/E shall designate **Randy Weyrauch P.E** as Project Manager and all communications shall be directed to him. Key A/E Personnel are set forth in Exhibit B. "Key Personnel" includes the A/E employee who will place his license number and signature on key documents and those employees who have significant responsibilities regarding the Services and Project. Prior to changing such designation A/E shall first make a written request to and obtain the approval of GILBERT.

1.3.7 A/E's subcontracts are set forth in Exhibit B attached hereto and made a part hereof. Any modification to the list of Subcontractors on Exhibit B, either by adding, deleting or changing subcontractors, shall require the written consent of GILBERT.

1.3.8 A/E shall obtain its own legal, insurance and financial advice regarding A/E's legal, insurance and financial obligations under this Agreement.

1.3.9 A/E shall provide required reports on the progress of the Services and the design budget to GILBERT or, if a separate Construction Manager is retained by GILBERT, then such

reports shall be provided to the Construction Manager. A/E shall coordinate its activities with GILBERT's representative and Construction Manager, if any.

1.4 Responsibility of GILBERT

1.4.1 GILBERT shall cooperate with the A/E by placing at his disposal all available information concerning the site of the Project, including all previous plans, drawings, specifications, and design and construction standards; assistance in obtaining necessary access to public and private lands; legal, accounting, and necessary permits and approval of governmental authorities or other individuals. GILBERT agrees to obtain its own legal, insurance and financial advice GILBERT may require for the Project.

1.4.2 GILBERT shall provide A/E with the budget for the Project in order that preparation of the Contract Documents will be consistent with such budget.

1.4.3 GILBERT shall provide A/E with any technical requirements of GILBERT, which shall be incorporated into the specifications and Contract Documents.

1.4.4 GILBERT designates **Ryan Blair** as its Project Representative. All communications from GILBERT to PM/CM, the architect or engineering firm and the construction contractor ("Construction Contractor") shall be directed to the Project Representative.

2. CONTRACT TIME AND CONTRACT SUM

2.1 Contract Time: The Contract Time and any applicable schedule of Services are set forth in Exhibit C.

2.2 Contract Sum: The Basis of Compensation to A/E for Services rendered under this agreement is set forth in Exhibit D and as follows:

2.2.1 A fee for all approved project labor not to exceed one hundred twenty-two thousand, fifty-five dollars ($122,055). The labor hours and fee breakdown is indicated in Exhibit D. This breakdown outlines the various positions, billing rates for each position and the estimated hours for each project task for each position during the contract duration.

2.2.2 A fee for all approved project expenses not to exceed one thousand, ninety-two dollars ($1,092). Allowable reimbursable expenses are indicated in Exhibit D. A/E will not exceed the reimbursable expenses allowance of each line item without prior written authorization.

2.2.3 The total cost to GILBERT for the Services described in this Agreement shall not exceed one hundred twenty-three thousand, one hundred forty-seven dollars ($123,147) (sum of labor and expenses) without the written agreement of GILBERT.

2.3 Method of Payment: Method of payment shall be set forth in Exhibit D. Payment to be made by GILBERT to A/E for the cost of providing services will be based on monthly invoices which will set forth the hours actually worked during the billing period. The billing rates indicated in Exhibit D-1 will be applied against the actual hours for each position to arrive at the total fee for each month. Reimbursable expenses incurred during the billing period and during previous

billing periods and not yet invoiced will be submitted for payment on the monthly invoice along with expense receipts and other acceptable back-up. All payment requests shall be certified by the A/E's Project Manager and shall be accompanied by a progress report indicating the work completed during the previous month(s), including the project progress to date by tasks as a percentage (%) of the total of each individual project task. All invoices shall be for Services completed.

3. CHANGES TO THE SCOPE OF SERVICES

3.1 Change Orders: GILBERT may, at any time, by written change order, make changes in the Scope of Work. A form of change order is attached hereto as Exhibit E. If A/E believes a change in the Scope of Work has been ordered, A/E shall submit a request for a change order in writing within ten (10) days from the date of receipt by A/E of notice of the change. It is distinctly understood and agreed by the parties that no claim for extra services provided or materials furnished by A/E will be allowed by GILBERT except as provided herein nor shall A/E provide any services or furnish any materials not covered by this Agreement unless GILBERT first approves in writing.

4. INSURANCE REPRESENTATIONS AND REQUIREMENTS

4.1 General: A/E agrees to comply with all GILBERT ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of A/E, A/E shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to GILBERT. Failure to maintain insurance as specified may result in termination of this Agreement at GILBERT's option.

4.2 No Representation of Coverage Adequacy: By requiring insurance herein, GILBERT does not represent that coverage and limits will be adequate to protect A/E. GILBERT reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve A/E from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

4.3 Additional Insured: All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

4.4 Coverage Term: All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily

performed, completed and formally accepted by GILBERT, unless specified otherwise in this Agreement.

4.5 Primary Insurance: A/E's insurance shall be primary insurance. All insurance, except Workers' Compensation and Professional Liability, shall provide protection of GILBERT as an Additional Insured.

4.6 Claims Made: In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.

4.7 Waiver: All policies, except Workers' Compensation Insurance and Professional Liability, shall contain a waiver of rights of recovery (subrogation) against GILBERT, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of A/E. A/E shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

4.8 Policy Deductibles and or Self Insured Retentions: The policies set forth in these requirements may provide coverage, which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to GILBERT. A/E shall be solely responsible for any such deductible or self-insured retention amount. GILBERT, at its option, may require A/E to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

4.9 Use of Subcontractors: If any Services under this Agreement are subcontracted in any way, A/E shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting GILBERT and A/E. A/E shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

4.10 Evidence of Insurance: Prior to commencing any Services under this Agreement, A/E shall furnish GILBERT with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by A/E's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Acceptance of and reliance by GILBERT on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Risk Manager. If any of the above cited policies expire during the life of this Agreement, it shall be A/E's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

4.10.1 GILBERT, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

A. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent
B. Auto Liability-Under ISO Form CA 20 48 or equivalent
C. Excess Liability-Follow Form to underlying insurance

4.10.2 A/E's insurance shall be primary insurance as respects performance of this Agreement.

4.10.3 All policies, except Workers' Compensation and Professional Liability, waive rights of recovery (subrogation) against GILBERT, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by A/E under this Agreement.

4.10.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

4.10.5 Project descriptive information including:

A. Project Name
B. Project Number
C. Contract Number

4.11 Required Coverage

4.11.1 Commercial General Liability: A/E shall maintain "occurrence" form Commercial Liability Insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate, and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

4.11.2 Professional Liability: A/E shall maintain Professional Liability insurance covering errors and admissions arising out of the Services performed by A/E, or anyone employed by A/E, or anyone for whose acts, mistakes, errors and omissions A/E is legally liable, with an unimpaired liability insurance limit of $1,000,000 each claims and $2,000,000 all claims. Professional Liability coverage specifically for Architects, Engineers and Surveyors shall contain contractual liability insurance covering the contractual obligations of this Agreement. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three (3) years past completion and acceptance of the Services, and A/E shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.

4.11.3 Vehicle Liability: A/E shall maintain Business Automobile Liability Insurance with a limit of $1,000,000 each occurrence on A/E's owned, hired, and non-owned vehicles assigned to or used in the performance of the A/E's Services under this Agreement. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, GILBERT, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

4.11.4 Workers' Compensation Insurance: A/E shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of A/E's employees engaged in the performance Services under this Agreement and shall also maintain Employer Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

5. INDEMNIFICATION

5.1 To the fullest extent permitted by law, A/E, its successors and assigns shall indemnify and hold harmless GILBERT, its officers and employees from and against all liabilities, damages, losses and costs (including reasonable attorney fees and court costs) to the extent caused by the negligence, recklessness or intentional wrongful conduct of A/E or other persons employed or used by the A/E in the performance of this Agreement. A/E's duty to indemnify and hold harmless GILBERT, its officers and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting there from, caused by A/E's negligence, recklessness or intentional wrongful conduct in the performance of this Agreement and the negligence, recklessness or intentional wrongful conduct of any person employed by A/E or used by A/E in the performance of this Agreement.

5.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall

not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

6. TERMINATION OF THIS AGREEMENT

6.1 Termination: GILBERT may, by written notice to the A/E, terminate this Agreement in whole or in part with seven (7) days notice, either for GILBERT's convenience or because of the failure of the A/E to fulfill his contract obligations. Upon receipt of such notice, the A/E shall: (1) immediately discontinue all Services affected (unless the notice directs otherwise), and (2) deliver to GILBERT copies of all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by the A/E in performing this Agreement, whether completed or in process. This Agreement may be terminated in whole or in part by the A/E in the event of substantial failure by GILBERT to fulfill its obligations.

6.2 Payment to A/E Upon Termination: If the Agreement is terminated, GILBERT shall pay the A/E for the Services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

7. ASSURANCES

7.1 Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the A/E for Services to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the A/E of the A/E's obligations under this Agreement and any Regulations relative to nondiscrimination on the grounds of race, color or national origin.

7.2 Examination of Records: The A/E agrees that duly authorized representatives of GILBERT shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of the A/E involving transactions related to this Agreement.

7.3 Ownership of Document and Other Data: Original documents, such as tracings, plans, specifications, maps, basic survey notices and sketches, charts, computations, and other data prepared or obtained under the terms of this Agreement or any change order are and will remain the property of GILBERT unless otherwise agreed to by both parties. GILBERT may use such documents for other purposes without further compensation to the A/E; however, any reuse without written verification or adaptation by A/E for the specific purpose intended will be at GILBERT's sole risk and without liability or legal exposure to A/E. Any verification or adaptation of the documents by A/E for other purposes than contemplated herein will entitle A/E to further compensation as agreed upon between the parties.

7.4 Litigation: Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, that all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

7.5 Independent Contractor: A/E shall be an independent contractor and not an agent of GILBERT and shall direct and supervise the Services required by this Agreement and shall be responsible for all means, methods, techniques, sequences and proceedings associated with the Services and shall be responsible for the acts and omissions of its employees, agents and other persons performing any of the Services under a contract with the A/E.

7.6 Exclusive Use of Services – Confidentiality: The services agreed to be provided by A/E within this Agreement are for the exclusive use of GILBERT and A/E shall not engage in conflict of interest nor appropriate GILBERT work product or information for the benefit of any third parties without GILBERT consent.

7.7 Sole Agreement: There are no understandings or agreements except as herein expressly stated.

7.8 Caption: Paragraph captions are for convenience only and are not to be construed as a part of this Agreement; and in no way do they define or limit the Agreement.

7.9 Time is of the Essence: The timely completion of the Project is of critical importance to the economic circumstances of GILBERT.

7.10 Controlling Law: This Agreement is to be governed by the laws of the State of Arizona.

7.11 Immigration Law Compliance Warranty:

7.11.1 As required by A.R.S. § 41-4401, A/E hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A/E further warrants that after hiring an employee, A/E verifies the employment eligibility of the employee through the E-Verify program.

7.11.2 If A/E uses any subcontractors in performance of the Services, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program.

7.11.3 A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. A/E is subject to a penalty of $100 per day for the first violation, $500 per day for the second violation, and $1,000 per day for the third violation. Gilbert at its option may terminate the Contract after the third violation. A/E shall not be deemed in material breach of this Contract if the A/E and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A).

7.11.4 Gilbert retains the legal right to inspect the papers of any A/E or subcontractor employee who works on the Contract to ensure that the A/E or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times.

7.11.5 If state law is amended, the parties may modify this paragraph consistent with state law.

7.12 Equal Treatment of Workers: A/E shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. A/E shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). A/E shall protect and indemnify GILBERT and its representatives against any claim or liability arising form or based on the violation of such, whether by A/E or its employees.

7.13 Notices: Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

GILBERT:	A/E:
Gregory Smith, PE, PS Town Engineer Town of Gilbert 90 East Civic Center Drive Gilbert, Arizona 85296	Randy Weyrauch Project Manager NFra Inc 77 E Thomas road, Suite 200 Phoenix, AZ 85012

The address may be changed from time to time by either party by serving notices as provided above.

8. SUSPENSION OF WORK

8.1 Order to Suspend: GILBERT may order the A/E, in writing, to suspend all or any part of the Services for such period of time as he may determine to be appropriate for the convenience of GILBERT.

8.2 Adjustment to Contract Sum: If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of GILBERT in the administration of this Agreement, or by its failure to act within the time specified in this Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance was suspended or delayed for any other cause, including the fault or negligence of the A/E, or (2) for which a change order is executed.

9. INTERESTS AND BENEFITS

9.1 Conflict of Interest of A/E: The A/E covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Services required to be performed under this Agreement. The A/E further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

9.2 Interest of GILBERT Members and Others: No officer, member or employee of GILBERT and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

9.3 Non-Solicitation: A/E agrees that it has not employed or retained any company or person, other than a bona fide employee working for A/E, to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this clause, GILBERT may terminate this Agreement without liability, or, in its discretion, deduct from the Contract Sum, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingency fee.

9.4 Notice Regarding A.R.S. § 38-511: Under Section 38-511, Arizona Revised Statutes, as amended, GILBERT may cancel any Agreement it is a party to within three (3) years after its execution and without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of GILBERT is, at any time while the Agreement or any extension thereof is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party to the Agreement with respect to the subject matter of the Agreement. In the event GILBERT elects to exercise its rights under Section 38-511, Arizona Revised Statutes, as amended, GILBERT agrees to immediately give notice thereof to the A/E.

10. ASSIGNABILITY

The A/E shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of GILBERT thereto; provided, however, that claims for money due or to become due to the A/E from GILBERT under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to GILBERT.

IN WITNESS WHEREOF, GILBERT and the A/E have executed this Agreement as of the date first written.

TOWN OF GILBERT

By: _____
John Lewis, Mayor

APPROVED AS TO FORM:

_____

ARCHITECT/ENGINEER

_____

By:_____

Title:_____

EXHIBIT A
ENGINEER SCOPE OF WORK
FOR DESIGN-BID-BUILD PROJECT

A. GENERAL

1. The Project is generally described as follows: Extend Ash Street from the Western Power Line Trail north to Juniper Avenue with a tie in connection to Heather Court to the west. Design improvements will include a 40' back of curb to back of curb roadway, drainage pipes and retention basin, new water and sewer lines, street lights and piping an open irrigation ditch. Curb, gutter and sidewalk will be added to the south side of Juniper Avenue to complete a continuous pedestrian path.

2. ENGINEER shall be responsible for the professional quality, technical accuracy and the coordination of all studies, reports, projections, master plans, designs, drawings, specifications and other Services furnished by ENGINEER under this Contract. ENGINEER shall, without additional compensation, correct or revise any errors or omissions in its studies, reports, projections, master plans, design, drawings, specifications and other Services.

3. The Contract sets forth the construction budget for the Project. ENGINEER shall complete the Design and Construction Documents, such that construction cost of the Project designed by ENGINEER will not exceed the construction budget and shall not proceed from one phase to another unless the budget for the phase is in compliance with the construction budget or any approved revised construction budget. If at any time during the design of the Project it appears the cost of construction may exceed the construction budget, ENGINEER shall immediately notify GILBERT. If the construction budget is exceeded, ENGINEER shall value ENGINEER the Project at no additional cost to GILBERT.

4. ENGINEER shall maintain a log of all meetings, site visits or discussions held in conjunction with the Services, with documentation of major discussion points, observations, decisions, question or comments. These shall be furnished to GILBERT or PM/CM if applicable, for inclusion in the overall Project documentation.

5. All Services performed under this Contract shall be performed by or under the direct supervision of persons then licensed in the State of Arizona to perform these Services. The name of each such licensed individual shall be listed on the title sheet of the Plans and Specifications.

6. All designs and specifications prepared by ENGINEER shall comply with applicable engineering and design standards to include, but not be limited to, MAG Standard Details and Specifications (current edition), Town of Gilbert Supplement to MAG Standard Details and Specifications (current edition), and the Americans with Disabilities Act, as determined by permitting agencies.

7. If ENGINEER provides defective, incomplete, unclear, or uncoordinated documents in preparing the specifications and Contract Documents, all costs of responding to any protest or appeal or of any necessary rebidding will be borne by ENGINEER.

8. ENGINEER shall attend three (3) public meetings/open houses for this project. The public meetings will be held after review of the 30% submittal, at the 95% submittal and approximately two (2) weeks prior to commencement of construction activities.
9. Time is of the essence in this contract.

B. PRE-DESIGN PHASE

1. PROJECT INITIATION

1.1 Upon final execution of the Contract with GILBERT, the ENGINEER shall:

1.1.1 Meet with GILBERT and its representatives to prepare a detailed design schedule. The ENGINEER shall produce the final design schedule prepared in Primavera compatible scheduling software, and shall forward the schedule to the PM/CM, if applicable, for inclusion in a Project Master Schedule.

1.1.2 This design schedule shall identify specific tasks including, but not limited to: interviews, data collection, required GILBERT filing standards, analysis, report preparation, planning, engineering programming, concepts and schematic design preparation, coordination and estimating that are part of the work of the Project. Also identified will be milestone activities or dates, specific task responsibilities, required times for completion and additional definition of deliverables including plan submittals to all utilities and permitting agencies.

1.1.3 Review the developed work plan with GILBERT and its representatives to familiarize them with the proposed tasks and design schedule and develop necessary modifications.

1.1.4 Participate in a general Project kick-off meeting to include the ENGINEER'S appropriate Sub-consultants, GILBERT staff Project Manager/Construction Manager (PM/CM) if applicable, and/or other stakeholders.

1.1.4.1 The project kick-off meeting will introduce key team members from GILBERT, the PM/CM and the ENGINEER to each other defining roles and responsibilities relative to the Project.

1.1.4.2 Identify and review pertinent information and/or documentation necessary from GILBERT for the completion of the Project.

1.1.4.3 Review and explain the overall project goals, general approach, tasks, work plan and procedures and deliverable products of the Project.

1.1.4.4 Review and explain the task analysis and project work plan for all parties present; determine any adjustments or fine tuning that needs to be made to the work plan.

1.1.4.5 Prepare and distribute minutes of the project kick-off meeting, or review and comment on minutes prepared by the PM/CM (if applicable) prior to distribution.

2. DEVELOPMENT OF engineering PROGRAM

Identify design issues relating to functional need, directives and constraints imposed by regulatory codes, complete design checklist as provided by GILBERT. The design of the Project shall take into consideration impacts of the Project on neighboring residential uses.

2.1 Complete GILBERT'S design information check list below:

2.1.1 Identify critical issues affecting project completion.

2.1.2 Identify significant site considerations.

2.1.3 Identify applicable permit requirements, code requirements, and GILBERT, County, State and Federal requirements.

2.1.4 Identify utility locations for all GILBERT and outside agency utilities impacting the project and develop a plan to address the conflicts.

2.1.5 Identify Railroad crossings that impact the project.

2.1.6 Check with GILBERT Town ENGINEER and Planning Department and identify plans for property development adjacent to the project and identify all planning and zoning stipulations for ROW and Easement dedications along with stipulations for developer construction and/or construction cost participation.

2.1.7 Check with the Town ENGINEER to determine if any property or Right of Way should be annexed.

2.1.8 Become familiar with GILBERT property acquisition requirements.

2.1.9 Review GILBERT "As Built" plans that impact the project.

2.1.10 Obtain a list of Special Issues and concerns from the GILBERT Program Manager for the project.

2.1.11 Determine if an Intergovernmental Agreement will be needed with the County, SRP or neighboring community for condemnation, cost sharing, or coordination.

2.2 Manage the design schedule and budget to meet GILBERT requirements.

2.3 Conduct engineering program meeting with the GILBERT selected project committee.

2.4 Prepare an overall planning map showing the proposed improvements for this project along with improvements for a temporary staging area that will be located between Ash Street and Gilbert Road at the south end of the property. Intent of the aerial planning map is to gain consensus from stakeholders on proposed improvements prior to final design beginning.

3. MEETINGS

During the Pre-Design Phase it is anticipated that approximately one (1) meeting per week will be convened between GILBERT, PM/CM, if applicable, and the A/E. Such meetings shall not exceed one (1) day in duration and will normally be held at the Municipal Complex in the Town of Gilbert. Documented decisions made at such meetings and subsequently approved by GILBERT shall be binding. These meeting notes shall be distributed within 48 hours of the

meeting. Any revisions or reconsiderations of such decisions shall constitute a change in the scope of services of the ENGINEER.

4. DELIVERABLES

ENGINEER shall present and review with GILBERT the summary and detail of the Pre-Design Phase Services work.

5. PROJECT CESSATION PROVISIONS

Upon completion of review and comments on the Functional and engineering Program Report, no further work shall be done unless and until GILBERT has approved the Pre-design Services Phase as complete and has given a written Notice to Proceed to A/E for the Design Services Phase.

C. DESIGN PHASE

1. GENERAL

1.1 The proposed improvements at each of these locations are more specifically described as follows:

1.1.1 This project will be delivered using a Design-Bid-Build method of procurement.

1.1.2 The ENGINEER shall be responsible for coordinating and consulting with GILBERT'S PM/CM (if applicable) during the design development and construction of this project.

1.1.3 During the Design Phase it is anticipated that progress meetings will be convened bi-weekly between the PM/CM, the ENGINEER, the CM@R, GILBERT and other project stakeholders. Such meetings will normally be held at the Municipal Complex at the Town of Gilbert. Documented decisions made at such meetings and subsequently approved by GILBERT shall be binding. These meeting notes shall be distributed within 48 hours of the meeting. Any revisions or reconsiderations of such decisions shall constitute a change in the scope of services of the ENGINEER.

1.2 The proposed improvements are more specifically described in the following paragraphs.

2. SURVEYS AND MAPPING

2.1 Topographic Survey

2.1.1 The ENGINEER shall provide topographic survey services for this project to prepare electronic CADD base files depicting existing topographic features.

2.1.2 The ENGINEER shall survey for horizontal and vertical control for topographic surveys and supplemental ground surveys.

2.2 Ground Survey

The ENGINEER shall provide ground survey services for this project. The work shall include providing horizontal and vertical control points for the topographic survey, providing cross sections of existing pavement, curb and concrete-lined canal ditches.

2.3 Utility Location Survey

2.3.1 The ENGINEER shall provide locations of existing utilities for this project. The work shall include locating overhead lines and poles, manholes, valves, meter boxes, risers, and underground utilities.

2.3.2 ENGINEER shall obtain necessary as-built information and perform potholing to adequately identify underground utilities.

2.4 Completed surveys and maps shall be recorded in an acceptable format and, upon approval, the books, maps, drawing files and other diskettes shall be submitted to the Town of Gilbert for archiving.

3. MATERIALS INVESTIGATION AND DESIGN

3.1 Geotechnical Investigation

3.1.1 The ENGINEER shall provide geotechnical services for this project. The ENGINEER shall perform test borings to determine subsurface conditions for the proposed new roadway, drainage features, pipe materials, etc.

3.1.2 The ENGINEER shall prepare a geotechnical investigation work plan and/or a boring plan to be submitted to the PM/CM for review and approval prior to proceeding with the work. The ENGINEER, with the assistance of the PM/CM, shall be responsible for obtaining all clearances and right-of-entry agreements prior to proceeding with the work.

3.1.3 The ENGINEER shall prepare a Materials Design Memorandum that summarizes the results of all data collection and presents recommendations for earthwork factors (shrink and swell), permanent and temporary cut and fill slope rates and stability, groundwater, pH and resistivity and soil permeability (percolation testing), as well as any high soil moisture content or high soil sulfate level locations for pipe material selection.

3.2. Pavement Design

The ENGINEER shall provide pavement designs based on information obtained from the geotechnical investigation. The pavement design shall be in accordance with the requirements of the GILBERT ENGINEER, the East Valley Asphalt Committee (EVAC) and the Arizona Department of Transportation Materials Preliminary engineering and Design (ADOT MPE&D) Manual. The recommendations for final pavement design shall be in the Pavement Design Summary section of the Materials Design Memorandum. These shall be evaluated along with GILBERT minimum pavement section requirements.

4. PUBLIC INFORMATION MEETINGS

The Town of Gilbert will be responsible for organizing and scheduling public information meetings. The ENGINEER shall allow for attendance and preparation of materials for open-house public information meetings over the course of design, occurring after the review of the 30% plans, at the 95% submittal, and approximately 2 weeks prior to start of construction. The ENGINEER shall be responsible for preparing presentation boards depicting the overall limits of the project, typical roadway sections, and landscaping details for the open-house meetings. The ENGINEER shall also be prepared to discuss impacts to traffic and access during construction. GILBERT will be responsible for any fees or costs associated with securing a venue for the open-house meetings as well as costs for advertisements or "fliers" to inform the public of these meetings.

5. RAILROAD COORDINATION – NOT APPLICABLE

5.1

6. UTILITY COORDINATION

6.1 The ENGINEER shall obtain as-built information, shall indicate existing utilities and planned relocations on construction plans, and shall assist the PM/CM, if applicable, with communication and coordination with the utility companies. Any relevant utility information shall be shown on the plans prior to submittal to utility companies for review. All work shall be performed in accordance with applicable agency and GILBERT standards.

6.2 The ENGINEER shall participate in utility coordination meetings led by the PM/CM, if applicable, at an agreed upon location as required. If there is no PM/CM, the ENGINEER and shall organize and lead the meetings and shall prepare and distribute meeting minutes to all attendees.

6.3 Existing Information

6.3.1 The ENGINEER shall use all available utility location information. This information shall be shown on the plans prior to submittal to the utility companies.

6.3.2 Identification of Utilities:

6.3.2.1 The ENGINEER shall contact Blue Stake to obtain the most current information about utilities having facilities within the project area. ENGINEER shall use this information to obtain utility as-built information from all the utility companies serving the project area, including from the Town of Gilbert. Some utilities may not be shown on Blue Stake records and may require a set of plans to determine potential conflicts.

6.3.2.2 The ENGINEER shall prepare an electronic CADD file depicting the horizontal locations of existing utilities both overhead and underground. The horizontal locations of the existing utilities shall be determined by the ENGINEER based on utility as-built information supplemented by utility location survey and horizontal designating.

6.3.2.3 Where elevations are necessary for the determination of conflicts, the ENGINEER shall provide a list of the possible conflict locations and conflicting utilities. This list shall be used for identification of potholing locations to provide accurate horizontal and vertical location of the utility following completion of 30% plans. The ENGINEER will perform potholing coordination with the PM/CM if applicable. Ten potholes have been included in the scope of work as an Allowance Item to be used as needed.

6.4 Utilities Conflicts and Adjustments

6.4.1 The ENGINEER shall determine any utility conflicts that require the utility to be relocated or adjusted, and shall advise the PM/CM, if applicable, or GILBERT.

6.4.2 The ENGINEER shall advise the PM/CM, if applicable, or GILBERT of relocations, replacements, or new facilities requested by the utility companies.

6.4.3 The ENGINEER, with assistance from the PM/CM if applicable, shall be responsible for reviewing relocation plans produced by utility companies to assure that utility conflicts are mitigated or eliminated and that proposed utility installations conform to GILBERT'S requirements.

6.4.4 At the request of the PM/CM, if applicable, or GILBERT, the ENGINEER shall verify that prior rights documentation submitted by the utility companies represent the correct relocation area.

6.4.5 Only the PM/CM, if applicable or GILBERT will authorize utility companies to start design on relocation of their facilities where they have prior rights and want reimbursement for their design.

6.5 Utility Special provisions & Clearance Letter

6.5.1 The ENGINEER, in coordination with the PM/CM, if applicable, shall prepare Utility Special provisions. The utility Special provisions shall include the following:

6.5.1.1 List of utility companies in the area, and contact person's name and telephone number.

6.5.1.2 A statement that there are no utility conflicts.

6.5.1.3 Work to be performed by utility companies during project construction.

6.5.1.4 Completion date or schedule for each utility conflict to be removed by utility company.

6.5.1.5 Work to be performed for the utility company by the Contractor.

6.5.1.6 Utility license, permit, insurance or right of entry requirements.

6.5.1.7 Utility company requirements related to protection of or construction adjacent to their facilities.

6.6 The ENGINEER shall assist the PM/CM, if applicable, in working with the utility companies to facilitate clearing of utilities. The PM/CM, if applicable, shall be responsible for preparing and

obtaining actual clearance/conflict letters. If there is no PM/CM, the clearance/conflict letters shall be the ENGINEER'S responsibility.

7. RIGHT-OF-WAY

7.1 The ENGINEER shall determine the requirements for new right-of-way (ROW) and easements, including, but not limited to, new roadway R/W, public utility easements, slope easements, drainage easements and temporary construction easements. The ENGINEER shall submit a written request to the PM/CM, if applicable, or GILBERT for copies of title reports for all affected parcels within three (3) weeks of the notice to proceed.

7.2 The ENGINEER shall submit the final ROW and easement requirements in writing to the PM/CM, if applicable, or GILBERT concurrent with the 30% design submittal. No revisions or additions to the ROW and easement requirements will be allowed after the 30% design submittal without the approval of GILBERT.

7.3 The new ROW requirements shall be submitted in writing to the PM/CM, if applicable, or to GILBERT for review and shall include the following as a minimum:

7.3.1 A letter indicating the project name, project number, contract number, project location, originator of report (Firm's Name), submittal date.

7.3.2 A plan of sufficient scale and detail to show the existing and proposed ROW and easements.

7.3.3 At the 30% design submittal, the new requirements shall be accurately defined with widths, lengths, stations, offsets, etc, and enough definition to identify all ownerships that will be affected. ENGINEER shall show all property lines, parcel numbers and parcel ownership on the project plans.

7.4 Appraisal and Acquisition Support

7.4.1 ENGINEER shall prepare all required right-of-way exhibits and legal descriptions associated with this project and submit to the PM/CM, if applicable or to GILBERT for review following approval of right-of-way requirements at the 30% submittal. Legal descriptions shall be sealed by an Arizona Registered Land Surveyor (RLS) and shall be in a format provided by and approved by GILBERT and acceptable to the Maricopa County Recorder's office for recording.

7.4.2 ENGINEER shall prepare a right-of-way strip map showing all required rights-of-way, property lines, parcel numbers, ownership and required right-of-way by type of acquisition for each property affected by the project. Right-of-way strip map shall be on 11x17 sheets and shall be provided concurrently with exhibits and legal descriptions.

7.4.3 ENGINEER shall field stake the proposed right-of-way, easements, and/or Temporary Construction Easements, at the direction of the PM/CM, if applicable, or GILBERT for completion of appraisals. Staking shall clearly delineate all new ROW and easements

clearly, with all stakes and lathe clearly visible, and will include all corners and angle points. The staking schedule shall be coordinated with the Appraiser.

7.5 Temporary Right of Entry Documents

A temporary right of entry document is required for entry to each parcel to conduct geotechnical investigations and design or construction survey work. The ENGINEER shall notify the PM/CM, if applicable, or GILBERT of the need for any temporary entry documents no later than ten (10) days after the notice to proceed. If required, the PM/CM, if applicable, or GILBERT will assist the ENGINEER in obtaining the appropriate owner's signature. The ENGINEER may not enter any such property prior to approval of the temporary entry documents by the Property Owner.

8. ROADWAY DESIGN

8.1 The ENGINEER shall prepare 30% Initial Design, 60% Preliminary Design, 95% Final Design, and 100% Construction Documents on Town of Gilbert standard sheets using AutoCAD format for the roadway improvements. All design shall comply with GILBERT standards and guidelines and shall be developed, at a minimum, in accordance with the requirements of the respective sections of this scope of work.

8.2 30% Initial Design Submittal. The following material shall be developed and submitted for review:

8.2.1 Final roadway geometry and preliminary roadway plan and profile sheets

8.2.2 Typical roadway sections

8.2.3 Initial drainage plans and details and Initial Drainage Report

8.2.4 Location of existing utilities and identification of initial utility conflicts

8.2.5 Initial location of proposed utilities

8.2.6 Initial development of intersection plans including basic geometry and channelization

8.2.7 Initial RWCD/SRP and/or private irrigation design (coordinate with utilities as required)

8.2.8 Initial bridge layout (general plan) – Not Applicable

8.2.9 Initial wall layout

8.2.10 Graphic layout of proposed pavement markings

8.2.11 Final ROW and easement requirements

8.2.12 Final Geotechnical Report and Pavement Design Memo

8.2.13 Initial roadway cross sections at one hundred (100) ft. intervals, as a minimum, with additional sections at breaks in the terrain

8.2.14 Final survey information

8.2.15 Initial summary of quantities

8.2.16 Specification section listing

8.2.17 30% ENGINEER'S construction cost estimate

8.3 60% Preliminary Design Submittal. The following material shall be developed and submitted for review:

8.3.1 Preliminary design sheet with index and general notes, summary sheets and special details

8.3.2 Pre-final roadway plan and profile sheets

8.3.3 Final typical roadway sections

8.3.4 Pre-final drainage plans and details and Final Drainage Report

8.3.5 Identification of final utility conflicts and preliminary plans of utility installations and/or relocations to be included in project construction

8.3.6 Preliminary special details

8.3.7 Pre-final intersection plan sheets

8.3.8 Pre-final RWCD/SRP and/or private irrigation plan sheets (coordinate with utilities as required)

8.3.9 Pre-final bridge plans – Not Applicable

8.3.10 Pre-final wall plans

8.3.11 Preliminary signing and pavement marking plans

8.3.12 Preliminary street lighting and traffic signal plans

8.3.13 Preliminary landscape and irrigation plans, summaries, and details and proposed sources of water and power

8.3.14 Preliminary roadway cross sections at one hundred (100) ft. intervals, as a minimum, with additional sections at breaks in the terrain

8.3.15 Preliminary Summary of quantities

8.3.16 Specification section paragraphs

8.3.17 Preliminary Bid Schedule

8.3.18 60% ENGINEER'S construction cost estimate

8.4 95% Final Design Submittal. The following final material shall be completed, checked and submitted for review:

8.4.1 Design sheet(s) with index and general notes

8.4.2 Summary sheets

8.4.3 Special details

8.4.4 Typical roadway sections

8.4.5 Roadway plan and profile sheets

8.4.6 Drainage plans and details

8.4.7 Utility installation/relocation plans and details to be included in project construction

8.4.8 Intersection plans and details

8.4.9 RWCD/SRP and/or private Irrigation plans and details (coordinate with utilities as required)

8.4.10 Bridge plans – Not Applicable

8.4.11 Wall plans

8.4.12 Signing and pavement marking plans

8.4.13 Street lighting and traffic signal plans, including interconnect

8.4.14 Landscape and irrigation plans and details

8.4.15 Roadway cross sections

8.4.16 Final summary of quantities

8.4.17 Final design calculations

8.4.18 Final specifications

8.4.19 Special Conditions

8.4.20 Final Bid Schedule

8.4.21 95% ENGINEER'S construction cost estimate

8.5 100% Construction Documents Submittal. The following material shall be submitted to GILBERT for completion of the project:

8.5.1 A complete reproducible set of sealed and signed contract plans necessary to bid and construct the improvements identified in this contract.

8.5.2 A complete reproducible set of sealed and signed specifications and Special provisions necessary to bid and construct the improvements identified in this contract.

8.5.3 A complete reproducible bid schedule necessary to bid and construct the improvements identified in this contract.

8.5.4 Electronic versions of all plan sheets in fully AutoCAD compatible format on compact disk (CD) in CD-R format.

8.5.5 Final and complete quantity summaries.

8.5.6 Final survey computations and original field books.

8.5.7 A reproducible set of earthwork cross sections by station showing the plotted roadway template superimposed on the plotted natural terrain.

8.5.8 100% ENGINEER'S construction cost estimate.

9. WATER MAIN DESIGN

9.1 The ENGINEER shall prepare 30% Initial Design, 60% Preliminary Design, 95% Final Design, and 100% Construction Documents on Town of Gilbert standard sheets using AutoCAD format for any water mains associated with the project.

9.2 30% Initial Design Submittal. The following material shall be developed and submitted for review:

9.2.1 Initial water line plan and profile sheets (profile not required for lines smaller than 12-inch diameter)

9.2.2 Initial location of valves, vaults, drains, air release assemblies and blow-offs

9.2.3 Initial location of connections to other lines or facilities

9.2.4 Initial location of fire hydrants

9.2.5 Location of existing utilities and identification of initial utility conflicts

9.2.6 Initial location of proposed utilities by others

9.2.7 Final ROW and easement requirements

9.2.8 Final Geotechnical Report

9.2.9 Final survey information

9.2.10 Initial summary of quantities

9.2.11 Specification section listing

9.2.12 30% ENGINEER'S construction cost estimate

9.3 60% Preliminary Design Submittal. The following material shall be developed and submitted for review:

9.3.1 Preliminary design sheet with index and general notes, summary sheets and special details

9.3.2 Pre-final water line plan and profile sheets

9.3.3 Final location of valves, vaults, drains, air release assemblies and blow-offs

9.3.4 Final location of connections to other lines or facilities

9.3.5 Final location of fire hydrants

9.3.6 Identification of final utility conflicts and preliminary plans of utility installations and/or relocations to be included in project construction

9.3.7 Preliminary special details

9.3.8 Preliminary landscape and irrigation restoration plans, summaries, and details (if required)

9.3.9 Preliminary Summary of quantities

9.3.10 Specification section paragraphs

9.3.11 Preliminary Bid Schedule

9.3.12 60% ENGINEER'S construction cost estimate

9.4 95% Final Design Submittal. The following final material shall be completed, checked and submitted for review:

9.4.1 Design sheet(s) with index and general notes

9.4.2 Summary sheets

9.4.3 Special details

9.4.4 Final water line plan and profile sheets with all appurtenances included

9.4.5 Utility installation/relocation plans and details to be included in project construction

9.4.6 Landscape and irrigation restoration plans and details (if required)

9.4.7 Final summary of quantities

9.4.8 Final design calculations

9.4.9 Final specifications

9.4.10 Special Conditions

9.4.11 Final Bid Schedule

9.4.12 95% ENGINEER'S construction cost estimate

9.5 100% Construction Documents Submittal. The following material shall be submitted to GILBERT for completion of the project:

9.5.1 A complete reproducible set of sealed and signed contract plans necessary to bid and construct the improvements identified in this contract.

9.5.2 A complete reproducible set of sealed and signed specifications and Special provisions necessary to bid and construct the improvements identified in this contract.

9.5.3 A complete reproducible bid schedule necessary to bid and construct the improvements identified in this contract.

9.5.4 Electronic versions of all plan sheets in fully AutoCAD compatible format on compact disk (CD) in CD-R format.

9.5.5 Final and complete quantity summaries.

9.5.6 Final survey computations and original field books.

9.5.7 100% ENGINEER'S construction cost estimate.

9.6 With the support of the PM/CM, if applicable, ENGINEER shall prepare and submit the plans and applications for plan approval, permit to construct, and approval of construction from the Maricopa County Environmental Services Department (MCESD). GILBERT will be responsible for permit fees and expedited review fees required by the County.

10. SANITARY SEWER DESIGN

10.1 The ENGINEER shall prepare 30% Initial Design, 60% Preliminary Design, 95% Final Design, and 100% Construction Documents on Town of Gilbert standard sheets using AutoCAD format for any sanitary sewers associated with the project.

10.2 30% Initial Design Submittal. The following material shall be developed and submitted for review:

10.2.1 Initial sewer line plan and profile sheets

10.2.2 Initial location, diameter and depth of manholes with inverts shown

10.2.3 Initial location and inverts of connections to other lines or facilities

10.2.4 Location of existing utilities and identification of initial utility conflicts

10.2.5 Initial location of proposed utilities by others

10.2.6 Final ROW and easement requirements

10.2.7 Final Geotechnical Report

10.2.8 Final survey information

10.2.9 Initial summary of quantities

10.2.10 Specification section listing

10.2.11 30% ENGINEER'S construction cost estimate

10.3 60% Preliminary Design Submittal. The following material shall be developed and submitted for review:

10.3.1 Preliminary design sheet with index and general notes, summary sheets and special details

10.3.2 Pre-final sewer line plan and profile sheets

10.3.3 Final location, diameter and depth of manholes with inverts shown

10.3.4 Final location and inverts of connections to other lines or facilities

10.3.5 Identification of final utility conflicts and preliminary plans of utility installations and/or relocations to be included in project construction

10.3.6 Preliminary special details

10.3.7 Preliminary landscape and irrigation restoration plans, summaries, and details (if required)

10.3.8 Preliminary Summary of quantities

10.3.9 Specification section paragraphs

10.3.10 Preliminary Bid Schedule

10.3.11 60% ENGINEER'S construction cost estimate

10.4 95% Final Design Submittal. The following final material shall be completed, checked and submitted for review:

10.4.1 Design sheet(s) with index and general notes

10.4.2 Summary sheets

10.4.3 Special details

10.4.4 Final sewer line plan and profile sheets with all manholes included

10.4.5 Utility installation/relocation plans and details to be included in project construction

10.4.6 Landscape and irrigation restoration plans and details (if required)

10.4.7 Final summary of quantities

10.4.8 Final design calculations

10.4.9 Final specifications

10.4.10 Special Conditions

10.4.11 Final Bid Schedule

10.4.12 95% ENGINEER'S construction cost estimate

10.5 100% Construction Documents Submittal. The following material shall be submitted to GILBERT for completion of the project:

10.5.1 A complete reproducible set of sealed and signed contract plans necessary to bid and construct the improvements identified in this contract.

10.5.2 A complete reproducible set of sealed and signed specifications and Special provisions necessary to bid and construct the improvements identified in this contract.

10.5.3 A complete reproducible bid schedule necessary to bid and construct the improvements identified in this contract.

10.5.4 Electronic versions of all plan sheets in fully AutoCAD compatible format on compact disk (CD) in CD-R format.

10.5.5 Final and complete quantity summaries.

10.5.6 Final survey computations and original field books.

10.5.7 100% ENGINEER'S construction cost estimate.

10.6 With the support of the PM/CM, if applicable, ENGINEER shall prepare and submit the plans and applications for plan approval, permit to construct, and approval of construction from the Maricopa County Environmental Services Department (MCESD). GILBERT will be responsible for permit fees and expedited review fees required by the County.

11. RECLAIMED WATER MAIN/SEWER FORCE MAIN DESIGN – NOT APPLICABLE

12. DRAINAGE DESIGN

12.1 The ENGINEER shall be responsible for preparing the Initial and Final Drainage Reports.

12.1.1 The ENGINEER shall conduct hydrologic and hydraulic analysis and/or obtain available public information to identify flood plains and probable flood plain impacts. The ENGINEER shall determine existing and developed conditions, discharges for all pertinent drainage systems, and existing flow patterns; assess possible drainage problems, identify possible solutions and propose tentative hydraulic improvements. The results shall be presented in an Initial Drainage Report submitted concurrent with the 30% design submittal.

12.1.2 The ENGINEER shall prepare a Final Drainage Report, pursuant to comments and approval of the Initial Drainage Report, based on refined hydraulic structure selections and sizing. The report shall provide analysis of changes to existing flow patterns and the design of channels, culverts, storm drains and other drainage structures. The Final Drainage Report shall be submitted concurrent with the 60% design submittal.

12.2 The ENGINEER shall prepare designs and construction documents for drainage features including, but not limited to:

12.2.1 Drainage culverts

12.2.2 Catch basins, manholes and connector pipes

12.2.3 Drainage Pipe and Concrete Box Culvert Summary Sheets

12.2.4 Drainage details

12.2.5 Drainage culvert profiles

12.2.6 Retention Basins

12.2.7 Permanent Erosion Control Plans and Details

12.2.8 ENGINEER shall review drainage patterns of side streets up to 300 feet adjacent to the project to insure existing drainage patterns are not altered

13. IRRIGATION DESIGN

13.1 Private Irrigation Design - ENGINEER shall prepare designs and construction documents for private irrigation facility features including, but not limited to:

13.1.1 Ditch and/or pipe relocation

13.1.2 Turnout, gate or valve structure relocation

13.1.3 Special details

13.2 Salt River Project Irrigation Design:

The irrigation design shall be coordinated with the the Salt River Project (SRP) representative(s) for modifications to their irrigation system. The ENGINEER will support the PM/CM, if applicable and Contractor in obtaining a permit to construct from SRP.

14. STRUCTURES DESIGN – ALLLOWANCE ITEM

14.1 The ENGINEER shall prepare designs and construction documents for structures within the project limits that are consistent with all current ADOT and AASHTO design criteria for walls. Structures plans shall be developed to include the following:

14.1.4 Foundation data

14.1.5 Wall layout

14.1.6 Typical wall cross sections and details

14.2 A 6' to 8' high standard block wall will be designed along the west property line to replace the existing view fence to provide noise reduction to condos close to the property line.

15. LANDSCAPE AND LANDSCAPE IRRIGATION DESIGN

15.1 The ENGINEER shall prepare designs and construction documents for landscape and landscape irrigation within the project limits that are consistent with GILBERT Landscape and Character Area guidelines and in accordance with direction provided by GILBERT and PM/CM, if applicable, during design. The design will address the roadway median islands and outside limits to the ROW including the multi-use easements where applicable. Landscaping plans shall be included with each submittal beginning with the 60% design submittal, and shall include at a minimum:

15.1.1 Legends with all plant material and irrigation symbols defined, quantity summaries and material requirements

15.1.2 Planting plans with plant palette and locations

15.1.3 Planting and groundcover details

15.1.4 Curbing or header layout, locations and details

15.1.5 Paver or asphalt stamping layout, locations and details

15.1.6 Controller, meter and backflow prevention device locations and details

15.1.7 Valve key showing valve type, controller station, size and flow

15.1.8 Electric point of service location for each controller

15.1.9 General and construction notes

15.2 The ENGINEER shall design landscaping and irrigation improvements within the area bounded by the east right-of-way line on Ash Street to the west property boundary along with new retention basins. All other landscaping will be completed with the staging area phase.

16. SIGNING DESIGN

16.1 The ENGINEER shall prepare designs and construction documents for signing for the roadways within the project limits that are consistent with current signing practice and in conformance with the Manual on Uniform Traffic Control Devices (MUTCD) and Town of Gilbert standards.

16.2 Non-standard signs shall be detailed on the project plans following the formats given in the above referenced documents. A signing summary, a detailed summary of quantities, and any Special provisions shall be included with each submittal beginning with 60% design submittal.

16.3 Signing shall be included on the pavement marking plans.

17. PAVEMENT MARKING DESIGN

17.1 The ENGINEER shall prepare design and construction documents for permanent pavement marking of the roadways within the project limits in conformance to the requirements of the MUTCD. Types of marking or delineation materials will be in accordance with GILBERT standards.

17.2 A graphical representation of the roadway pavement marking layout shall be provided at the 30% design submittal to allow verification of the geometric design in relationship to the desired marking configuration.

17.3 Permanent pavement marking of the roadways within the project limits shall be shown to include center, edge and lane line striping, stop lines, crosswalks, arrows, legends and symbols, raised or recessed pavement markers, object markers, delineation or other markings as may be consistent with the needs of the project with each submittal beginning with 60% design submittal.

17.4 A detailed summary of quantities and marking Special provisions shall be included with each submittal beginning with 60% design submittal.

18. STREET LIGHTING

18.1 The ENGINEER shall coordinate with APS for the design and construction documents for street lighting within the project limits in accordance with current GILBERT standards. Street lighting plans shall be included with each submittal beginning with the 60% design submittal, and shall include at a minimum:

18.1.1 Lighting layout including poles, conduit and pull boxes

18.1.2 Light pole stationing with offset dimensions

18.1.3 Electric points of service for street lighting

18.1.4 General and construction notes

18.2 Street Lighting for this project will be located along the west side of Ash Street from the Western Canal to Juniper Avenue and along the south side of Juniper Avenue. Lights will not be installed along the east side of Ash Street and lights already exist on the north side of Juniper Avenue.

18.3 Street Lighting shall be in accordance with the Downtown Heritage District guidelines with poles and fixtures matching existing street lighting located next to the Town's newly constructed parking structure.

19. COST ESTIMATES

19.1 The ENGINEER will prepare detailed quantity summaries and construction cost estimates in the format provided by the PM/CM, if applicable, or GILBERT at the 30%, 60%, 95% and 100% design submittals.

19.2 The ENGINEER will support the PM/CM, if applicable, or GILBERT value evaluation and value engineering processes. The ENGINEER shall incorporate the PM/CM, if applicable, or GILBERT'S comments and suggestions unless the ENGINEER believes the comments do not conform to good engineering practice.

19.3 Allowances for design, bidding or construction, if included in the estimate, are to be shown as individual line items, with the percentage and base of calculation clearly identified.

20. SPECIFICATIONS

20.1 The ENGINEER shall develop technical specifications for the project in a format that follows the Maricopa Association of Governments (MAG) format. Specifications shall be developed as follows:

20.1.1 Schematic Design (30%) – List the technical Specification sections to be included in the Contract Documents.

20.1.2 Design Development (60%) – Include a paragraph summary of all technical Specification sections.

20.1.3 Construction Documents (95-100%) – Provide the complete technical Specification package suitable for constructing the project.

21. SPECIAL PROVISIONS

21.1 The ENGINEER shall assist the PM/CM in the development of, if applicable, or shall prepare the Special provisions for items, details, and procedures not adequately covered by Maricopa Association of Governments (MAG) Uniform Standard Specifications for Public Works Construction, Town of Gilbert Supplements, Maricopa County Department of Transportation Supplements, Arizona Department of Transportation Standard Specifications for Road and Bridge Construction and other specifications identified by GILBERT. Special provisions will be provided at the 60%, 95% and 100% Submittals.

21.2 The ENGINEER shall assist the PM/CM in identification of, if applicable, or shall identify critical elements of construction, including but not limited to, construction limits, access requirements, potential night construction, coordination with affected local agencies (police, fire, etc.), traffic lanes open, utility trench close ups, and critical materials requiring advanced purchase.

22. BID SCHEDULE

The ENGINEER shall assist the PM/CM in the development of, if applicable, or shall prepare the Bid Schedule for all items determined to be pay items for the project. Bid Schedules will be prepared in GILBERT'S standard format and will be provided at the 60%, 95% and 100% Submittals.

23. REVIEWS AND SUBMITTALS

23.1 Review and coordination of the ENGINEER'S work by the PM/CM, if applicable, or GILBERT will continue through the project development process.

23.2 Submittals for review shall be made when the studies and/or plans have been developed to the following levels of completion:

23.2.1 Pre-design Documents

23.2.2 30% design

23.2.3 60% design

23.2.4 95% design

23.3 The ENGINEER shall distribute copies of the review submittals and finalized documents per the PM/CM, if applicable, or GILBERT'S instructions. For each review submittal, the ENGINEER shall coordinate the method of distribution and review comment return deadline with the PM/CM, if applicable, or GILBERT in advance so as to ensure thorough and timely reviews of deliverables.

23.4 GILBERT'S review of submittals will include technical content, incorporation of previous comments and completion of design and details, as well as:

23.4.1 Conformance with GILBERT requirements.

23.4.2 Completeness of the contract documents.

23.4.3 Compatibility of plans, specifications, and Special provisions.

23.4.4 Coordination between disciplines, phases and outside parties.

23.4.5 Clarity of the contract documents.

23.4.6 Consistency of presentation.

23.4.7 Return any documents and other materials provided for use on this project.

24. DELIVERABLES

24.1 All reproduction is to be provided by Engineer and included as a reimbursable cost. The number of copies of each deliverable shall be confirmed with the PM/CM, if applicable, or GILBERT prior to delivery for reproduction, and shall be sufficient for the required full and half size sets for all GILBERT and outside agency and utility company reviewers. Deliverables for each submittal are as follows:

24.1.1 Thirty percent (30%) submittal – thirty percent (30%) working drawings, and required reports.

24.1.2 Sixty percent (60%) submittal – sixty percent (60%) working drawings, specifications, Special provisions, and required reports.

24.1.3 Ninety Five percent (95%) submittal – ninety five percent (95%) working drawings, specifications, engineering calculations, Special provisions and bid schedule.

24.1.4 Final (100%) Submittal – final drawings, specifications, engineering calculations, Special provisions and bid schedule.

24.2 At each submittal ENGINEER shall provide the following:

24.2.1 A statement indicating any authorized changes made to the program from the last submittal.

24.2.2 A statement certifying that the deliverables were reviewed using the ENGINEER'S QA/QC program prior to submittal.

24.2.3 Project Design File including all correspondence, meeting, back check comments, checklists, calculations, etc. to date.

24.2.4 Statement of requirements for testing and inspection of service for compliance with construction documents and applicable codes.

D. BIDDING PHASE

1. ENGINEER shall participate in a Pre-bid conference conducted by the CM and respond to questions related to the design of the Project and the Contract Documents.

2. ENGINEER shall prepare and publish addenda to the bid documents as required.

3. ENGINEER shall assist the CM in evaluating bids and preparing a recommendation to GILBERT.

E. CONSTRUCTION PHASE

1. ENGINEER shall participate in the Pre-Construction Conference. Meeting coordination and minutes shall be provided by the PM/CM.

2. The ENGINEER will coordinate with the Contractor to answer/resolve any design related questions or issues that arise. The PM/CM will coordinate all post design services and will act as the initial contact for construction phase questions.

3. If requested, ENGINEER shall participate in meetings with the Contractor. Meeting coordination and minutes shall be provided by the PM/CM.

4. ENGINEER shall review submittals transmitted to the PM/CM and forwarded to ENGINEER for shop drawings, project information, shop and mill test results and alternate products for compliance with the Contract Documents. The PM/CM shall provide a written estimate of time required to respond to the submittal at the time the PM/CM forwards the submittal to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify the PM/CM in writing and advise of the reason ENGINEER believes the estimate is in error. Upon review, submittals shall be marked with appropriate comments by ENGINEER on all copies. Reviewed submittals shall be returned to Contractor via the PM/CM for action.

5. ENGINEER shall respond to Requests for Information forwarded to ENGINEER by the PM/CM. ENGINEER shall issue, as necessary, written and verbal interpretations and clarifications of the Contract Documents. ENGINEER shall prepare sketches to clarify Contract Documents where necessary. The PM/CM shall provide a written estimate of time required to respond to the Request for Information at the time the PM/CM forwards the Request to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify the PM/CM in writing and advise of the reason ENGINEER believes the estimate is in error.

6. The ENGINEER shall correct any errors discovered in the plans and specifications and supplemental drawings. ENGINEER shall not be compensated for such services.

7. The ENGINEER shall respond to requests for change orders forwarded by the PM/CM and provide written recommendations to the PM/CM for change orders. This work will involve ENGINEER'S comments on change order memos and preparation of necessary sketches, if required. The PM/CM shall prepare the change order documents. PM/CM shall provide a written estimate of time required to respond to the request for change order at the time the PM/CM forwards the request to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify the PM/CM in writing of the reason ENGINEER believes the estimate is in error.

8. ENGINEER shall respond to requests from the PM/CM for recommendations regarding Work Change Directives. All design and engineering questions and revisions will be forwarded to ENGINEER by the PM/CM for ENGINEER'S written recommendation. The PM/CM shall provide a written estimate of time required to respond to the request for regarding Work Change Directive at the time PM/CM forwards the request to ENGINEER. If ENGINEER believes the estimate is in error, ENGINEER shall, prior to commencing work, notify PM/CM in writing of the reason ENGINEER believes the estimate is in error.

9. ENGINEER will provide opinions and milestone observations in writing to the PM/CM regarding compliance with plans and specifications for improvements that are observed by the ENGINEER at the time of the ENGINEER'S site visits. ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work. Nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor or safety precautions and programs incident to the work of Contractor or for any failure of Contractor to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor furnishing and performing work. Accordingly, ENGINEER can neither guarantee the performance of the construction contracts by Contractor nor assume responsibility for Contractor's failure to furnish and perform work in accordance with the Contract Documents. However, if during a milestone inspection, ENGINEER observes a construction means, method, technique, sequence or procedure which will delay the work or cause a defect in the work, ENGINEER shall immediately report such information to the PM/CM.

10. ENGINEER shall attend technical meetings with GILBERT, PM/CM, and/or Contractor regarding instrumentation and control or other highly technical equipment installation and operational issues.

F. POST CONSTRUCTION PHASE

1. SUBSTANTIAL COMPLETION INSPECTION

The ENGINEER shall participate in a substantial completion inspection, prepare a punch-list of items noted during the walk-through, and transmit these to the PM/CM.

2. FINAL COMPLETION INSPECTION

The ENGINEER shall participate in a final completion inspection, ensure that the substantial completions punch-list items have been completed, and transmit his final comments to the CM.

3. RECORD DRAWINGS

As required by the Contract Documents, CM shall receive from the Contractor **certified** red-line construction record drawings and shall transmit these documents to the ENGINEER. Upon receipt of the red-line construction record drawings, ENGINEER shall prepare the as-built drawings on original mylars using information provided on the **certified** Contractor red-line drawings. Upon completion of the as-built drawings, ENGINEER shall submit the as-built drawings to the CM who is responsible for certifying the record drawings.

4. WARRANTY INSPECTION

The ENGINEER shall participate in the warranty inspection, generate comments resulting from that inspection, and transmit them to the PM/CM.

EXHIBIT B
ENGINEER'S KEY PERSONNEL AND SUBCONTRACTORS

ENGINEER'S KEY PERSONNEL:

Randy Weyrauch – Project Manager

Kevin Thomas – Project Engineer

Eric Watkins – Drainage Engineer

Gordon Grandy – Right-of-Way

SUBCONTRACTORS:

Ken Ricker – Geotechnical Engineer

Carl Sitterley – Surveyor

Scott Wright – Electrical Engineer

Art Mehler – SUE Investigator

Aaron Allan – Landscaping / Irrigation

Teresa Makinen – Public Outreach

EXHIBIT C
SCHEDULE OF WORK

Promptly after the execution of this Agreement, the ENGINEER shall prepare and submit for approval to GILBERT a Schedule of Work showing the order in which ENGINEER proposes to carry our ENGINEER'S work. The schedule shall apply to the completion of all services listed hereunder within the times established by this Agreement. The Schedule shall be in the form of a progress chart clearly delineating all important increments and review dates. ENGINEER shall update the Schedule of Work on a monthly basis and deliver to GILBERT along with the monthly billing.

1. ENGINEER shall complete all work and services required under the Pre-Design Services within 20____ working days after written authorization from GILBERT to proceed.

2. ENGINEER shall complete all work and services required under the Design Services within 80____ working days after receipt of a written authorization from GILBERT to proceed.

3. ENGINEER shall complete all work and services required under Bidding Phase within _20___ working days after receipt of a written authorization from GILBERT to proceed.

4. ENGINEER shall complete all work and services required under Construction Phase within _80___ working days after receipt of a written authorization from GILBERT to proceed. Excluded from this duration is the time associated with the construction document back-check stage.

5. ENGINEER shall proceed with all work and services required under the Post-Construction Phase, upon the commencement of construction, and shall continue through completion and acceptance of the Project by GILBERT.

The durations stated above exclude the review periods required by GILBERT and all other regulatory agencies.

All times to complete tasks set forth in this Exhibit are of the essence. If delays in schedules are imposed by GILBERT'S inability to comply with requested meeting schedules, ENGINEER shall maintain the right to request an adjustment in schedule if deemed necessary to meet the deadlines set forth in this Exhibit. If approved, such extensions shall be authorized in writing by GILBERT.

EXHIBIT D
PAYMENT SCHEDULE

A. COMPENSATION

1. The consideration of payment to ENGINEER, as provided herein shall be in full compensation for all of ENGINEER'S work incurred in the performance hereof, including offices, travel, per diem or any other direct or indirect expenses incident to providing the services.

2. Such amount shall be based upon the Schedule attached hereto

B. METHOD OF PAYMENT

1. Invoices shall be on a form and in the format provided by GILBERT and are to be submitted to GILBERT via GILBERT'S authorized representative.

2. Upon receipt and approval of ENGINEER'S invoices, GILBERT agrees to make payments within thirty days of receipt of the invoice as follows:

Cumulative Amount
$123,147

C. REIMBURSABLE COSTS

ENGINEER will be reimbursed for expenses up to a maximum amount of $1,092.00. All reimbursable costs must be submitted with monthly bill. The items allowable for reimbursement are as follows:

1. Cost of transportation. (Mileage associated with Project, but not to/from Project site at 0.56 cents per mile. Any out of state travel must receive prior approval of GILBERT.)

2. Costs of outside printing services, as required by the contract.

3. Cost of long distance telephone, postage, courier, UPS, Federal Express, etc. to the extent such item is specifically quantified and estimated for this project.

4. Cost of other items as required, with prior approval from GILBERT.

NFra Inc.
a transportation engineering firm
77 East Thomas Road, Suite 200; Phoenix, Arizona 85012 • 602.277.0967 • Fax: 602.277.5937

EXHIBIT D
NFra Inc.
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

FIGURES ROUNDED TO THE NEAREST DOLLAR

ESTIMATED DIRECT LABOR (DESIGN)

Classification	Estimated Labor Hours	Avg. Hourly Rate	Labor Cost
Project Manager	114	$175.00	$19,950
Project Engineer	273	$126.50	$34,535
Engineer/Designer	132	$104.90	$13,847
Technician/Drafter	129	$85.10	$10,978
Secretarial/Clerical	10	$61.80	$618
	658	Total Estimated Labor	**$79,928**

ESTIMATED DIRECT EXPENSES

Reproduction/Copying: 5 Sets x 3 Submittals x 30 shts x $0.24/sht)	$108
Reproduction/Copying: Public Meeting Displays (2 @ $60)	$120
Deliveries/Messengers (4 @ $20)	$80
Mileage (20 Trips at 70 miles Avg @ $0.56)	$784
Total Estimate Expenses	**$1,092**

ESTIMATED SUBCONSULTANT EXPENSES

CRS - Survey	**$3,990**
J2 Engineering - Landscaping	**$16,417**
MakPro - Public Outreach	**$2,600**
RAMM - Geotechnical	**$2,300**
Wright - Electrical	**$6,720**
SUBTOTAL SUBCONSULTANTS	**$32,027**

SUBTOTAL ESTIMATED COST - NOT TO EXCEED	**$113,047**

ESTIMATED DIRECT LABOR (DESIGN ALLOWANCES FOR STRUCTURAL)

Classification	Estimated Labor Hours	Avg. Hourly Rate	Labor Cost
Project Manager	2	$175.00	$350
Project Engineer	9	$126.50	$1,139
Engineer/Designer	14	$104.90	$1,469
Technician/Drafter	24	$85.10	$2,042
Secretarial/Clerical	0	$61.80	$0
	49	Total Estimated Labor	**$5,000**

ESTIMATED SUBCONSULTANT EXPENSES (ALLOWANCES)

Aztec Engineering - Potholing (Allowance for 10 Potholes)	**$5,100**
SUBTOTAL ESTIMATED COST - ALLOWANCES	**$10,100**
TOTAL ESTIMATED COST - NOT TO EXCEED	**$123,147**

Randal Weyrauch — 12/9/14
CONSULTANT SIGNATURE — **DATE**

Exhibit D
NFra Inc
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

	A	B	C	D	E	F	G	H	I	J
1	Ash Street Extension									
2		SCALE	NO. SHTS.	HRS/SHT	TOTAL HOURS	Proj. Manager	Proj. Eng.	Eng./ Designer	Tech./ Drafter	Sec./ Clerical
3	Section A - General									
4	A.1 - General Administration	NA	0	NA	18	8	0	0	0	10
5	A.2 - Coordination with Adjacent Land Users	NA	0	NA	4	2	2	0	0	0
6	A.3 - Check Construction Budget (Ball Park Estimate)	NA	0	NA	3	1	2	0	0	0
7	A.4 - Meetings	NA	0	NA	6	3	3	0	0	0
8	A.5 - Prepare PMP?PM	NA	0	NA	7	1	6	0	0	0
9	Subtotal				38	15	13	0	0	10
10										
11	Section B - Pre-Design Phase									
12	B.1.1.1 - Prepare Design Schedule and Update Monthly	NA	0	NA	6	6	0	0	0	0
13	B.1.1.3 - Review PMP with TOG PM	NA	0	NA	2	2	0	0	0	0
14	B.1.1.4 - Kickoff Mtg (Prepare + Attend + Mtg Minutes)	NA	0	NA	6	2	4	0	0	0
15	B.1.1 - TOG Checklist (Part of PMP)	NA	0	NA	0	0	0	0	0	0
16	B.3 - Pre-Design Weekly Meetings (2 Meetings)	NA	0	NA	9	3	6	0	0	0
17	B.5 - Functional and Engineering Program Report - Predesign	NA	0	NA	14	2	12	0	0	0
18	Subtotal				37	15	22	0	0	0
19										
20	Section C - Design Phase									
21	C.1.1.2 - Coordination with TOG	NA	0	NA	4	2	2	0	0	0
22	C.1.1.3 - Bi-Weekly Progress Meetings (Prepare+Attend+ MM)	NA	0	NA	24	12	12	0	0	0
23	C.2 - Survey Coordination	NA	0	NA	2	1	1	0	0	0
24	C.3 - Geotechnical Coordination	NA	0	NA	2	1	1	0	0	0
25	C.4 - Public Meetings (3) (Prepare + Attend + Document)	NA	0	NA	12	6	6	0	0	0
26	C.6.1 - Utility Coordination	NA	0	NA	7	0	4	2	1	0
27	C.6.2 - Utility Meetings (2) (Prepare + Attend + Mtg Minutes)	NA	0	NA	8	2	4	2	0	0
28	C.6.3.2.1 - Utility Blue Stake	NA	0	NA	2	0	0	0	2	0
29	C.6.3.2.3 - Utility Conflict List for Potholing (Plans + List)	NA	0	NA	2	0	2	0	0	0
30	C.6.5 - Utility Special Provisions	NA	0	NA	4	2	2	0	0	0
31	C.7.1 - Research R/W and Order Title Reports	NA	0	NA	4	0	4	0	0	0
32	C.7.2 - Final R/W Spreadsheet - Exst and New Requirements	NA	0	NA	2	0	2	0	0	0
33	C.7.3 - Legal Exhibits and Decriptions	NA	0	NA	22	1	7	4	10	0
34	C.7.4.1 - Coordination with SRP - Obtain Approval	NA	0	NA	6	2	4	0	0	0
35	C.7.4.2 - Prepare Strip Maps	NA	0	NA	3	0	1	0	2	0
36	C.7.4.3 - Coordinate Field Staking	NA	0	NA	1	0	1	0	0	0
37	C.7.5 - Temporary Right of Entry Coordination	NA	0	NA	1	0	1	0	0	0
38	Subtotal				106	29	54	8	15	0
39										

Estimate of Labor Hours by Sheets

Exhibit D
NFra Inc.
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

	A	B	C	D	E	F	G	H	I	J
40	**Design Plans**									
41	C. - Cover Sheet	NA	1	3	3	0	1	0	2	0
42	C. - Key Map	100	1	3	3	0	0	1	2	0
43	C. - General Notes and Legend	NA	1	4	4	0	1	1	2	0
44	C. - Quantity Summary Sheets	NA	1	4	4	0	1	1	2	0
45	C.8 - Roadway Sheets with Details	20	5	18	90	4	32	24	30	0
46	C.9 - Water Main Sheets with Cover Sheet, Notes, Details	20	5	12	58	2	16	16	24	0
47	C.9.6 - MCESD Approval to Construct Permit	NA	0	NA	3	1	2	0	0	0
48	C.10 - Sanitary Sewer Main Sheets with Notes, Details	20	3	15	46	2	12	12	20	0
49	C.10.6 - MCESD Approval to Construct Permit	NA	0	NA	3	1	2	0	0	0
50	C.12 - Drainage Sheets with Details	20	3	12	36	2	8	14	12	0
51	C.12.1.1 - Drainage Memo	NA	0	NA	10	2	8	0	0	0
52	C.13 - Irrigation Sheets	20	1	20	20	2	8	4	6	0
53	C.15 - Landscape and Irrigation Coordination	20	0	NA	2	0	2	0	0	0
54	C.16 / C.17- Signing and Pavement Marking Sheets	20	3	12	36	2	16	12	6	0
55	C.18 - Signal Lighting Coordination	20	1	2	2	0	2	0	0	0
56	C.19 - Quantities and Cost Estimates	NA	0	NA	12	2	4	4	2	0
57	C.20 / C.21 - Technical Specifications / Special Provisions	NA	0	NA	30	2	20	8	0	0
58	C.22 - Cost Estimate	NA	0	NA	2	0	1	1	0	0
59	C.23 - Reviews and Submittals	NA	0	NA	5	1	2	2	0	0
60	C.24.2.2 - QA/QC	NA	0	NA	8	6	2	0	0	0
61	C.24.2.3 - Project Design Files	NA	0	NA	6	2	4	0	0	0
62	C.25 - Prepare MIS and Update Monthly (Through Design)	NA	0	NA	8	6	2	0	0	0
63	**Subtotal**		**25**	**16**	**391**	**37**	**146**	**100**	**108**	**0**
64										
65	ALLOWANCE ITEM									
66	C.14 - Structural Sheets (ALLOWANCE ITEM - Block Wall)	20	2	25	49	2	9	14	24	0
67										
68	**Section D - Bidding Phase with CM**									
69	D.1.1 - Pre-Bid Conference (Attend + Respond to Questions)	NA	0	NA	3	0	3	0	0	0
70	D.1.2 - Prepare and Issue Addenda	NA	0	NA	2	0	2	0	0	0
71	D.1.3 - Evaluate Bids - Prepare Bid Tabulation	NA	0	NA	2	0	2	0	0	0
72	D.3.1 - Prepare Estimate of Costs for Addenda	NA	0	NA	1	0	1	0	0	0
73	D.4.1 - Schedule Update Reports (MIS) (Through Cst)	NA	0	NA	4	4	0	0	0	0
74	D.4.2 - Project Cost Reports	NA	0	NA	1	1	0	0	0	0
75	D.4.3 - Cash Flow Reports	NA	0	NA	1	1	0	0	0	0
76	**Subtotal**				**14**	**6**	**8**	**0**	**0**	**0**
77										

Estimate of Labor Hours by Sheets

Exhibit D
NFra Inc.
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

	A	B	C	D	E	F	G	H	I	J
78	**Section E - Construction Phase with CM**									
79	E.1 - Pre-Construction Conference	NA	0	NA	3	0	3	0	0	0
[illegible]	[illegible] M Coordination	NA	0	NA	8	0	4	4	0	0
[illegible]	[illegible] s (4)	NA	0	NA	12	6	3	3	0	0
[illegible]	[illegible] g Reviews	NA	0	NA	10	1	3	6	0	0
[illegible]	E.5 - Review RFI's / RFC/ss	NA	0	NA	10	1	3	6	0	0
[illegible]	[illegible] CO's	NA	0	NA	2	0	1	1	0	0
[illegible]	E.8 - Work Change Directives	NA	0	NA	2	0	1	1	0	0
[illegible]	[illegible] Milestone Observations + Site Visits	NA	0	NA	6	0	3	3	0	0
87	**Subtotal**				**53**	**8**	**21**	**24**	**0**	**0**
88										
89	**Section F - Post Construction Phase with CM**									
90	F.1 - Substantial Completion Inspection / Walk Thru + Notes	NA	0	NA	6	3	3	0	0	0
[illegible]	[illegible] tion Inspection / Walk Thru + Notes	NA	0	NA	3	0	3	0	0	0
[illegible]	[illegible] ings - Preparation of As-Builts	NA	0	NA	10	1	3	0	6	0
93	**Subtotal**				**19**	**4**	**9**	**0**	**6**	**0**
94										
95										
[illegible]	**TOTAL DESIGN SERVICES WITHOUT ALLOWANCES**				**658**	**114**	**273**	**132**	**129**	**10**
[illegible]	**TOTAL DESIGN SERVICES - ALLOWANCES (LINE C.14)**				**49**	**2**	**9**	**14**	**24**	**0**
[illegible]	**TOTAL DESIGN SERVICES WITH ALLOWANCES**				**707**	**116**	**282**	**146**	**153**	**10**

Estimate of Labor Hours by Sheets

EXHIBIT E
CHANGE ORDER NO. _____
(A/E and/or PM/CM)

PROJECT: Ash Street Extension
DATE:
OWNER: Town of Gilbert
PROJECT NO:
CONTRACT NO:
CONTRACT DATED:
A/E: NFra Inc.
PM/CM: (Name)

CHANGES: The CONTRACT is changed as follows: (Insert brief description)

_____

_____

_____

COST/TIME: Original CONTRACT SUM: $_____

Previously Authorized CHANGE ORDERS: $_____

CONTRACT sum prior to this CHANGE ORDER: $_____

CHANGE ORDER # Amount: $_____

New CONTRACT SUM: $_____

CONTRACT TIME will be increased by:

SUBSTANTIAL COMPLETION as of this Change Order:

Approved/Accepted by:

A/E _____
(Name) (Date)

PM/CM _____
(Name) (Date)

GILBERT: _____
(Name) (Date)

Not valid until signed by GILBERT and/or A/E and/or PM/CM. Signature of A/E and/or PM/CM indicates acceptance, including CONTRACT SUM and CONTRACT TIME.

NFra Inc.
a transportation engineering firm
77 East Thomas Road, Suite 200; Phoenix, Arizona 85012 • 602.277.0967 • Fax: 602.277.5937

EXHIBIT D
NFra Inc.
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

FIGURES ROUNDED TO THE NEAREST DOLLAR

ESTIMATED DIRECT LABOR (DESIGN)

Classification	Estimated Labor Hours	Avg. Hourly Rate	Labor Cost
Project Manager	114	$175.00	$19,950
Project Engineer	273	$126.50	$34,535
Engineer/Designer	132	$104.90	$13,847
Technician/Drafter	129	$85.10	$10,978
Secretarial/Clerical	10	$61.80	$618
	658	Total Estimated Labor	**$79,928**

ESTIMATED DIRECT EXPENSES

Reproduction/Copying: 5 Sets x 3 Submittals x 30 shts x $0.24/sht)	$108
Reproduction/Copying: Public Meeting Displays (2 @ $60)	$120
Deliveries/Messengers (4 @ $20)	$80
Mileage (20 Trips at 70 miles Avg @ $0.56)	$784
Total Estimate Expenses	**$1,092**

ESTIMATED SUBCONSULTANT EXPENSES

CRS - Survey	**$3,990**
J2 Engineering - Landscaping	**$16,417**
MakPro - Public Outreach	**$2,600**
RAMM - Geotechnical	**$2,300**
Wright - Electrical	**$6,720**
SUBTOTAL SUBCONSULTANTS	**$32,027**
SUBTOTAL ESTIMATED COST - NOT TO EXCEED	**$113,047**

ESTIMATED DIRECT LABOR (DESIGN ALLOWANCES FOR STRUCTURAL)

Classification	Estimated Labor Hours	Avg. Hourly Rate	Labor Cost
Project Manager	2	$175.00	$350
Project Engineer	9	$126.50	$1,139
Engineer/Designer	14	$104.90	$1,469
Technician/Drafter	24	$85.10	$2,042
Secretarial/Clerical	0	$61.80	$0
	49	Total Estimated Labor	**$5,000**

ESTIMATED SUBCONSULTANT EXPENSES (ALLOWANCES)

Aztec Engineering - Potholing (Allowance for 10 Potholes)	**$5,100**
SUBTOTAL ESTIMATED COST - ALLOWANCES	**$10,100**
TOTAL ESTIMATED COST - NOT TO EXCEED	**$123,147**

Randal Weyrauch 12/9/14
CONSULTANT SIGNATURE **DATE**

Exhibit D
NFra Inc.
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

	A	B	C	D	E	F	G	H	I	J
1	**Ash Street Extension**									
2		**SCALE**	**NO. SHTS.**	**HRS/SHT**	**TOTAL HOURS**	**Proj. Manager**	**Proj. Eng.**	**Eng./ Designer**	**Tech./ Drafter**	**Sec./ Clerical**
3	**Section A - General**									
4	A.1 - General Administration	NA	0	NA	18	8	0	0	0	10
5	A.2 - Coordination with Adjacent Land Users	NA	0	NA	4	2	2	0	0	0
6	A.3 - Check Construction Budget (Ball Park Estimate)	NA	0	NA	3	1	2	0	0	0
7	A.4 - Meetings	NA	0	NA	6	3	3	0	0	0
8	A.5 - Prepare PMP/PPM	NA	0	NA	7	1	6	0	0	0
9	**Subtotal**				**38**	**15**	**13**	**0**	**0**	**10**
10										
11	**Section B - Pre-Design Phase**									
12	B.1.1.1 - Prepare Design Schedule and Update Monthly	NA	0	NA	6	6	0	0	0	0
13	B.1.1.3 - Review PMP with TOG PM	NA	0	NA	2	2	0	0	0	0
14	B.1.1.4 - Kickoff Mtg (Prepare + Attend + Mtg Minutes)	NA	0	NA	6	2	4	0	0	0
15	B.2.1 - TOG Checklist (Part of PMP)	NA	0	NA	0	0	0	0	0	0
16	B.3 - Pre-Design Weekly Meetings (2 Meetings)	NA	0	NA	9	3	6	0	0	0
17	B.5 - Functional and Engineering Program Report - Predesign	NA	0	NA	14	2	12	0	0	0
18	**Subtotal**				**37**	**15**	**22**	**0**	**0**	**0**
19										
20	**Section C - Design Phase**									
21	C.1.1.2 - Coordination with TOG	NA	0	NA	4	2	2	0	0	0
22	C.1.1.3 - Bi-Weekly Progress Meetings (Prepare+Attend+ MM)	NA	0	NA	24	12	12	0	0	0
23	C.2 - Survey Coordination	NA	0	NA	2	1	1	0	0	0
24	C.3 - Geotechnical Coordination	NA	0	NA	2	1	1	0	0	0
25	C.4 - Public Meetings (3) (Prepare + Attend + Document)	NA	0	NA	12	6	6	0	0	0
26	C.6.1 - Utility Coordination	NA	0	NA	7	0	4	2	1	0
27	C.6.2 - Utility Meetings (2) (Prepare + Attend + Mtg Minutes)	NA	0	NA	8	2	4	2	0	0
28	C.6.3.2.1 - Utility Blue Stake	NA	0	NA	2	0	0	0	2	0
29	C.6.3.2.3 - Utility Conflict List for Potholing (Plans + List)	NA	0	NA	2	0	2	0	0	0
30	C.6.5 - Utility Special Provisions	NA	0	NA	4	2	2	0	0	0
31	C.7.1 - Research R/W and Order Title Reports	NA	0	NA	4	0	4	0	0	0
32	C.7.2 - Final R/W Spreadsheet - Exst and New Requirements	NA	0	NA	2	0	2	0	0	0
33	C.7.4.1 - Legal Exhibits and Decriptions	NA	0	NA	22	1	7	4	10	0
34	C.7.4.1 - Coordination with SRP - Obtain Approval	NA	0	NA	6	2	4	0	0	0
35	C.7.4.2 - Prepare Strip Maps	NA	0	NA	3	0	1	0	2	0
36	C.7.4.3 - Coordinate Field Staking	NA	0	NA	1	0	1	0	0	0
37	C.7.5 - Temporary Right of Entry Coordination	NA	0	NA	1	0	1	0	0	0
38	**Subtotal**				**106**	**29**	**54**	**8**	**15**	**0**
39										

Estimate of Labor Hours by Sheets

Exhibit D
NFra Inc.
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

	A	B	C	D	E	F	G	H	I	J
40	**Design Plans**									
41	C. - Cover Sheet	NA	1	3	3	0	1	0	2	0
42	C. - Key Map	100	1	3	3	0	0	1	2	0
43	C. - General Notes and Legend	NA	1	4	4	0	1	1	2	0
44	C. - Quantity Summary Sheets	NA	1	4	4	0	1	1	2	0
45	C.8 - Roadway Sheets with Details	20	5	18	90	4	32	24	30	0
46	C.9 - Water Main Sheets with Cover Sheet, Notes, Details	20	5	12	58	2	16	16	24	0
47	C.9.6 - MCESD Approval to Construct Permit	NA	0	NA	3	1	2	0	0	0
48	C.10 - Sanitary Sewer Main Sheets with Notes, Details	20	3	15	46	2	12	12	20	0
49	C.10.6 - MCESD Approval to Construct Permit	NA	0	NA	3	1	2	0	0	0
50	C.12 - Drainage Sheets with Details	20	3	12	36	2	8	14	12	0
51	C.12.1.1 - Drainage Memo	NA	0	NA	10	2	8	0	0	0
52	C.13 - Irrigation Sheets	20	1	20	20	2	8	4	6	0
53	C.15 - Landscape and Irrigation Coordination	20	0	NA	2	0	2	0	0	0
54	C.16 / C.17- Signing and Pavement Marking Sheets	20	3	12	36	2	16	12	6	0
55	C.18 - Street Lighting Coordination	20	1	2	2	0	2	0	0	0
56	C.19 - Quantities and Cost Estimates	NA	0	NA	12	2	4	4	2	0
57	C.20 / C.21 - Technical Specifications / Special Provisions	NA	0	NA	30	2	20	8	0	0
58	C.22 - Bid Schedule	NA	0	NA	2	0	1	1	0	0
59	C.23 - Reviews and Submittals	NA	0	NA	5	1	2	2	0	0
60	C.24.2.2 - QA/QC	NA	0	NA	8	6	2	0	0	0
61	C.24.2.3 - Project Design Files	NA	0	NA	6	2	4	0	0	0
62	C.25 - Prepare MIS and Update Monthly (Through Design)	NA	0	NA	8	6	2	0	0	0
63	**Subtotal**		**25**	**16**	**391**	**37**	**146**	**100**	**108**	**0**
64										
65	**ALLOWANCE ITEM**									
66	C.14 - Structural Sheets (ALLOWANCE ITEM - Block Wall)	20	2	25	49	2	9	14	24	0
67										
68	**Section D - Bidding Phase with CM**									
69	D.1.1 - Pre-Bid Conference (Attend + Respond to Questions)	NA	0	NA	3	0	3	0	0	0
70	D.1.2 - Prepare and Issue Addenda	NA	0	NA	2	0	2	0	0	0
71	D.1.3 - Evaluate Bids - Prepare Bid Tabulation	NA	0	NA	2	0	2	0	0	0
72	D.3.1 - Prepare Estimate of Costs for Addenda	NA	0	NA	1	0	1	0	0	0
73	D.4.1 - Schedule Update Reports (MIS) (Through Cst)	NA	0	NA	4	4	0	0	0	0
74	D.4.2 - Project Cost Reports	NA	0	NA	1	1	0	0	0	0
75	D.4.3 - Cash Flow Reports	NA	0	NA	1	1	0	0	0	0
76	**Subtotal**				**14**	**6**	**8**	**0**	**0**	**0**
77										

Exhibit D
NFra Inc.
Client: Town of Gilbert
Project: Ash Street Extension
Design Cost Proposal

	A	B	C	D	E	F	G	H	I	J
78	**Section E - Construction Phase with CM**									
79	E.1 - Pre-Construction Conference	NA	0	NA	3	0	3	0	0	0
80	E.2 - Contractor/CM Coordination	NA	0	NA	8	0	4	4	0	0
81	E.3 - Field Meetings (4)	NA	0	NA	12	6	3	3	0	0
82	E.4 - Shop Drawing Reviews	NA	0	NA	10	1	3	6	0	0
83	E. 5 - Review RFI's / RFC/ss	NA	0	NA	10	1	3	6	0	0
84	E.7 - Contractor CO's	NA	0	NA	2	0	1	1	0	0
85	E.8 - Work Change Directives	NA	0	NA	2	0	1	1	0	0
86	E.9 - Opinions and Milestone Observations + Site Visits	NA	0	NA	6	0	3	3	0	0
87	**Subtotal**				**53**	**8**	**21**	**24**	**0**	**0**
88										
89	**Section F - Post Construction Phase with CM**									
90	F.1 - Substantial Completion Inspection / Walk Thru + Notes	NA	0	NA	6	3	3	0	0	0
91	F.2 - Final Completion Inspection / Walk Thru + Notes	NA	0	NA	3	0	3	0	0	0
92	F.3 - Record Drawings - Preparation of As-Builts	NA	0	NA	10	1	3	0	6	0
93	**Subtotal**				**19**	**4**	**9**	**0**	**6**	**0**
94										
95										
96	**TOTAL DESIGN SERVICES WITHOUT ALLOWANCES**				**658**	**114**	**273**	**132**	**129**	**10**
97	**TOTAL DESIGN SERVICES - ALLOWANCES (LINE C.14)**				**49**	**2**	**9**	**14**	**24**	**0**
98	**TOTAL DESIGN SERVICES WITH ALLOWANCES**				**707**	**116**	**282**	**146**	**153**	**10**

AZTEC
TYPSA Group www.aztec.us
4561 E. McDowell Road
Phoenix, AZ 85008
Tel: (602) 454-0402
Fax: (602) 458-9359

Aztec Engineering Group, Inc.

Subsurface Utility Engineering Proposal

Proposal Prepared For:

Company Name:	Nfra Inc.	Date of Proposal:	12/4/2014
Company Address:	77 E. Thomas Road st. #200	Project Name:	Ash St Extension
	Phoenix, AZ 85012	Project Address:	Juniper Ave, Gilbert
Point of Contact:	Randy Weyrauch	Project Start Date	
Contact Number:	602-277-0967	E-mail:	

Subsurface Utility Exploration

Description	Qty	Unit Pricing		Amount
Unpaved Surface (depth 7 feet and under)	0	$425.00	per hole	$0.00
Paved Surface (depth 7 feet and under)	10	$450.00	per hole	$4,500.00
Concrete Surface (depth 7 feet and under)	0	$475.00	per hole	$0.00
In any surface over 7 feet in depth	0	$25.00	per foot	$0.00
Total:	**Holes: 10**	**Footage Over 7 feet: 0**		**$4,500.00**

Services Offerred: (only checked services are included)

- ☑ Contact One Call Center (Aztec uses electronic locating equipment to verify utility locations)
- ☑ Verify vertical elevation measurements from top of utility to an Aztec installed hub marker on the surface
- ☑ Provided surveyed X, Y, Z coordinates from the hub marker
- ☑ Roadway restoration; compacted ABC material with UPM coldpatch unless otherwise specified
- ☑ Provide client with compiled "Testhole Data Summary" and "Testhole Data Reports"

☐ Permit fees				$0.00
☐ Special restoration requirements (See Remarks)				$0.00
☑ Traffic management - lane closures, traffic control plans, and rental				$600.00
☐ Utility data collection and designating	0.00 @	$0.00	per	$0.00
☐ Pothole truck and crew per hour	0.00 @	$0.00	per hour	$0.00
☐ Additional Survey	0.00 @	$0.00	per hour	$0.00
☐ Other:				$0.00
☐ Other:				$0.00

We appreciate the opportunity to submit this proposal to you and look forward to working with you on this project. This is only a "Quote" and is contingent upon review of plans.

TOTAL: $5,100.00

*** These prices are valid for 90 days from the proposal date, and are contingent upon agency and review of plans.**

Remarks:

Respectfully,

Approved and Accepted

Signed _____

Art Mehler
Aztec Engineering Group, Inc.
SUE Project Manager

Printed Name _____

CONSULTANT REGISTERED SURVEYING INC.
CARL SITTERLEY, R.L.S.

MAILING ADDRESS: 3370 N. Hayden, Suite #123, **P.M.B. 567**
Scottsdale, Arizona 85251
OFFICE ADDRESS: 8732 E. Piccadilly Rd.
Scottsdale, Arizona 85251

PHONE: (480) 620-1382
E-mail:
:csitterley-crs@cox.net

Attn: Randal P. Weyrauch, PE
NFra, Inc.
77 East Thomas Road, Suite 200
Phoenix, Arizona 85012

December 2, 2014

RE: Proposal for Land Surveying Services, Design Topographic Survey AND Construction Surveying Control, new design for Downtown Gilbert Ash Street Extension.

Thank you for the continuing opportunity to be of service to NFra and to the Town of Gilbert.

The purpose of your project is to complete design of improvements extending Ash Street south of Juniper Avenue to south of the Western Power Line Trail. Area described is shown on the attached and provided aerial exhibit prepared by NFra and provided to CRS.

CRS will complete topographic obserservations sufficient to complete a competent Digital Terrain Model (DTM), addressing any grade breaks and drainage conditions, road tie-in locations and other terrian conditions. Ground observations will be observed on at least a 50' X 50' grid and as needed. CRS will make observations on walks, signs, all larger landscape vegetation, roadway striping, valley gutters, utility improvements, drainage improvements, and utility bluestake as may be visable. The DTM, and all linework and point data will be processed in Land Development Desk Top 2007. CRS will provide an Autodesk 2007 format 3D line and symbols file, an Autodesk 2007 format TIN lines, contours, and DTM border CAD file, and an ASCII point file (coma delimited with point number, northing, easting, elevation, and description). The CAD layers will be completed to CRS common layers in Autodesk. CRS does not separate observed points out to different layers within CAD based on the coded features but uses daily obervations for quality control purposes. CRS does not use any kind of agency standard CAD layering, symbols or point descriptions.

CRS will complete the observations in the same datum as previously used for the Gilbert Road design topographic survey and ground control will be based on observing any potential street survey monuments for the tie-in road for the subdivision to the west; and for Juniper Avenue. This scope of services does not include any kind of boundary survey, and it is assumed that any found street or sectional surveying monuments are already of record. This scope of services does not include any research or plotting in CAD of any parcel, road rights of way, or easement limits of any kind. However, CRS will reseach any potential recorded subdivison plats and surveys of record to help indentify potential street monuments to look for in the field.

(continued page 2)

CRS will provide a survey package with CAD files, ASCII point files, and DTM ".xml" data base files. The survey package will include rough plots sealed for the topographic survey representation of the 3D lines and symbols in the CAD file, including the developed 0.2' contour lines. CRS will seal a point listing sheets that indicate the ASCII point files provided. CRS will provide a survey report that provides information for any additional horizontal and vertical control points found or set.

Scope of service also includes field staking for proposed new rights of way; for proposed centerline of new Ash Street alignment; and for potential easements.

CRS estimates:

1. Field Control-survey 1-man field crew, 5 hours at $105 per hour = $525.00.
2. Field Topo-survey 1-man field crew, 12 hours at $105 per hour = $1,260.00.
3. Office Process Control-survey, research records and plot in CAD 3 hours at $105 per hour = $315.00.
4. Office Process Topo-survey, complete DTM for site, and provide survey package 8 hours at $105 per hour = $840.00.
5. Field Stake-survey 1-man field crew, 8 hours at $105 per hour = $840.00.
6. Office computations for staking-survey in CAD 2 hours at $105 per hour = $210.00.

CRS can complete this project scope of services for a not-to exceed fee of $3990.00, with daily reports provided for all professional services provided.

CRS is fully insured and will provide insurance certificates upon request. CRS can schedule the approved surveying services with a signature below.

Please attach and reference this proposal to any contract documents.

Submitted,
CONSULTANT REGISTERED SURVEYING

Carl Sitterley

Carl Sitterley, President

Accepted,
NFra, Inc.

Name:_____

Title:_____

NFra Exhibit aerial attached and referenced hereon.

engineering and
environmental design

December 5, 2014

Randy Weyrauch, PE
NFra, Inc.
77 E. Thomas Road, Suite 200
Phoenix, AZ 85012

Re: Ash Street Extension (Western Powerline Trail to Juniper)

Dear Randy,

J2 Engineering and Environmental Design, LLC (J2) is very pleased to provide professional landscape architectural design services for the Ash Street Extension for the Town of Gilbert (TOG). The scope of services and fees are based upon our understanding of the project from our conversations with you and our previous knowledge of the project area.

J2 will serve as a sub-consultant for the project to NFra, Inc. (NFra) providing landscape architecture and irrigation design services.

Project Understanding: The Town of Gilbert is going to extend Ash Street from the Western Powerline trail north to Juniper. This new road way will go through an existing agricultural field. The roadway will have approximately 30ft of right of way each side of the centerline for a total width of 60ft. A retention basin will be proposed at the southwest corner of Juniper and the new Ash Street Extension. The edges of the roadway and this new basin will receive new landscape and irrigation.

Design Services Fees:

J2 Design Services Landscape Architecture	$	11,097.00

Post Design Services Fees:

J2 Post Design Services Landscape Architecture	$	5,320.00

Thank you for the opportunity to work on this exciting project and serve NFra, the Town of Gilbert and the Gilbert community with this project. We would expect to start our services promptly after receipt of your acceptance, along with the Town's approval, and complete our services in a timely manner.

Please contact me if you have any questions.

Sincerely,

Aaron Allan, RLA, ASLA

4649 E. Cotton Gin Loop, Suite B2
Phoenix, AZ 85040
voice 602.438.2221
fax 602.438.2225

Ash Street Extension

Scope of Services

Task 100 Design Development Documents (60%)
J2 will develop Design Development Documents and details to a 60% level of completion along with associated Specifications in MAG format and submit to NFra for submittal to the TOG for review and comments. J2 will format plan sheets to a 1in=20ft scale with approximately 500 lineal feet of streetscape improvements shown per sheet. The plan sheets will be doubled stacked to show landscape above and corresponding irrigation below. J2 will submit one set of full size PDFs of each sheet for review and all reproduction.

J2 estimates the following sheets will be provided in the set:

- Landscape Summary and General Notes Sheet (1 Sheet)
- Landscape Details (2 Sheets)
- Irrigation Summary and General Notes Sheets (2 Sheets)
- Irrigation Details (3 Sheets)
- Landscape and Irrigation Plans (2 Sheets)

Task 100 Deliverables will include the following:

- 60% Landscape and Irrigation Plans (Full size, PDF format)
- 60% Landscape and Irrigation Details(Full size, PDF format)
- 60% Specifications(Word Format)
- 60% Opinion of Probable Cost(Excel Format)

Task 100 Meetings will include the following:

- Site Visit with two (2) J2 representatives for a total of one (1) meeting. The meeting is expected to be two (2) hours in duration inclusive of travel time to and from the meeting.

Task 200 Pre-Final Construction Documents (100%)
After receiving comments on the 60% plans J2 will develop Pre-Final Construction Documents and details to a 100% level of completion along with associated Specifications in MAG format and submit to NFra for submittal to the TOG for review and comments. J2 will submit one set of full size PDFs of each sheet for review and all reproduction.

Task 200 Deliverables will include the following:

- Pre-Final Landscape and Irrigation Plans (Full size, PDF format)
- Pre-Final Landscape and Irrigation Details (Full size, PDF format)
- Pre-Final Specifications, one (1) set (Word Format)
- Pre-Final Opinion of Probable Cost (Excel Format)

Task 300 - Final Construction Documents (Bid Set)
After receiving comments from TOG on the 100% Pre-Final Construction Document plans, J2 will develop the Final Construction Documents for the plans that have been produced to cover the improvements associated with the project. J2 will then submit one (1) set of sealed and signed PDF files of the final construction documents along with final specifications to NFra for inclusion into their plan set. These plans will be used to bid the project for construction. NFra and the Town of Gilbert shall be responsible for all reproductions of the bid sets.

Task 300 Deliverables will include the following:

- Final Landscape and Irrigation Plans (Full size, PDF format)

- Final Landscape and Irrigation Details (Full size, PDF format)
- Final Specifications, one (1) set (Word Format)
- Final Opinion of Probable Cost (Excel Format)

Task 400 - Design Meetings
J2 will attend two (2) meetings with one (1) J2 representative. It is anticipated that each meeting shall be two (2) hours in length inclusive of travel time to and from the meeting.

Task 500 Public Involvement
J2 will attend and assist in gathering public input for the project improvements. This public open house meeting will be held after completion of plans and prior to construction beginning. J2 will prepare a color rendered presentation board showing a plan view of the project, typical roadway section, and proposed plant material.

Task 500 Deliverables will include the following:

- One (1) Color Rendered Board (24x36)(PDF format)

Task 500 Meetings will include the following:

- Public Involvement meeting for a total of one (1) meeting. This meeting is anticipated to be two (2) hours in duration inclusive of travel time to and from the meeting. This meeting is anticipated to be held at the Town's Heritage Annex location. J2 will have one (1) representative at this meeting.

Scope of Services: Post Design

Task 600 - Submittals and RFI
J2's appropriate staff will attend a pre-construction conference, review shop drawings; review, respond, and coordinate contractor submitted requests for information (RFI). We are anticipating at a minimum these submittals to include:

- irrigation equipment
- decomposed granite materials and associated items
- plant materials and associated items

It is assumed that each submittal/shop drawing will have no more than two (2) reviews for each submittal package. This equates to an initial review of the submittal/shop drawing and a second review after any requested corrections or updates have been made.

Task 700 - Nursery Visit
J2 will accompany the contractor for up to eight (8) hours to visit local nurseries (local is defined as within 75 miles of the project site). The Contractor will have previously secured and tagged the plant materials that are in conformance with the project plans and specifications for the project that are to be reviewed on this visit. This visit will allow the J2 Design Team and the Town the opportunity to review the plant material that has been secured for the project prior to delivery of the plants to the project. It will also allow an opportunity to accept and or reject the proposed plants based on observations of the size, health and vigor of the plants at the nursery prior to delivery to the site and potentially select and tag any proposed replacements for the rejected plant materials. J2 will provide an observation report of the nursery visit to the Town.

Task 800 - Pre-Final and Final Walkthroughs
J2 will attend one (1) pre-final walkthrough with the Town and the contractor and develop a punch list of items relative to the landscape and irrigation components of the project. J2 will provide punch list items to NFra for compiling and distribution to the Town. This meeting is anticipated to be four (4) hours in duration inclusive of travel time to and from the site. J2 will have two (2) representatives at this meeting.

J2 will attend one (1) final walkthrough where the punch list previously developed will be reviewed and determined, what if anything, is left to complete before final acceptance of the projects. This meeting is anticipated to be four (4) hours in duration inclusive of travel time to and from the site. J2 will have two (2) representatives at this meeting.

Task 900 - As-Builts
J2 will provide one (1) initial review of contractor prepared and provided as-built plans and operation and maintenance (O&M) manuals for landscape and irrigation items. J2 will comment on both the as-builts and O&M manuals and provide back to the contractor for revisions. J2 will provide one (1) final review of as-builts and O&M manuals to verify if all deficiencies noted in initial review have been adequately addressed. After the contractor has adequately addressed all comments on the as-builts J2 will convert the contractor provided as-builts into CAD formatted plan drawings.

Deliverables:

- As-built Construction Documents plan set (Full-size)(PDF format)

Post Design General Understanding:

Limited post design services shall be performed by J2 Engineering and Environmental Design, LLC.

Construction observation will be provided by J2 under the limits described above with the intent of rendering a professional opinion regarding the quality of the completed construction strictly limited to the landscape, hardscape, irrigation and artistic aspects of the project. This task should not be construed to warrant the work of any contractor.

<u>Material testing (gradations, compactions, concrete testing) of these items are not part of this observation contract.</u>

Each discipline will review and approve applicable shop drawings.

Any administrative, observation and inspection services provided by the Consultant Project Team are solely for the purpose of rendering a professional opinion regarding apparent conformance to contract requirements. Consultant does not warrant the work of any contractor. In accordance with generally accepted construction practice, contractor shall be solely responsible for all job site conditions and safety of persons or property.

Any observations and inspections of the work completed are subject to the following: The observations and inspections shall be directly related to the quality of the work performed that such work is in accordance with the requirements of the construction documents. The issuance of a punch list shall not be a representation that J2 has:

(1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work
(2) reviewed construction means, methods, techniques, sequences for the Contractor's own Work or procedures
(3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the owner to substantiate the Contractor's right to payment
(4) ascertained, how or for what purpose, the Contractor has used money previously paid on account of the Contract Sum

J2 shall not have control over, or charge of, and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work of each of the Contractors, since these are solely the Contractor's responsibility under the Contract for Construction. J2 shall not be responsible for a Contractor's failure to carry out the Work in accordance with the respective Contract Documents. J2 shall not have control over, or charge of, acts or omissions of the

Contractors, Subcontractors, or their agents or employees, or any other persons performing portions of the Work not directly employed by J2.

The Construction Administration, Observations and Inspections portion of this Agreement is based upon the following assumptions, which are assumed to be reasonable:

Maximum contract time of 140 calendar days for construction (5 Months/20 Weeks).

If this general understanding is not correct, or if the Town feels additional field time is needed beyond this Scope of Work; such services can be provided on an additional time and materials basis.

The following tasks are NOT included in this scope of services:

1. J2 is not providing any permitting.
2. J2 is not providing any material testing. It is assumed that the contractor will be responsible for providing an independent laboratory for testing of all materials and provide all results to the Town for review and approval.
3. J2 is not providing any special inspections (structural, geotechnical, etc.) or testing.
4. J2 is not providing any erosion control, SWPPP inspections.
5. J2 is not providing any Utility Potholing.
6. J2 is not providing Environmental Clearances and/or Studies or Reports.
7. J2 is not providing any chlorination testing or disinfecting of water lines. It is assumed that the contractor will be responsible for providing an independent laboratory for chlorination and testing of water lines and provide the results to the Town for review and approval.

It is assumed that Town forces will inspect the following and have not been included in this scope of services:

1. Any water line taps, meter installations, backflow prevention devices, and water line pressure tests.
2. Any pavement replacement within Town maintained roadways
3. Electrical Service Entrance Sections
4. Traffic Control Plans

General Project Understanding

The TOG shall designate a person for the project to act as the Client's representative with respect to the services to be performed or furnished by the Design Team under this agreement. Such person, department, or committee shall have complete authority to transmit instructions, receive information, interpret, and define the Client's policies and decisions with respect to the Design Team's services for the Project. The TOG shall also provide key team personnel to be available in coordination meetings including operations and plan review representatives.

The TOG shall make available to the Design Team all existing available data and records relevant to the site.

The TOG shall approve in a timely manner all criteria and information as to Client's requirements for the Project including planning objectives and constraints, performance requirements, any budgetary limitations, and the submittal by the Design Team at the various phases of the projects.

The TOG shall furnish to the Design Team, upon the request of the Design Team for performing the services, any existing pertinent data prepared by or services of others, including electronic base maps, drawings of physical conditions in or relating to existing surface or subsurface utilities or structures within the planning area, hydrographic surveys, environmental or cultural assessments, impact statements, and other relevant environmental or cultural studies pertaining to the project.

The TOG shall give prompt notice to Design Team whenever Client observes or otherwise becomes aware of any development that affects the scope of services or the time schedule of the Design Team in the performance or furnishing of the required services for the project, or any defect or non-conformance in the Design Team's services or in the work of any sub-contractor or sub-consultant.

The TOG warrants and represents that members of the Design Team have the right to enter upon the real property involved herein, and extends this right to J2. The Design Team agrees to exercise due care in the performance of all services pursuant hereto.

The Design Team has provided no environmental or cultural investigations on this site/project, has no knowledge of any adverse environmental or cultural conditions on the site/project, and is not responsible for and has no liability for any such environmental or cultural condition should one be found. It is the responsibility of the TOG to investigate and make these environmental or cultural determinations based on the best knowledge and information available at the time of this project. Clearance to begin work shall be given prior to directing or ordering the preparation of any engineering documents.

The Design Team provides construction documents in full or in part freehand drafting and electronic CAD format. Any electronic files provided are for information and convenience purposes only and the final approved/sealed hard copy plans shall prevail. All construction documents will be developed to the TOG, Maricopa Association of Governments (MAG) and/or Arizona Department of Transportation (ADOT) design and construction standards and specifications.

Design Assumptions and Exclusions:

1. Legal descriptions, Boundary Survey, ALTA, title reports, and any effort to establish any easements will be provided to The Design Team by the Town.
2. The Town of Gilbert will provide all base right of way and property line information to the design team in an electronic format.
3. The Design Team is not providing any traffic analysis, traffic study, or internal traffic assessments and all data related to traffic will be provided to the Design Team by the Town of Gilbert.
4. The Design Team has not included any re-platting, or rezoning efforts in this scope of services.
5. The Design Team is not providing or producing any 404 Permits or 404 Applications nor are we providing any environmental, cultural, or biological investigations or clearances.
6. The Design Team will not be designing or extending any water lines except for water service taps for the irrigation system.
7. The Design Team will not be designing or extending any sanitary sewer.
8. This Design does not include the design of any below grade or submerged irrigation storage system or booster pump.
9. Reproduction of all Bid Sets shall be paid by the Town and have not been included in this scope or proposal.
10. The Design Team is not providing the cost to secure any permitting for this project these costs will be paid directly by the Town.
11. The Design Team has not included the development or the creation of any CLOMR or LOMR process or documentation.
12. This scope of services does not include the design of any traffic signal design, construction sequencing, traffic control plans.
13. Utility potholing has not been included in this scope of services.
14. Development of phasing plans is not included in this scope of services.

15. Erosion Control/Storm Water Pollution Prevention Plans are not included in this scope of services.
16. This scope assumes that this project will be bid as one project and under one cover.
17. No Meetings with Salt River Project (SRP) have been included in this scope of services.
18. Civil Engineering and Drainage Engineering have not been included in this scope of services.

We would expect to start our services promptly after receipt of your acceptance, along with the Town's approval, and complete our services in a timely manner. This Exhibit represents the entire understanding of the Design Scope of Work as set out herein and may only be modified in writing signed by both parties.

DERIVATION OF COST PROPOSAL: DESIGN SERVICES

Ash Street Extension: Western Powerline Trail to Juniper

NFra, Inc. and Town of Gilbert

J2 Engineering and Environmental Design, LLC

Estimated direct labor and rates

Classification	Estimated Man Hours	Current Rates		Total (Rounded to nearest whole dollar)
Design Manager	3	$194.04		$582.00
Project Landscape Architect	28	$107.80		$3,018.00
Designer	42	$73.54		$3,089.00
Designer - Sr	47	$93.79		$4,408.00
Total Hours	120	**Total Labor, Overhead, and Profit**		**$11,097.00**

Subconsultants: Design

No Subconsultants	$0.00
Total Estimated Outside Services:	$0.00
Total Estimated Cost J2 and Subconsultant	$11,097.00
Total Estimated Cost:	**$11,097.00**

J2 Engineering and Environmental Design LLC

Jeff Engelmann, RLA, ASLA
Principal

12/4/14
Date

Fee Schedule

12/4/2014

J2 Engineering and Environmental Design, LLC

Task Number	Task:	Design Manager	Project Landscape Architect	Designer	Designer - Sr	Total
100.0	**Design Development Documents (60%)**					
	Landscape and Irrigation Plans (10 Sheets)		5	15	20	40
	Opinion of Probable Cost		1	2		3
	Specifications		4			4
	QA/QC	1				1
	Site Visit		2		2	4
200.0	**Pre-Final Construction Documents (100%)**					
	Landscape and Irrigation Plans (10 Sheets)		3	10	15	28
	Opinion of Probable Cost		1	1		2
	Specifications		2			2
	QA/QC	1				1
300.0	**Final Construction Documents (Bid Set)**					
	Landscape and Irrigation Plans (10 Sheets)		1	5	10	16
	Opinion of Probable Cost		1	1		2
	Specifications		1			1
	QA/QC	1				1
400.0	**Design Meetings**					
	Attend Design Meetings (2)		4			4
500.0	**Public Involvement**					
	Prepare Presentation Board		1	8		9
	Attend Public Meeting (1)		2			2
	Grand Total Design:	**3**	**28**	**42**	**47**	**120**

DERIVATION OF COST PROPOSAL: POST DESIGN SERVICES

Ash Street Extension: Western Powerline Trail to Juniper

NFra, Inc. and Town of Gilbert

J2 Engineering and Environmental Design, LLC

Estimated direct labor and rates

Classification	Estimated Man Hours	Current Rates		Total (Rounded to nearest whole dollar)
Design Manager	0	$194.04		$0.00
Project Engineer - Sr.	0	$145.35		$0.00
Project Engineer	0	$106.45		$0.00
Senior Project Landscape Architect	0	$147.33		$0.00
Project Landscape Architect	17	$107.80		$1,833.00
Designer	27	$73.54		$1,986.00
Designer - Sr	16	$93.79		$1,501.00
Administrative	0	$66.03		$0.00
Total Hours	60	**Total Labor, Overhead, and Profit**		**$5,320.00**

Subconsultants: Design

No Subconsultants $0.00

Total Estimated Outside Services: $0.00

Total Estimated Cost J2 and Subconsultant $5,320.00

Total Estimated Cost: $5,320.00

J2 Engineering and Environmental Design LLC

Jeff Engelmann for

Jeff Engelmann, RLA, ASLA
Principal

12/4/14

Date

Fee Schedule

12/4/2014

J2 Engineering and Environmental Design, LLC

Task Number	Task:	Project Landscape Architect	Designer	Designer - Sr	Total
600.0	**Submittals and RFI**				
	Submittals and RFI	4	12		16
700.0	**Nursery Visit**				
	Nursery Visit (1) and prepare report	1	10		11
800.0	**Pre-Final and Final Walk Through**				
	Pre-Final Walk Through and Punch List	4	2	4	10
	Final Walk Through and Punch List	4	2	4	10
900.0	**As-Builts**				
	Review Contratctor As-builts and O&M Manuals	4	1		5
	Draft As-built Redlines			8	8
	Grand Total Design:	**17**	**27**	**16**	**60**

MakPro Services, LLC
2036 N. Gentry • Mesa, AZ 85213

Office: 480-890-1927
Fax: 480-964-7555
Email: teresa@makprosvc.com

December 9, 2014

Mr. Randy Weyrauch
NFra, Inc.
77 E. Thomas Road, Suite 200
Phoenix, AZ 85012

Dear Randy:

MakPro Services, LLC (MakPro) is pleased to provide the following proposal for public involvement and outreach services for the Town of Gilbert's Ash Extension Project. Public involvement and outreach is an important element in large capital projects, and provides a link between the project and the community it impacts. In addition, it provides the effected community an opportunity to learn about and perhaps even understand the need for what will be occurring around them, and offers them avenues for further information and comments regarding the project. Many times this small link is all that is needed to help a project run more smoothly.

To restate my understanding, this proposal is for design services only for the Ash Extension Project which will extend Ash Avenue (just west of Gilbert Road), north to Juniper Avenue to provide a secondary access to the recently constructed Vaughn Avenue Parking Structure. As part of the design phase, you would like to conduct two public meetings and coordinate discussions with various stakeholders as necessary for the project. I've detailed below the proposed cost estimate and hours to fulfill those tasks; however, if I've missed or misunderstood any of the project characteristics, or if you'd like to customize this proposal in some other way, please let me know.

Task / Activity	**Est Hrs**	**Fees**	**Reimb Expenses**	**Total**
Public Meetings (2): - Meeting notices for the public meetings. - Planning meeting for public meeting, and plan, prepare for and attend two public meetings for the project.	16 hrs	$1,760.00	$180.00	$1,940.00
Stakeholder Coordination: - Coordination of information between property owners and project team - Morning with Merchants meeting	6 hrs	$660.00		$660.00
Total:	22 hrs	$2,420.00	$180.00	**$2,600.00**

The total cost for the public involvement services for design and construction, as identified herein, is **$2,600.00**. This proposed cost estimate assumes an hourly labor rate of $110 per hour and includes incidental local telephone calls, process design, meeting preparation and facilitation, meeting materials and equipment, and local transportation. Excluded from this estimate are formal written research reports except as specifically noted, and any unusual out-of-pocket expenses requested by the sponsor. This proposal assumes any displays, exhibits, engineering designs or details, required for public meetings or open houses will be provided by the owner or design engineering firm. MakPro Services is not responsible for project signage or traffic signage. Changes of substance to this proposal during the project may affect the final cost.

Thank you for the opportunity to work once again with NFra and the Town of Gilbert. Should you have questions or need additional information regarding this proposal, please feel free to contact me at (480) 890-1927.

Sincerely,

Teresa Makinen

RICKER • ATKINSON • MCBEE • MORMAN & ASSOCIATES, INC.
Geotechnical Engineering • Construction Materials Testing

R·A·M·M

NFra, Inc.
77 East Thomas Road., Suite 200
Phoenix, Arizona 85012

December 1, 2014

Attention: Randy Weyrauch, P.E., email (rweyrauch@nfrainc.us)

Re: Proposal for Geotechnical Engineering Services
Ash Street Extension
South of Juniper Avenue
Gilbert, Arizona

RAMM Proposal No. PG15054
Revised 12-2-14

Ricker, Atkinson, McBee, Morman & Associates, Inc. is pleased to submit this proposal to conduct Geotechnical Engineering Services for the above-referenced project.

If this proposal meets with your approval, please sign, date and return one copy of the enclosed Attachment "A", which outlines project description, our scope of services, completion time and fee to perform services.

If there are any questions regarding the proposed scope of work, please call. Thank you for considering our firm for this project.

Respectfully submitted,

RICKER • ATKINSON • McBEE • MORMAN & ASSOCIATES, INC.

Kenneth L. Ricker, P.E.

/dh

2105 South Hardy Drive, Suite 13, Tempe, AZ 85282-1924 • Telephone (480) 921-8100 • Facsimile (480) 921-4081
www.rammeng.com

RICKER ∘ ATKINSON ∘ MCBEE ∘ MORMAN & ASSOCIATES, INC.

ATTACHMENT "A" Proposal for Geotechnical Engineering Services
For: NFra, Inc.
RAMM Proposal No. PG15054, Revised 12-2-14

PROJECT: Ash Street Extension
South of Juniper Avenue
Gilbert, Arizona

DESCRIPTION:

The proposed road extension will be about 850 feet long with water and sewer lines and will include a retention basin at the north end. The site is active farm land.

SCOPE OF SERVICES:

1. Test borings will be performed to determine subsurface conditions and obtain representative samples for laboratory analyses. Two test borings 20 feet in depth are proposed in the road/utilities area, and one 12-inch diameter test boring/percolation test 3 feet in depth is proposed for the retention area. Site access will be provided by you.

2. Laboratory analyses of representative samples will include:

   Moisture Content and Dry Density
   Swell
   Minus No. 200 Sieve and Plasticity Index

3. The field and laboratory data will be used in engineering evaluation and analyses to formulate our geotechnical recommendations.

4. An Engineer's report will be provided presenting the results of the field and laboratory testing and recommendations for site grading and preparation procedures, thickness of pavements, excavation conditions, temporary trench slopes and results of a percolation test.

COMPLETION TIME:

Final report approximately 3 to 4 weeks after authorized to proceed.

FEE: $ 2,300.00

RICKER ◦ ATKINSON ◦ MCBEE ◦ MORMAN & ASSOCIATES, INC.

ATTACHMENT "A" Proposal for Geotechnical Engineering Services
For: NFra, Inc.
RAMM Proposal No. PG15054, Revised 12-2-14

PROJECT: Ash Street Extension
South of Juniper Avenue
Gilbert, Arizona

The undersigned agrees to the forgoing Scope and Fee.

RICKER ◦ ATKINSON ◦ McBEE ◦ MORMAN & ASSOCIATES, INC.

By: _____
Kenneth L. Ricker, P.E., Project Engineer

Client: _____

By: _____

Date: _____

WRIGHT engineering corporation
ELECTRICAL ENGINEERING & LIGHTING DESIGN

November 26, 2014

NFra Inc.
77 E. Thomas Road
Suite 200
Phoenix, AZ 85012

Re: **Ash Street Extension Street Light Design (Town of Gilbert)**

Attn: Randy Weyrauch, PE

Dear Randy,

Wright Engineering appreciates this opportunity to submit a proposal for electrical engineering services on the above referenced project. The following services will be performed in a professional manner to meet Town of Gilbert requirements:

Public Street Lighting Design Scope of Services:

1. Coordinate design with Town of Gilbert, and NFra as required.
2. Visit the site to determine existing street lighting conditions. This task will require extensive onsite discovery of the existing conditions, electrical equipment, and loads being served. Up to (1) one visit.
3. Prepare sealed photometric calculation drawings 22 x 34. The photometric calculations will show the existing and proposed lighting levels for all roadways and intersections as required.
4. Design will include the required lighting levels to meet Town of Gilbert requirements.
5. Prepare 22” X 34” (true scale for half-size) street light design plan drawings showing all decorative public street lighting for the following roadways:
   a. Ash Street Extension (~850 linear feet)
   b. Juniper Ave (~430 linear feet)
6. Prepare sealed voltage drop calculations to determine the size of all conductors for the roadway lighting and connected circuits.
7. Provide details for a new electrical service pedestal to power the new street lights.
8. Provide panel schedule, one-line diagram and load calculations for new electrical pedestal.
9. Prepare clearance calculations from overhead power if required.
10. Prepare an engineers estimate of probable electrical construction costs if requested.
11. Perform in-house QAQC review and modifications.
12. The above plans will be provided to NFra Inc. for submittal review and comment from the Town of Gilbert in staged percentage submittals as

165 EAST CHILTON • CHANDLER, ARIZONA 85225 OFFICE: 480-497-5829 FAX: 480-497-5807
www.wrightengr.com

required by the town. Submittals will be made via email in digital PDF format. NFra Inc. will copy and submit to owner as needed.

13. Municipal review comments will be responded to and addressed.

Construction Phase Engineering and Record Drawing Scope of Services:

1. Review all electrical equipment submittal packages for conformance to contract documents and provide written itemized submittal review and response letter.
2. Review all RFI's and provide written itemized review and response letter.
3. Visit the site for up to (1) one inspections of the electrical installation and prepare an inspection report.
4. Prepare Record Drawings of the electrical installation based on inspection information as well as contractor's marked up electrical plans.

Responsibilities of Others

1. Provide Wright Engineering Corp. electronic base files in an AutoCAD format which includes all proposed and existing utilities, all proposed improvements, and any existing conditions that affect this scope.
2. Wright Engineering will submit plans to Client for submittal to the local government agencies for approval and permits.
3. Designation of electrical service location will be determined by the local utility company. The owner is responsible for coordination of the design of all electrical utility power services during the design process.

Final Deliverables

1. Upon completion of the design, we will provide one set each of final sealed documents bearing the signature of a registered electrical engineer in the State of Arizona.

Engineering Fee

The above services will be provided as follows:
Public Street Lighting Design Services:
$4,720.00 (Four Thousand Seven Hundred Twenty Dollars Lump Sum)

Construction Services:
$2,000.00 (Two Thousand Dollars Billed Hourly)

Additional Services

Any services not specifically included in the Scope of Services section shall be additional services payable at an hourly fee at the following rates:

Principal	$145/hour	Designer	$95/hour
Senior Engineer	$125/hour	Draftsman	$85/hour
Engineer	$105/hour	Secretary	$45/hour

Printing Charges

Although not anticipated, any printing and delivery will be charged as follows:

Blacklines	$ 2.00 each
Mylar Sepia	$18.00 each
Delivery Cost	cost

We will bill you on a monthly basis for these services. Payment terms are 7 days after NFra is paid by client. This proposal will be valid for the next 90 days. If you have any questions, please contact us at your earliest convenience.

I look forward to working with you on this project. Please show your acceptance of this proposal by signing below and returning one copy for my records.

Sincerely,

Adam Bowers, P.E.
Wright Engineering Corporation

Accepted this_____day of_____2014

_____
(Company Name)

_____
(Signature)

_____
(Print or Type Name)

_____
(Title)

The Client agrees that the technical methods, techniques, and pricing information contained in any proposal submitted by Wright Engineering pertaining to this project or in this Agreement or any addendum thereto, are to be considered confidential and proprietary, and shall not be released or otherwise made available to any third party without the express written consent of Wright Engineering.

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Ramon Arenas, Deputy Chief, 503-6165

MEETING DATE: January 15, 2015

SUBJECT: Building Lease Agreement Renewal for the Gilbert Fire & Rescue Department Skills Center Contract # 2015-3002-0521

STRATEGIC INITIATIVE: High Performing Government

This agreement supports the Strategic Initiative of our commitment to provide a high performing workforce delivering the highest level of emergency services to the community.

RECOMMENDED MOTION

A motion to approve the renewal of the Building Lease Agreement, Contract #2015-3002-0521, between the Town of Gilbert and Desert Rock Custom Homes, LLC, and authorize the Mayor to execute the required documents.

BACKGROUND/DISCUSSION

Since the formation of a Municipal Fire Department in 1993, Gilbert Fire and Rescue has utilized training centers across the valley to maintain and develop firefighter skill levels. The growth in the Phoenix Region over the past 20 years has significantly increased the demand on training centers across the valley. The development of the Gilbert Public Safety Training Facility has been deferred and is predicated by the ability to fund the project. The critical need still remains to provide company level skill development and Minimum Company Standard (MCS) evaluations for our personnel.

The fire training staff was challenged with developing an innovative and cost effective solution to delivering training while minimizing operational impact and out of service time.

In October of 2010, The Town of Gilbert entered into an agreement with Desert Rock Custom Homes LLC, to lease the property at 701 N. Monterey St., Gilbert. The Gilbert Fire and Rescue Skills Center model was developed allowing for a local interim training/skills center solution until the Gilbert Public Safety Training Center could be funded and developed.

The Skills Center has allowed for efficiencies in the following areas;

- Sustain or increase basic skill level and regulatory training.
- Ability for some MCS evaluation.
- Sustain or increase critical care EMS training.
- Sustain or increase incident management simulator training for command officers.

Operational costs have been reduced along with out of service times, allowing units to return to available status sooner for emergency response in Gilbert.

The Fire and Rescue Department continues its dependence on regional partnerships and training centers for live-fire, flashover and other specialized training which requires multiple companies and command personnel due to the complexity of the evolutions and safety regulations.

Staff discussed and reviewed requirements and options including various property evaluations from a commercial real estate broker. Staff, working through a broker negotiated the new lease renewal rates that are consistent with regional rates.

The contract was reviewed by Douglas Boyer, Purchasing Administrator and reviewed for form by Attorney Jack Vincent.

FINANCIAL IMPACT

Funding for the lease and daily building operation will come from existing department allocations for the Skills Center rental and training programs. Subsequent budget allocations will be requested for the life of the lease. Annual lease expenditures are described below.

FY 14/15	$69,120
FY 15/16	$69,120
FY 16/17	$72,567
FY 17/18	$74,304

Financial impact section was reviewed by Laura Lorenzen, Management and Budget Analyst.

STAFF RECOMMENDATION

Staff recommends approval of the lease agreement renewal.

Respectfully submitted,

Ramon Arenas
Deputy Chief

Approved By	Approval Date
Jim Jobusch	12/18/2014 5:56 PM
Jack Vincent	12/30/2014 11:42 AM
Laura Lorenzen	1/5/2015 10:18 AM
Douglas Boyer	12/30/2014 11:08 AM

#2015-3002-0521

OFFICE/WAREHOUSE LEASE AGREEMENT
701 N. Monterey St.
Gilbert, Arizona 85233

1. PARTIES. This Lease, dated, for reference purposes only, February 15, 2014, is made by and between Desert Rock Custom Homes, LLC (herein called "Landlord") and the Town of Gilbert, Arizona, (herein called "Tenant").

2. PREMISES. Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that certain office space (herein called "Premises") described on Exhibit "A" attached hereto and made a part hereof, said Premises being agreed, for the purpose of this Lease, to have an area of approximately 7200 square feet and being situated at 701 N Monterey St. Gilbert, Arizona 85233.

Said Lease is subject to the terms, covenants and conditions herein set forth, and the Tenant and Landlord covenant as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenant and conditions by it to be kept and performed and that this Lease is made upon the condition of said performance by Tenant and Landlord.

3. TERM. The term of this Lease shall be for forty (40) months and 14 days commencing on the 15th day of February, 2015, and ending on the 30th day of June, 2018.

4. POSSESSION.

5. RENT. Tenant agrees to pay Landlord as rental, without prior notice or demand, for the Premises of the sum of:

Months 1, (2/15/2015 through 2/28/15, Pro-rated) $.56 per square foot plus Triple Net*

Months 2 through 5, (3/1/15 through 6/30/15) $.56 per square foot plus Triple Net*

Months 6 through 17, (7/1/15 through 6/30/16) $.56 per square foot plus Triple Net*

Months 18 through 29, (7/1/16 through 6/30/17) $.60 per square foot plus Triple Net*

Months 30 through 41, (7/1/17 through 6/30/18) $.62 per square foot plus Triple Net*

Tennant shall pay said rent to Landlord monthly.

Tenant shall pay Triple Nets estimated at $0.24 per square foot*

6. SECURITY DEPOSIT. An existing security deposit of $5.472.00 shall be retained as the security deposit for the lease period.

7. OPTION TO EXTEND TERM. Tenant is given the option to extend the term on all provisions contained in this Lease, except for rent, for two (2) additional one year periods following expiration of the initial term, by giving notice in writing of exercise of the option at least ninety (90) days prior to the expiration of the term. Rent for the two (2) additional one year periods shall be determined and agreed upon using industry standard methodology to establish market lease rates at time of extension, but not less than tenant's current lease rate, with 5% annual increase per option.

8. USE. Tenant shall use the Premises for municipal office and training purposes and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything there in which will in any way increase the existing rate of or affect any fire or other insurance upon the Building or any of its contents, or cause cancellation of any insurance policy covering said Building or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

10. COMPLIANCE WITH LAW. Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

11. ALTERATIONS AND ADDITIONS. Tenant shall not make any structural or exterior alterations to the Premises without landlord's consent. Tenant at its cost shall have the right to make, without Landlord's consent, non-structural alterations to the interior

of the Premises that Tenant requires in order to conduct its business on the Premises. In making any alterations that Tenant has a right to make, Tenant shall comply with the following:

11a. Tenant shall submit reasonably detailed final plans and specifications and working drawings of the proposed alterations and the name of its contractor at least thirty (30) days before the date it intends to commence the alterations.

11b. The alterations shall not be commenced until two days after Landlord has received notice from Tenant stating the date of the installation of the alterations is to commence so that Landlord can post and record an appropriate notice of non-responsibility.

11c. The alterations shall be approved by all appropriate government agencies, and all applicable permits and authorizations shall be obtained before commencement of the alterations.

11d. All alterations shall be completed with due diligence in compliance with the plans and specifications and working drawings and all applicable laws.

Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of the Lease, except that Landlord can elect within thirty (30) days before the expiration of the Lease, or within five (5) days after termination of the Lease, to require Tenant to remove any alterations that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election, before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later.

If Tenant is not then in default of any provisions of this Lease, Tenant shall have the right to remove from the Premises immediately before the expiration of the term, nor within thirty (30) days after termination of the term, any alterations Tenant has made to the premises, as long as the removal will not cause any structural damage to the Premises, and Tenant at its cost promptly restores any damage cause by the removal.

12. REPAIRS.

12a. By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, damage thereto from causes beyond the reasonable control of Tenant and ordinary wear and tear excepted. Tenant shall upon the expiration or sooner termination of this Lease hereof surrender the Premises to the Landlord in good condition, ordinary wear and tear and damages from causes beyond the reasonable control of Tenant excepted. Except as specifically provided in an addendum, if any, to this Lease, Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, redecorate or paint the Premises or any part thereof and the parties

hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises or the Building except as specifically herein set forth.

12b. Notwithstanding the provision of Article 12a. hereinabove, Landlord shall repair and maintain the structural portions of the Building, including the basic plumbing, air conditioning, heating, and electrical systems, installed or furnished by Landlord, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees or of any duty by the Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as provided in Paragraph 23 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

13. LIENS. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1 1/2) times any and all estimated cost of any improvements, additions, or alterations in the Premises, to insure Landlord against any liability for mechanics' and materialman's liens and to insure completion of the work.

14. ASSIGNMENT AND SUBLETTING. Tenant shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof without the written consent of Landlord first had and obtained, which consent shall not be unreasonably withheld, and a consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default of this Lease.

15. HOLD HARMLESS. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises for the conduct of its business or from any activity, work, or other thing done, permitted or suffered by the Tenant in or about the Building, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and

from all and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon, and, in any case, action or proceeding being brought against Landlord by reason of any such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises, from any cause other than Landlord's negligence, and Tenant hereby waives all claims with respect thereof against Landlord.

Landlord or its agents shall not be liable for any damage to property entrusted to employees of the Building, nor for loss or damage to any property by theft or otherwise, nor for any injury to or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Landlord, its agents, servants or employees. Landlord or its agents shall not be liable for interference with the light or other incorporeal hereditaments, loss of business by Tenant, nor shall Landlord be liable for any latent defect in the Premises or in the Building. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment.

16. WAIVER OF SUBROGATION. The parties release each other, and their respective authorized representatives from any claims for damage to any person or to the Premises and the Building and other improvements in which the Premises are located, and to the fixtures, personal property, Tenant's improvements and alterations of either Landlord or Tenant in or on the Premises and the Building and other improvements in which the Premises are located that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage.

Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease. If any insurance policy cannot be obtained with a waiver of subrogation, or is obtainable only by the payment of an additional premium charge above that charged by insurance companies issuing policies without waiver of subrogation, the party undertaking to obtain the insurance shall notify the other party of this fact. The other party shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other party and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional cost. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium charged, the other party is relieved of the obligation to obtain a waiver of subrogation rights with respect to that particular insurance involved.

17. LIABILITY INSURANCE. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. The limit of said insurance shall not, however, limit the liability of the Tenant hereunder. Tenant may carry said insurance under a blanket policy, providing, however, said insurance by Tenant shall have a Landlord's protective liability endorsement attached thereto. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant. Insurance required hereunder, shall be in companies rated A+, AAA or better in "Best's Insurance Guide". Tenant shall deliver to Landlord prior to occupancy of the Premises copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord. No policy shall be cancelable or subject to reduction of coverage except after ten (10) days' prior written notice to Landlord.

18. SERVICES AND UTILITIES. Tenant shall make all arrangements for and pay for all electric utility service furnished to or used by it. Tenant shall provide internal janitorial services for the leased Premises.

19. PROPERTY TAXES. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures and personal property located in the Premises; except that which has been paid for by Landlord, and is the standard of the Building. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures and personal property shall be assessed and taxed with the Building, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

20. RULES AND REGULATIONS. Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate. Landlord reserves the right from time to time to make all reasonable modifications to said rules. The additions and modifications to those rules shall be binding upon Tenant upon delivery of a copy of them to Tenant. If there is a conflict between the rules and regulations and any of the provisions of this Lease, the provisions of this Lease shall prevail. Landlord shall make all reasonable efforts to enforce the rules and regulations uniformly against all tenants in the Building in which the Premises are located, and no such rules and regulations shall require a tenant to pay additional rent under this Lease. Landlord shall not, however, be responsible to Tenant for the nonperformance of any of said rules by any other tenants or occupants.

21. HOLDING OVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof, with the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental in the amount of the last monthly rental, plus all other charges payable hereunder, and upon all the terms hereof applicable to a month to month tenancy.

22. ENTRY BY LANDLORD. Landlord reserves and shall at any reasonable time have the right to enter the Premises, inspect the same, supply service to be provided by Landlord to Tenant hereunder, to submit said Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve or repair the Premises and portion of the Building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not blocked thereby, and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by Landlord by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

23. RECONSTRUCTION. In the event the Premises or the Building of which the Premises are a part are damaged by fire or other perils covered by extended coverage insurance, Landlord agrees to forthwith repair the same to the condition immediately prior to this occurrence; and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the rent while such repairs are being made. Rent shall be reduced in the proportion that the area of the Premises rendered unusable for the permitted uses bears to the entire area of the Premises. The rent reduction shall begin on the date of the occurrence and shall end when the Premises or the part of the Premises which have been damaged shall be repaired or replaced. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of rent.

In the event the Premises or the Building of which the Premises are a part are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance, then Landlord shall forthwith repair the same, provided the extent of the destruction be less than ten percent (10%) of the then full replacement cost of the Premises or the Building of which the Premises are a part. In the event the destruction of the Premises or the Building is to an extent greater than ten percent (10%) of the full replacement cost, then Landlord shall have the option; (1) to repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately reduced as hereinabove in this paragraph provided; or (2) give notice to Tenant at any time within sixty (60) days after such damage terminating this Lease as of the date specified in such notice, which date shall be no less than thirty (30) days and no more than sixty (60) days after the giving of such notice. In the event of giving of such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate on the date so specified in such notice, and the Rent, reduced by the proportionate amount, based upon the

extent, to which such damage rendered the Premises unusable for the permitted uses, shall be paid up to date of such termination.

Notwithstanding anything to the contrary contained in this Paragraph, Landlord shall not have any obligations whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Paragraph occurs during the last six (6) months of the term of this Lease or any extension thereof; except that, if the destruction occurs during the last six (6) months of the term and if within fifteen (15) days after the destruction, Tenant exercises the option to extend the term as provided in Paragraph 7 (if the time within which the option can be exercised has not expired), Landlord shall restore the Premises as provided in Paragraph 23.

Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any panels, decoration, office fixtures, railing, floor covering, partitions, or any other property installed in the Premises by Tenant.

The Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises, Tenant's personal property or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

24. DEFAULT. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.

24a. The vacating or abandonment of the Premises by Tenant.

24b. The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof by Landlord to Tenant.

24c. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described in Article 24b. above where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

24d. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; or the appointment of a trustee or a receiver to take possession of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to tenant within thirty (30) days; or the attachment, execution or other

judicial seizure of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

25. LANDLORD'S REMEDIES IN DEFAULT. In the event of any such material default or breach by Tenant, Landlord shall give Tenant notice of intention to cancel this Lease at the expiration of five (5) days from the date of service of said notice. At the expiration of said five days, if Tenant has not cured the default or breach, the term of this Lease shall expire. Said notice shall contain a statement of the facts constituting the default or breach by Tenant. Upon the expiration of the five (5) days, Landlord may:

25a. Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises; expenses of re-letting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided; that portion of the leasing commission paid by Landlord and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten percent (10%) per annum. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of (a) taking possession of the Premises and recovering from Tenant the amount specified in this Paragraph, or (b) proceeding under the provisions of the following Paragraph 25b.

25b. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under the Lease, including the right to recover the rent as it becomes due hereunder.

25c. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decision of the state in which the Premises are located.

26. TENANT'S REMEDIES AND DEFAULT. Landlord shall be in default of this Lease if it fails or refuses to perform any provision of this Lease that it is obligated to perform if the default cannot reasonably be cured within thirty (30) days after notice of the default has been given by Tenant to Landlord. If the default cannot reasonably be cured within thirty (30) days, Landlord shall not be in default of this Lease if Landlord commences to carry out the default within a sixty (60) day period and diligently and in good faith commences to cure the default.

Tenant, at any time after Landlord commits a default, can cure the default at Landlord's cost. If Tenant at any time, by reason of Landlord's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Tenant shall be due immediately

from Landlord to Tenant at the time the sum is paid, and if paid at a later date, shall bear interest at the rate of ten percent (10%) per annum from the date the sum is paid by Tenant until Tenant is reimbursed by Landlord. If Landlord fails to reimburse Tenant as required by this Paragraph, Tenant shall have the right to withhold from future rent due the sum Tenant has paid until Tenant is reimbursed in full for the sum and interest on it.

28. EMINENT DOMAIN. If more than twenty-five percent (25%) of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its option, to terminate this Lease, and Landlord shall be entitled to any and all income, rent, award, or an interest therein whatsoever which may be paid or made in connection with such public or quasi-public use or purpose, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. If either less than or more than twenty-five percent (25%) of the Premises is taken, and neither party elects to terminate as herein provided, the rental thereafter to be paid shall be equitably reduced. If any part of the Building other than the Premises may be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease and shall be entitled to the entire award as above provided.

29. OFFSET STATEMENT. Tenant shall at any time and from time to time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified, is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

30. PARKING. Tenant shall have the right to use in common with other tenants or occupants of the Building the parking facilities of the Building, if any, subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by Landlord at any time or from time to time during the term hereof. Landlord shall resurface and restripe the parking area on the Premises when necessary, except that Landlord shall not be obligated to construct the area during the term, or resurface the parking area more than once each Three (3) years during the term.

31. GENERAL PROVISIONS.

(i) Plats and Riders. Clauses, plats and riders, if any, signed by the Landlord and the Tenant and endorsed on or affixed to this Lease are a part hereof.

(ii) Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any

subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of the acceptance of such rent.

(iii) Notices. All notices and demands which may or are to be required or permitted to be fixed by either party to the other hereunder shall be in writing. All notices and demands by the Landlord to the Tenant shall be sent by United States mail, postage prepaid, addressed to the Tenant at the Premises, or to such other place as Tenant may from time to time designate in a notice to the Landlord. All notices and demands by the Tenant to the Landlord shall be sent by United States mail, postage prepaid, addressed to the Landlord at the office of the Building, or to such other person or place as the Landlord may from time to time designate in a notice to the Tenant.

(iv) Marginal Headings. The marginal headings and Article titles to the Articles of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(v) Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

(vi) Successors and Assigns. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

(vii) Recordation. Neither Landlord nor Tenant shall record this Lease or a short form memorandum hereof without the prior written consent of the other party.

(viii) Quiet Possession. Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease.

(ix) Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the premises. Accordingly, if any installment of rent or of a sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after written notice that said amount is past due, then Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of late payment by Tenant. Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's

default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

(x) Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

(xi) Inability to Perform. This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God or any other cause beyond the reasonable control of the Landlord.

(xii) Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover all costs and expenses including the fees of its attorneys in such action or proceeding in such amount as the court may adjudge reasonable as attorneys' fees.

(xiii) Sale of Premises by Landlord. In the event of any sale of the Building, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease.

(xiv) Subordination, Attornment. Upon request of the Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any first mortgage, or first deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the land and Building of which the Premises is a part, and upon any buildings hereafter placed upon the land of which the Premises are a part, and to all advances made or hereafter to be made upon the security thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

The provisions of this Article to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof.

(xv) Name. Tenant shall not use the name of the Building or of the development in which the Building is situated for any purpose other than as an address of the business to be conducted by the Tenant in the Premises.

(xvi) Separability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

(xvii) Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

(xii) Choice of Law. This Lease shall be governed by the laws of the state in which the Premises is located.

(xix) Signs and Auctions. Tenant shall not place any sign upon the Premises or Building or conduct any auction thereon without Landlord's prior written consent.

33. BROKERS. Tenant warrants that it has had no dealings with any real estate broker or agents in connection with the negotiation of this Lease excepting only **Jeff Pavone, Principal Commercial Plus, LLC 9590 E. Ironwood Square Dr., Scottsdale Az. 85258** and it knows of no other real estate broker or agent who is entitled to a commission in connection with the Lease.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

Town of Gilbert,
an Arizona municipal corporation

_____
John W. Lewis, Mayor

Desert Rock Custom Homes, LLC
an Arizona limited liability company

_____
Tim Murphy, Manager

ATTEST:

_____
Catherine Templeton,
Gilbert Town Clerk

APPROVED AS TO FORM:

_____
L. Michael Hamblin
Town Attorney

By _____

CONSENT TO LIMITED REPRESENTATION ("CONSENT")

BROKER REPRESENTS BOTH SELLER AND BUYER OR BOTH LANDLORD AND TENANT

Document updated: December 2002

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REALTOR® EQUAL HOUSING OPPORTUNITY

1. Buyer/Tenant ("Buyer"): Town of Gilbert
2. Seller/Landlord ("Seller"): Desert Rock Custom Homes, LLC
3. Subject Property: 701 N. Monterey St., Gilbert, AZ 85233
4. Firm Name ("Broker"): Commercial Plus LLC

5. **Consent:** Buyer and Seller consent that Broker, acting through the Licensee(s) named below, will represent both parties in the transaction.

6. [X] One Licensee: Jeff Pavone (NAME)

7. [ ] Two Licensees: _____ (NAME), who, through the Broker, has been representing the Buyer;

8. and _____ (NAME), who, through the Broker, has been representing the Seller.

9. **Duties and Limitations:** The Broker now represents both Buyer and Seller and both parties understand that neither Broker nor Broker's
10. Licensee(s) can represent the interests of one party to the exclusion or detriment of the other party. The parties understand and further
11. consent to the following:
12. a) The Licensee or each Licensee represents both the Buyer and the Seller with limitations of the duties owed to the Buyer and the
13. Seller, such as:
14. 1) The Licensee(s) will not, without written authorization, disclose to the other party that the Seller will accept a price or terms
15. other than stated in the listing or that the Buyer will accept a price or terms other than offered;
16. 2) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information
17. may be made only with written authorization. This does not relieve each Licensee of any legal obligation to disclose all known
18. facts which materially and adversely affect the consideration to be paid by any party to the transaction.
19. 3) Pursuant to A.R.S. §32-2156, Sellers, Lessors and Broker/Licensee(s) are not obligated to disclose that the Subject Property
20. is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by
21. a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common
22. occupancy of real estate; or (3) located in the vicinity of a sex offender.
23. b) The Licensee(s) shall exercise reasonable skill and care in the performance of their duties.
24. c) The Licensee(s) shall be obligated at all times to deal honestly with all parties.
25. d) The duties of the Licensee(s) in this transaction do not relieve the Seller or the Buyer from the responsibility to protect their own interests.

26. **Compensation:** Compensation to the Broker shall be paid pursuant to separate agreement(s).

27. **Prior Agreements:** Seller and Buyer understand this Consent does not replace prior agreements entered into with Broker and
28. such agreements shall remain in effect. However, to the extent that the terms of this Consent contradict or conflict with the terms
29. of prior agreements, this Consent shall supersede.

30. **Termination:** If the Seller and Buyer do not enter into a contract relating to the Subject Property or if the transaction between the
31. Seller and the Buyer fails to close, the parties agree that this Consent is terminated, and the parties shall have no further rights or
32. obligations pursuant to this Consent.

33. **Indemnification:** Seller and Buyer agree to indemnify and hold Broker harmless against any and all claims, damages, losses,
34. expenses or liabilities including attorneys' fees and costs incurred by Broker in any defense thereof arising from Broker's role of
35. limited representation.

36. THE UNDERSIGNED PARTIES ACKNOWLEDGE THAT THEY HAVE THOROUGHLY READ, UNDERSTOOD AND APPROVED THIS
37. CONSENT AND ACKNOWLEDGE RECEIPT OF A COPY.

38. ^ BUYER'S SIGNATURE Town of Gilbert MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR

39. ^ SELLER'S SIGNATURE Desert Rock Custom Homes, LLC MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR

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Commercial Plus, LLC 9590 E. Ironwood Square Dr. St. Ste. 215 Scottsdale, AZ 85258
Phone: 480-776-1012 Fax: 480-391-7722 Leona Voltz Untitled

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Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Eliana Hayes, Assistant Town Engineer, 503-6754

MEETING DATE: January 15, 2015

SUBJECT: Approval of a change to PM/CM contract number 2014-7009-0035 with Jacobs for additional services in the amount of $10,082.25.

STRATEGIC INITIATIVE: Infrastructure

This project supports Gilbert's strategic initiative for infrastructure by replacing Reservoir No. 3.

RECOMMENDED MOTION

A motion to approve Change Order No. 001 to increase the PM/CM contract with Jacobs for the TOG Reservoir No. 3 Replacement Project, CIP WA089, in an amount not to exceed $10,082.25.

BACKGROUND/DISCUSSION

This project is included in the FY 2015-19 Capital Improvement Plan as Project No. WA089 and provides for the construction of a new 1 million gallon water steel tank reservoir and associated appurtenances at Gilbert's Reservoir No. 3 site, Parcel Number 304-23-020P, in response to a condition assessment completed by CH2MHill.

In 2013, Jacobs was contracted to provide project management services during the bid and construction phases of the project to include

- Bidding Assistance
- Project Coordination
- Construction Administration
- Construction Observation
- Testing Requirements
- Project Close-Out

As the project was not completed per the original contract final completion date of October 25, 2014, as well as per owner requested changes during the course of the project in addition to

unforeseen existing conditions, Jacobs has incurred additional expenses above the original contracted amount during the course of this project. A separate change order to the construction contract with MGC Contractors, Inc. for this project is also being processed with final approval being brought forward to Council, to reconcile the owner requested changes and project unforeseen conditions as well as a $7200 construction contract deduct to cover PM/CM expenses associated with the construction contract time increase.

Owner requested changes during the course of construction for this project include:

- Deletion of a 15' slide gate and installation of a 20' vehicular double swing gate with pickets and perforated to match existing design.
- Cutting of the 12" water line that enters the site from the main line, installation of a 12"x6" reducer, 6" gate valve and bring 2' inside of new CMU block wall with a 6"x2" cap and 2" copper line.
- Addition of a pedestrian 6' x 7' single gate with posts to match existing single gate detail with perforated metal.
- Removal of the 12" tank discharge water line to a buried gate valve and then connect to the new tank upon tank completion.
- Replace a portion of a 12" CMP pipe under proposed CMU wall footing with associated appurtenances.
- Revise flowmeter from a Krohne flowmeter to an Endress+Hauser.
- Provide a sump pump in the on-site overflow structure.
- Replacement of the booster pump station suction and discharge piping.
- Revise the connection to the 12" ground water line from the SRP well.
- Paint exterior site fence.
- Installation of 2 pipe supports on the 8" ground water line, between the sand separator and reservoir.
- Addition of miscellaneous building code items.

This change order was reviewed for form by Susan Goodwin, Special Counsel.

FINANCIAL IMPACT

Approval of this Change Order for the PM/CM services in the amount of $10,082.25 is within the available fiscal year balance budget.

The additional $10,082.25 needed for this Change Order can be addressed by increasing the current contract from available budget in WA089.

Summary of Contract Activity		
Original Contract	$111,697	Approved
Change Order No. 001	$10,082.25	Pending Approval
Revised Contract Total	$121,779.25	Pending Approval

Project Accounting Codes: WA089-7510-8002

This financial impact was reviewed by Cris Parisot, Office of Management & Budget.

STAFF RECOMMENDATION

Staff has reviewed the fees associated with this work and finds that they meet Gilbert's expectations for the services, and recommends approval of Change Order No. 1.

Respectfully submitted,

Eliana Hayes
Assistant Town Engineer

Approved By	Approval Date
Gregory Smith	12/24/2014 1:05 PM
Kenneth Morgan	12/24/2014 3:07 PM
Jack Vincent	12/31/2014 11:17 AM
Cris Parisot	12/30/2014 10:14 AM

CHANGE ORDER NO. 001
Jacobs

PROJECT:	TOG Reservoir No. 3 Replacement Project
DATE:	December 24, 2014
OWNER:	Town of Gilbert
PROJECT NO:	WA089
CONTRACT NO:	2014-7009-0035
CONTRACT DATED:	December 19, 2013
A/E:	CH2MHill
PM/CM:	Jacobs

CHANGES: The CONTRACT is changed as follows:
As the project was not completed per the original contract final completion date of October 25, 2014, as well as per owner requested changes during the course of the project in addition to unforeseen existing conditions, Jacobs has incurred additional expenses above the original contracted amount during the course of this project. A separate change order to the construction contract with MGC Contractors, Inc. for this project is also being process with final approval being brought forward to Council, to reconcile the owner requested changes and project unforeseen conditions as well as a $7200.00 construction contract deduct to cover PM/CM expenses associated with the contractor delay in construction contract.

COST/TIME: Original CONTRACT SUM-Not to Exceed:	$111,697.00
Previously Authorized CHANGE ORDERS:	$0.00
CONTRACT sum prior to this CHANGE ORDER-Not to Exceed:	$111,697.00
CHANGE ORDER No. 001 Amount-Not to Exceed:	$10,082.25
New CONTRACT SUM – Not to Exceed:	**$121,779.25**

CONTRACT TIME will be increased by: 30 Days

SUBSTANTIAL COMPLETION as of this Change Order: November 12, 2014

Approved/Accepted by:

A/E _____ (Name) _____ (Date)

PM/CM _____ (Name) 12-29-2014 (Date)

GILBERT: _____ (Name) _____ (Date)

Not valid until signed by GILBERT and/or A/E and/or PM/CM. Signature of A/E and/or PM/CM indicates acceptance, including CONTRACT SUM and CONTRACT TIME.

EXHIBIT D

EXHIBIT C - FEE AND REIMBURSABLE COST

PROJECT MANAGEMENT/CONSTRUCTION MANAGEMENT SERVICES

Vaughn Avenue Parking Garage

CIP PROJECT NO. RES. #3

EXHIBIT D CO#1

FEE AND REIMBURSABLE COSTS 12-22-2014

Staff Hours by Task

TASK	DESCRIPTION	Project Director	Project Manager	DPM/RE - Construction	Inspector	Admin	Total
			Tony	Greg	Greg		
D	**BID AND AWARD PHASE**						
1	**PROJECT MANAGEMENT**						
1.1	Project Review						
1.2	Project Management Plan						
1.3	Interface with Utility Owners						
1.4	Pre-Bid Conference						
1.5	Information to Bidders						
1.6	Addenda						
1.7	Bid Opening and Recommendations						
1.8	Bid Protests						
1.9	Construction Contracts						
1.10	Pre-Construction Conference						
1.11	Permits, Insurance and Labor Affidavits						
2	**TIME MANAGEMENT**						
2.1	Master Schedule						
3	**COST MANAGEMENT**						
3.1	Estimates for Addenda						
3.2	Analyzing Bids						
3.3	Cost Analysis						
4	**MANAGEMENT INFORMATION SYSTEMS (MIS)**						
4.1	Schedule Maintenance Reports						
4.2	Project Cost Reports						
4.3	Establishing the Project MIS						
4.4	Construction Phase Procedures						
E	**CONSTRUCTION PHASE**						
	PROJECT MANAGEMENT						
1.1	On-Site Management and Construction Phase Communication Procedures				11		11
1.2	Construction Administration Procedures				17		17
1.3	Construction Observation				20		20
1.4	Design Changes				2		2
1.5	Project Site Meetings				8		8
1.6	Construction Quality Assurance (Inspections and Testing)				4		4
1.7	Review of Requests for Changes to the Contract Time and GMP				6		6
1.8	Record Documents				5		5
1.9	Substantial and Final Completion						
1.10	Project Closeout						
					73		**73**

EXHIBIT C - FEE AND REIMBURSABLE COST

Staff Hours by Task							
TASK	DESCRIPTION	Project Director	Project Manager	DPM/RE - Construction	Inspector	Admin	Total
2	**TIME MANAGEMENT**						
2.1	Master Schedule						
2.2	Contractor's Construction Schedule						
2.3	Construction Schedule Reports						
2.4	PM/CM Review of Time Extension Requests						
2.5	Recovery Schedules						
3	**COSTS MANAGEMENT**						
3.1	Close-out Reports						
3.2	Change Order Control				2		2
3.3	Change Order Pricing and Verification				1		1
3.4	Progress Payments				2		2
					5		**5**
4	**MANAGEMENT INFORMATION SYSTEMS (MIS)**						
4.1	Schedule Update Reports						
4.2	Project Cost Reports						
4.3	Project and Construction Budget Revision						
4.4	Cash Flow Reports						
4.5	Progress Payment Reports						
4.6	Change Order Reports						
4.7	Contractors Safety Program Report						
F	**POST-CONSTRUCTION PHASE**						
1	**PROJECT MANAGEMENT**						
1.1	Record Documents				1		1
1.2	Organize and Index Operation Maintenance Materials				1		1
1.3	Occupancy Permits				1		1
1.4	Warranty Inspection						
					3		**3**
2	**COST MANAGEMENT**						
2	Cost Management						
3	**MANAGEMENT INFORMATION SYSTEMS (MIS)**						
3.1	Close-out Reports						
3.2	Close-out Meeting						
	Total Hours				**81**		**81**

EXHIBIT C - FEE AND REIMBURSABLE COST

TASK	DESCRIPTION	Project Director	Project Manager	DPM/RE - Construction	Inspector	Admin	Total
Staff Hours by Task							
Fee by Task							
	Hourly Rates by Category	$ 180.00	$ 165.00	$ 125.00	$ 105.00	$ 65.00	
TASK	**DESCRIPTION**	**Project Director**	**Project Manager - Construction Manager**	**DPM/RE - Construction**	**Inspector**	**Clerical**	**Total**
			Tony	Greg	Greg		
D	**BID AND AWARD PHASE**						
1	**PROJECT MANAGEMENT**						
1.1	Project Review	$ -	$ -	$ -	$ -	$ -	$ -
1.2	Project Management Plan	$ -	$ -	$ -	$ -	$ -	$ -
1.3	Interface with Utility Owners	$ -	$ -	$ -	$ -	$ -	$ -
1.4	Pre-Bid Conference	$ -	$ -	$ -	$ -	$ -	$ -
1.5	Information to Bidders	$ -	$ -	$ -	$ -	$ -	$ -
1.6	Addenda	$ -	$ -	$ -	$ -	$ -	$ -
1.7	Bid Opening and Recommendations	$ -	$ -	$ -	$ -	$ -	$ -
1.8	Bid Protests	$ -	$ -	$ -	$ -	$ -	$ -
1.9	Construction Contracts	$ -	$ -	$ -	$ -	$ -	$ -
1.10	Pre-Construction Conference	$ -	$ -	$ -	$ -	$ -	$ -
1.11	Permits, Insurance and Labor Affidavits	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
2	**TIME MANAGEMENT**	-	-	-	-	-	-
2.1	Master Schedule	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
3	**COST MANAGEMENT**	-	-	-	-	-	-
3.1	Estimates for Addenda	$ -	$ -	$ -	$ -	$ -	$ -
3.2	Analyzing Bids	$ -	$ -	$ -	$ -	$ -	$ -
3.3	Cost Analysis	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
4	**MANAGEMENT INFORMATION SYSTEMS (MIS)**	-	-	-	-	-	-
4.1	Schedule Maintenance Reports	$ -	$ -	$ -	$ -	$ -	
4.2	Project Cost Reports	$ -	$ -	$ -	$ -	$ -	
4.3	Establishing the Project MIS	$ -	$ -	$ -	$ -	$ -	
4.4	Construction Phase Procedures	$ -	$ -	$ -	$ -	$ -	
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
E	**POST-CONSTRUCTION PHASE**	-	-	-	-	-	-
	PROJECT MANAGEMENT						
1.1	On-Site Management and Construction Phase Communication Procedures	$ -	$ -	$ -	$ 1,155.00	$ -	$ 1,155.00
1.2	Construction Administration Procedures	$ -	$ -	$ -	$ 1,785.00	$ -	$ 1,785.00
1.3	Construction Observation	$ -	$ -	$ -	$ 2,100.00	$ -	$ 2,100.00
1.4	Design Changes	$ -	$ -	$ -	$ 210.00	$ -	$ 210.00
1.5	Project Site Meetings	$ -	$ -	$ -	$ 840.00	$ -	$ 840.00
1.6	Construction Quality Assurance (Inspections and Testing)	$ -	$ -	$ -	$ 420.00	$ -	$ 420.00
1.7	Review of Requests for Changes to the Contract Time and GMP	$ -	$ -	$ -	$ 630.00	$ -	$ 630.00
1.8	Record Documents	$ -	$ -	$ -	$ 525.00	$ -	$ 525.00
1.9	Substantial an d Final Completion	$ -	$ -	$ -	$ -	$ -	$ -
1.10	Project Close0out	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ 7,665.00**	**$ -**	**$ 7,665.00**
2	**TIME MANAGEMENT**	-	-	-	-	-	-
2.1	Master Schedule	$ -	$ -	$ -	$ -	$ -	$ -
2.2	Contractor's Construction Schedule	$ -	$ -	$ -	$ -	$ -	$ -
2.3	Construction Schedule Reports	$ -	$ -	$ -	$ -	$ -	$ -
2.4	PM/CM Review of Time Extension Requests	$ -	$ -	$ -	$ -	$ -	$ -
2.5	Recovery Schedules	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
3	**COSTS MANAGEMENT**	-	-	-	-	-	-
3.1	Close-out Reports	$ -	$ -	$ -	$ -	$ -	$ -
3.2	Change Order Control	$ -	$ -	$ -	$ 210.00	$ -	$ 210.00
3.3	Change Order Pricing and Verification	$ -	$ -	$ -	$ 105.00	$ -	$ 105.00

EXHIBIT C - FEE AND REIMBURSABLE COST

Staff Hours by Task

TASK	DESCRIPTION	Project Director	Project Manager	DPM/RE - Construction	Inspector	Admin	Total
3.4	Progress Payments	$ -	$ -	$ -	$ 210.00	$ -	$ 210.00
		$ -	**$ -**	**$ -**	**$ 525.00**	**$ -**	**$ 525.00**
4	**MANAGEMENT INFORMATION SYSTEMS (MIS)**	-	-	-	-	-	-
4.1	Schedule Update Reports	$ -	$ -	$ -	$ -	$ -	$ -
4.2	Project Cost Reports	$ -	$ -	$ -	$ -	$ -	$ -
4.3	Project and Construction Budget Revision	$ -	$ -	$ -	$ -	$ -	$ -
4.4	Cash Flow Reports	$ -	$ -	$ -	$ -	$ -	$ -
4.5	Progress Payment Reports	$ -	$ -	$ -	$ -	$ -	$ -
4.6	Change Order Reports	$ -	$ -	$ -	$ -	$ -	$ -
4.7	Contractors Safety Program Report	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
F	**POST-CONSTRUCTION PHASE**	-	-	-	-	-	-
1	**PROJECT MANAGEMENT**						
1.1	Record Documents	$ -	$ -	$ -	$ 105.00	$ -	$ 105.00
1.2	Organize and Index Operation Maintenance Materials	$ -	$ -	$ -	$ 105.00	$ -	$ 105.00
1.3	Occupancy Permits	$ -	$ -	$ -	$ 105.00	$ -	$ 105.00
1.4	Warranty Inspection	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ 315.00**	**$ -**	**$ 315.00**
2	**COST MANAGEMENT**	-	-	-	-	-	-
2	Cost Management	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
3	**MANAGEMENT INFORMATION SYSTEMS (MIS)**	-	-	-	-	-	-
3.1	Close-out Reports	$ -	$ -	$ -	$ -	$ -	$ -
3.2	Close-out Meeting	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	
		$ -	**$ -**	**$ -**	**$ 8,505.00**	**$ -**	**$ 8,505.00**
TOG	Owner Controlled Allowance						$ -
	EXPENSES						
	Item		**Unit**		**Cost/Unit**	**Total**	
	Vehicle Mileage		Lump Sum	650	$ 0.565	367.25	
	Cell Phone		Months	1	$ 60	60.00	
	Computer		Months	1	$ 250	250.00	
	Printing/Copying		Lump Sum		$ 1,500	500.00	
	Postage and Deliveries		Lump Sum		$ 500	150.00	
	Photo		Lump Sum		$ 200	250.00	
	Potholing (N/A)						
	SUBTOTAL EXPENSES		Each		Sub-Total	1577.25	
	Total						**$ 10,082.25**

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Eliana Hayes, Assistant Town Engineer, 503-6754

MEETING DATE: January 15, 2015

SUBJECT: Approval of Change Order No. 1 for the Construction Services Contract with MGC Contractors, Inc. for WA089 Reservoir No. 3 Tank Replacement Project Contract No. 2014-7009-0109.

STRATEGIC INITIATIVE: Infrastructure

This project supports Gilbert's strategic initiative for infrastructure as it improves the Town's water system capacity.

RECOMMENDED MOTION

A motion to approve Change Order No. 1 to increase the Construction Services Contract with MGC Contractors, Inc. for the Reservoir No. 3 Tank Replacement Project, WA089, in an amount of $18,981.

BACKGROUND/DISCUSSION

This project has been identified in the FY2015 - 2019 Capital Improvement Plan (CIP) which provides for the design and construction for a new 1-MG steel tank reservoir at Gilbert's Reservoir No. 3 site, Parcel Number 304-23-020P. The condition assessment completed for Reservoir No. 3 indicated that the tank should be fully replaced. The original contract scope of work covers the construction of the tank replacement, new disinfection system, new pipeline for tank mixing and system refilling as well as a new electrical building.

During the course of the project, several owner requested changes in addition to unforeseen conditions resulted in work needing to be done above the original contract amount. These items included the following:

1. Revisions to a proposed SRP gate – Installation of a 20' double swing gate with pickets and perforated to match an existing design vs. the installation of a 15' slide gate

2. Demolition of an existing 12” PW line, installation of a 6” gate valve and new 2” copper PW line.
3. Addition of a 6’ x 7’ single gate with posts to match an existing single gate detail.
4. Removal of an existing 12” water line at tank, back to first joint and cap. Installation of new 12” water line connection.
5. Repair damage to an unmarked pipe and adjust in conflict fence footing.
6. Revise flowmeter from a Krohne to an Endress+Hauser flow meter.
7. Provide a sump pump in the overflow structure.
8. Replace booster pump station suction and discharge piping.
9. Revise 12” ground water line connection from below ground to above ground.
10. Pressure wash and coat the exterior of the perimeter block wall.
11. Addition of two 8” pipe supports on the ground water line.
12. Array of items to cover building inspection requests, revise on-site detention basin, deduct for Jacobs overages associated with delay in contract, installation of (2) hose bibs at sample ports, and repair to P-3-2 pump motor.

The original construction services contract established a $128,204 owner allowance line item. All of the above items totaled $147,185 for a contract overage of $18,981.

The Change Order was reviewed for form by Susan Goodwin, Special Counsel.

FINANCIAL IMPACT

Approval of this Change Order for Construction Services in the amount of $18,981.00 is within the available fiscal year balance budget.

The additional $18,981 needed for the Change Order can be addressed by increasing the current contract amount from available budget in the WA089 project.

Summary of Contract Activity

Original Contract	$1,845,996	Approved
Change Order No. 1	$18,981	Pending Approval

Project Accounting Codes: WA089-7540-8305

The financial impact was reviewed by Cris Parisot, Office of Management & Budget.

STAFF RECOMMENDATION

Staff has reviewed the fees associated with this work and finds that they meet Gilbert’s expectations for the services and recommends approval of Change Order No. 1.

Respectfully submitted,
Eliana Hayes
Assistant Town Engineer

Approved By	Approval Date
Gregory Smith	1/5/2015 2:24 PM
Kenneth Morgan	1/5/2015 4:07 PM
Jack Vincent	1/6/2015 4:22 PM
Cris Parisot	1/6/2015 7:31 AM

CHANGE ORDER NO. 001
MGC Contractors, Inc.

PROJECT:	Reservoir No. 3 Tank Replacement Project
DATE:	12/29/14
OWNER:	Town of Gilbert
PROJECT NO:	WA 089
CONTRACT NO:	2014-7009-0109
CONTRACTOR:	MGC Contractors, Inc.
CONTRACT DATED:	1/28/14
PM/CM	Jacobs

CHANGES: The CONTRACT is changed as follows:
As the project was not completed per the original contract final completion date of October 25, 2014, as well as per owner requested changes during the course of the project in addition to unforeseen existing conditions, MGC was granted an extension of time by the Town of Gilbert of approximately 30 days, to complete the change order work requested.

COST/TIME: Original CONTRACT SUM-Not to Exceed:	$1,845,996.00
Previously Authorized CHANGE ORDERS:	$ **0.00**
CONTRACT sum prior to this CHANGE ORDER-Not to Exceed:	$1,845,996.00
CHANGE ORDER No. 001 Amount Not to Exceed:	$ **18,981.00**
New CONTRACT SUM – Not to Exceed:	**$1,864,977.00**

CONTRACT TIME will be increased by: 30 Days

SUBSTANTIAL COMPLETION as of this Change Order: November 12, 2014

Approved/Accepted by:

PM/CM	[signature]	12-29-2014
	(Name)	(Date)
CONTRACTOR:	Keith Mellor	12-30-14
	(Name)	(Date)
GILBERT:		
	(Name)	(Date)

Not valid until signed by both GILBERT and/or PM/CM. Signature of CONTRACTOR indicates acceptance, including CONTRACT SUM and CONTRACT TIME.

Contractor agrees that the adjustment of the Contract Price and Contract Time reflected in this Change Order represents the entire and complete adjustment of the Contract Price and Contract Time for the changes set forth in this Change Order. The adjustment of the Contract Price includes all direct costs of labor materials, services and equipment to complete such changes as well as any and all indirect costs of impacts, delays, interference or hindrances in performing, providing and completing the changes set forth in this Change Order. The adjustment of the Contract Time includes all adjustments of time necessary to perform, provide

and complete the changes set forth in this Change Order and any and all impacts, delays, interference or hindrances in performing, providing and completing the changes.

Town of Gilbert
Allowance Use Authorization No. 01
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
MGC
Jacobs

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #01 - Revising SRP gate	$	1,417.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	1,417.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	$ 128,204.00 ~~128,000.00~~ JCB
Previous Authorizations	$	-
This Authorization	$	1,417.00
Remaining Allowance Amount	$	~~126,583.00~~ 126,787.00 JCB

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 3-16-2014
Greg Arnley PMCM

Contractor Acceptance

By: _____ Date: 3/14/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 4/16/14
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 001
SRP Gate Revision

TO: **Jacobs**

ATTN: **Herb Durbin**

JOB NAME: **Reservoir #3 Tank Replacement** Date: **2/17/2014**

REFERENCE: **WA089 Reservoir Tank #3 Replacement**

MGC JOB NO. **13290** City Project No: **WA089**

We have reviewed the requirements of: **Revising SRP gate**
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

_____ Additional Amount of **$1,417**

_____ Deductive Amount of _____

_____ No Change in Contract Amount

This pricing is based on the following conditions:

_____ Quotation is valid for 30 days. Lack of direction concerning this work by that date will require re-evaluation of the work change.

0 Calendar days extension of Contract time is required.

_____ Exclusions or conditions that vary from our Contract Agreement are as follows:
Items not specifically quoted by MGC

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

SRP Gate Revision

CHANGE ORDER PRICING SHEET

Description of Change Order:
SRP Gate Revision

Prepared by: JH
Date: 2/17/2014

A Item No.	B Description	C Units	D UM	E Labor Unit Cost Column S	F Labor Total Cost (C x E)	G Material Unit Cost	H Material Total Cost (C x G)	I Equipment Unit Cost	J Equipment Total Cost (C x I)	K Supplemental Work Sheet	L Supplemental Total Cost (C x K)	M Subcontract Unit Cost	N Subcontract Total Cost (C x M)	O Subtotal
1	MGC	1	LS	$ -	$ -	$ -	$ -	$ -	$ -		$ -		$ -	$ -
a	Gate Deletion	1	LS		$ -	$ -	$ -		$ -		$ -	$ (2,765)	$ (2,765)	$ (2,765)
b	Add 20" Double Swing gate	1	LS		$ -	$ -	$ -		$ -		$ -	$ 3,556	$ 3,556	$ 3,556
	to Match Existing	1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
c	Masonry	1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
d	Grounding Wire 40' @ $8 per	40	LF		$ -	$ -	$ -		$ -		$ -	$ 8	$ 320	$ 320
e	MGC layout	3	HRS	$ 35	$ 105	$ -	$ -		$ -		$ -		$ -	$ 105
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 8	$ 8		$ -		$ -		$ -	$ 8
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 56	$ 56		$ -		$ -		$ -		$ -	$ 56
COLUMN SUBTOTALS					$ 161		$ 8		$ -		$ -		$ 1,111	$ 1,280
11.6.2.2 Fee for work by Subcontractor		10.0%											$ 111	$ 111
11.6.2.1 Fee for work by Contractor		15.0%			$ 24		$ 1							$ 25
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 1,417

SUBTOTAL CHANGE ORDER AMOUNT	$ 1,417
ADJUSTMENTS Bond .0%	$ -
Insurance	$ -
Subtotal	$ 1,417
Sales Tax 7.8% of 65% of C.O. Amount	$ 0
GRAND TOTAL CHANGE ORDER AMOUNT	$ 1,417

BIDDLE & BROWN
FENCE COMPANY

895 W. ELWOOD
Phoenix, AZ 85041
P: (602) 456-8999
F: (602) 396-1077
C: (602) 501-9381
ROC 272838

PROPOSED CHANGE ORDER

CUSTOMER(S) MGC		ATTN: JIM	
BILLING ADDRESS			
CITY		STATE	ZIP
PHONE	FAX	MOBILE 602-717-9063	

JOB NUMBER 14-003	DATE 2/12/2014
JOB NAME Gilbert Reservoir #3	
JOB LOCATION	
EXISTING CONTRACT NO.	DATE OF EXISTING

We hereby agree to make the change(s) specified below:

LABOR AND MATERIALS TO MAKE CHANGES AS FOLLOWS:

DELETE 15' SLIDE GATE - ($2,765.00)

INSTALL 20' DOUBLE SWING GATE WITH PICKETS AND PERFORATED TO MATCH EXISTING DESIGN - $3,556.00

OPTION #2 - 20' DOUBLE SWING GATE WITH PERFORATED AND FRAMEWORK PER DETAIL B-483.32 - $3,323.00

NOTE: This Change Order becomes part of and in conformance with the existing contract.

WE AGREE hereby to make the change(s) specified above at this price ⇨	$

	ORIGINAL CONTRACT AMOUNT	$
	SUM OF PRIOR CHANGE ORDERS	$
COURTNEY FORSGREN, PM C) 602-501-9381	CONTRACT AMOUNT PRIOR TO THIS CHANGE	$
	AMOUNT OF THIS CHANGE ORDER	$
BY (BBF)	NEW CONTRACT AMOUNT INCL. THIS CHANGE	$

TE

ACCEPTED - The above prices and specifications of this Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.	DATE
	SIGNATURE (GC OR OWNER)

ITC
Information to
Contractor

JACOBS

101 North First Avenue, Suite 3100
Phoenix, Arizona 85003 USA
1.602.650.4042
Fax 1.602.253.1202

Date:	February 13, 2014	**From:**	Herb Durbin
Attention:	Jim Howell, Keith McClure	**Project:**	WA089 RES #3
Firm Name:	MGC	**Project No.**	WA089
Copies to	Lee Brush	**File:**	ITC #3 **SRP Gate**

Jim,

Per request of TOG please provide 20 ft wide (2 each 10 ft wide) swing gate for access to the SRP well site property.

Durbin, Herb

From: Lee Brush [Lee.Brush@gilbertaz.gov]
Sent: Tuesday, February 11, 2014 2:44 PM
To: Durbin, Herb
Cc: Jim Howell; Armey, Greg F.
Subject: Re: WA089 Gilbert Reservoir No. 3 - 20 Foot Wide (2 each 10' wide) Swing Gate Detail

Lets just go with the 20' swing gate. I assume this is the less expensive option between the two 20' options. The 15' is not an option.

Thanks
Lee Brush

Sent from my iPhone

On Feb 11, 2014, at 11:12 AM, "Durbin, Herb" <Herb.Durbin@Jacobs.com> wrote:

Jim,

Can you please provide costs for the following gate options so the Town can make a decision regarding the SRP gate (SRP requires a 20' wide opening)?

1. Cost for the designed 15' wide slide gate per the plans?

2. Cost for two 10' wide sliding gates?

3. Cost for the 20' wide swing gate per the attached detail?

Best Regards,

Herb Durbin | Jacobs | Project Manager| Office 602.650.4976 | Mobile 602.321.5325 | herb.durbin@jacobs.com | www.jacobs.com

From: DeLaney Steven G (Steve) [mailto:Steve.DeLaney@srpnet.com]
Sent: Tuesday, February 11, 2014 9:36 AM
To: Durbin, Herb
Cc: Armey, Greg F.; Lee Brush (Lee.Brush@gilbertaz.gov); bryan.galvin@gilbertaz.gov; Haas Richard W; Shreve Wesley M (Wes)
Subject: WA089 Gilbert Reservoir No. 3 - 20 Foot Wide (2 each 10' wide) Swing Gate Detail
Importance: High

Attached is the detail.

Steve DeLaney Salt River Project Electrical Specialist Groundwater Design Mail Stop 16ST52 P.O. Box 52025 Phoenix, AZ 85072 Office: 602-236-2612 Cell: 602-550-3995
FAX: 602-236-2987 steve.delaney@srpnet.com

From: Durbin, Herb [mailto:Herb.Durbin@Jacobs.com]
Sent: Monday, February 10, 2014 2:42 PM
To: DeLaney Steven G (Steve)
Cc: Armey, Greg F.
Subject: Gilbert Reservoir No. 3 - 20 Foot Wide (2 each 10' wide) Swing Gate Detail

Steve,

I am working with Greg Armey. Any luck on finding this standard detail?

Best Regards,

Herb Durbin | Jacobs | Project Manager| Office 602.650.4976 | Mobile 602.321.5325 | herb.durbin@jacobs.com | www.jacobs.com

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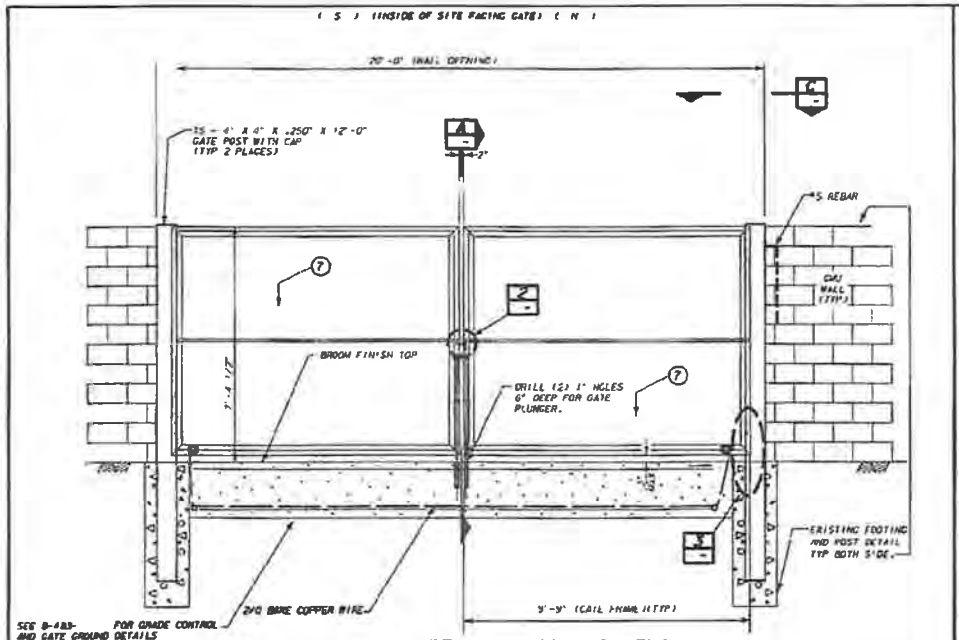
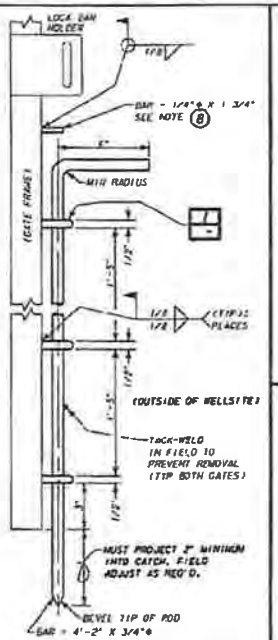
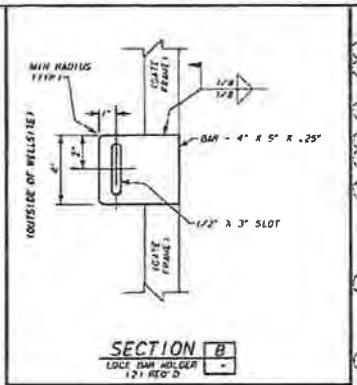


WROUGHT IRON GATE WITH METAL PANELS

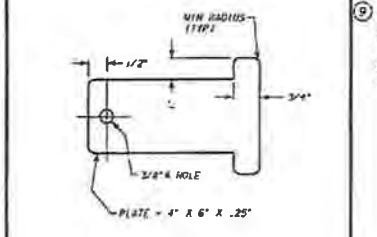
MEASUREMENTS SHOWN ARE NOMINAL. THEY MAY BE ADJUSTED, DUE TO VARIANCE IN WALL OPENING.



SECTION 4
PLUNGER ROD (2) REQ'D



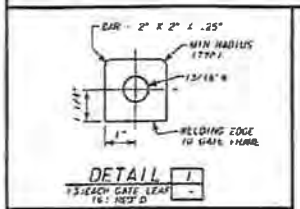
SECTION 8
LOCK BAR HOLDER (2) REQ'D



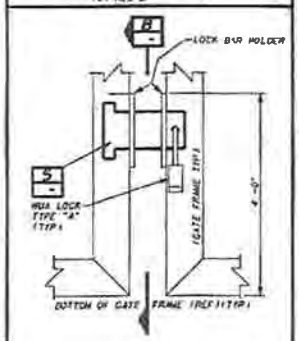
DETAIL 5
LOCK BAR (1) REQ'D

NOTES:

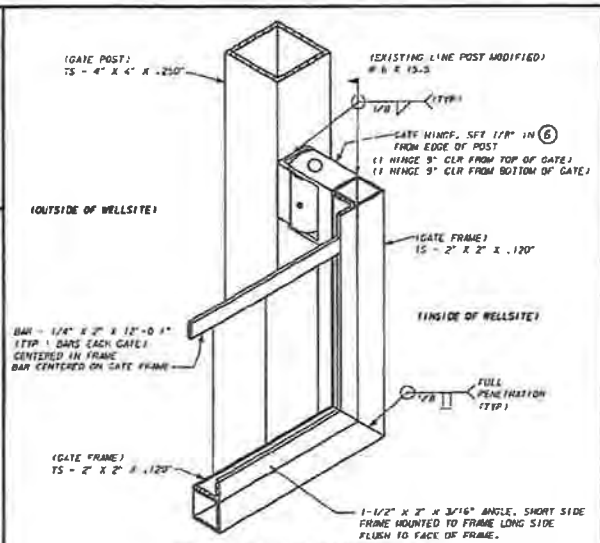
1. ALL PARTS TO BE FABRICATED FROM STEEL.
2. AFTER FABRICATION, ALL SHOP AND FIELD WELDS TO BE OF QUALITY WORKMANSHIP AND FREE OF SLAG.
3. PLUNGER-ROD SHOWN IN SECTION A, MUST OPERATE FREELY.
4. ALL MID-SPAN WELDS TO BE GROUND SMOOTH.
5. ALL STEEL PARTS ARE SUBJECT TO INSPECTION PRIOR TO INSTALLATION.
6. MANUFACTURER TO SUPPLY COMPLETE HINGE ASSEMBLY: GATE HINGE TO BE BUILDER FENCE CO. (BFC) HINGE #83354 - WELD ON ROLLER BEARING, (4) REQ'D PER OPENING. FIELD VERIFY ALL CRITICAL DIMENSIONS PRIOR TO FABRICATION AND INSTALLATION. IF DIMENSIONS VARY, CALL WES SHREVE 602-236-5569.
7. 20 GAGE DEEP VERCOR DECKING MOUNTED TO INSIDE OF GATE WITH MANSON #NTA-FOOT PLATED STEEL EYELET/COATED STELL MANDREL LARGE LANGE RIVET .625 HEAD DIAMETER AT 12" CENTER TO CENTER BAR AND ANGLE IRON
8. PLUNGER ROD HANGER TO BE INSTALLED ON EACH GATE FRAME ABOVE PLUNGER ROD. FIELD INSTALL AND ADJUST TO ALLOW FREE SWING OF GATE WHEN PLUNGER ROD IS ON HANGER.
9. ALL STEEL PARTS TO BE PAINTED WITH (1) COAT DUNN-EDWARDS CORROBAR 43-5 AND FINISHED WITH MINIMUM (2) COATS DUNN-EDWARDS SYN-LUSTRO 10 SERIES COLOR # DE6196 TERRACOTTA SAND OR POWDER COAT WITH CARDINAL STOCK COLOR DESIGNER BEIGE 90% GLOSS #1009-BG16.



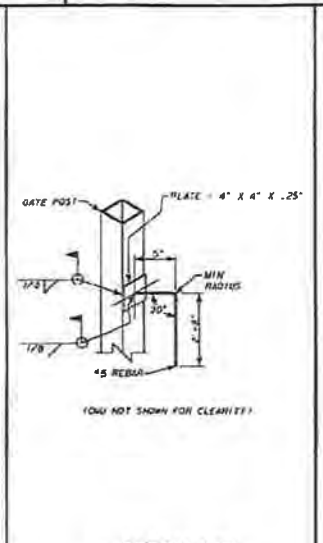
DETAIL 1
TS (EACH GATE LEAF) (6) REQ'D



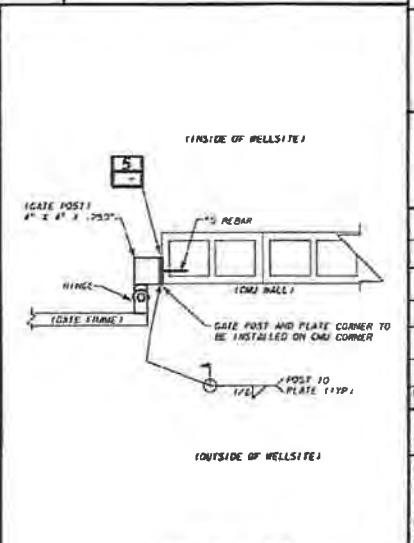
DETAIL 2
MOUNTING LOCATION FOR LOCKING ASSY



DETAIL 3
GATE FRAME



DETAIL 4
GATE POST ANCHOR (2) REQ'D (1) EACH GATE POST



SECTION C
GATE POST (TYP 2 PLACES)

LEGEND:

TS - TUBE STEEL

REFERENCE DRAWINGS:

WELLSITE TOPO	B-483-	.1
LENGTHS AND ELEVATIONS OF ENCLOSURE	B-483-	.30
DETAILS AND ASSEMBLY OF IRON AND / OR MASONRY ENCLOSURE	B-483-	.31

ISSUED FOR CONSTRUCTION

REV NO.	JOB NO.	DATE	DSGN CHKR	DFTR	SUPV APPD	ISSUE AUTH
0				WMS	KJT	

SALT RIVER PROJECT
GROUNDWATER ◇ PHOENIX, ARIZONA

WELLSITE
CPR NO.

DETAILS AND ASSEMBLY OF DRIVE-THRU IRON GATE WITH REDWOOD

SCALE: NTS			ST. DOM
SGN. CODE	DISTR CODE	DWG SIZE	B-483- .32
WS	YS	22X34	

Town of Gilbert
Allowance Use Authorization No. 02
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
MGC
Jacobs

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	Cor #03 Revised of 2/27/14 _PW Line	$	6,966.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	6,966.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

		$ 128,204.00 ZRB
Original Allowance Amount	$	~~128,000.00~~
Previous Authorizations	$	1,417.00
This Authorization	$	6,966.00
Remaining Allowance Amount	$	~~119,617.00~~
		$ 119,821 ZRB

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 3-16-2014
Greg Armey PMCM

Contractor Acceptance

By: _____ Date: 3/14/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 4/16/14
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 003 Rev. 1 of 2/27/14
PW Line Replacement

TO: Jacobs

PREPARED BY: JH

ATTN: Herb Durbin

JOB NAME: Reservoir #3 Tank Replacement

Date: 2/27/2014

REFERENCE: WA089 Reservoir Tank #3 Replacement

MGC JOB NO. 13290

City Project No: WA089

We have reviewed the requirements of: Demo Existing 12" PW Line, Install (1) 6" Gate Valve & Install New 2" Copper PW Line.
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

_____ Additional Amount of $6,966

_____ Deductive Amount of _____

_____ No Change in Contract Amount

This pricing is based on the following conditions:

_____ Quotation is valid for 30 days. Lack of direction concerning this work by that date will require re-evaluation of the work change.

0 Calendar days extension of Contract time is required.

_____ Exclusions or conditions that vary from our Contract Agreement are as follows:
Work not specifically noted in this COR; asphalt removal and/or patch

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

PW Line Replacement

CHANGE ORDER PRICING SHEET

Description of Change Order:
PW Line Replacement

Prepared by: JH
Date: 2/27/2014

A	B	C	D	REPARED BY:	F	G	H	I	J	K	L	M	N	O
Item No.	Description	Units	UM	Labor Unit Cost Column S	Labor Total Cost (C x E)	Material Unit Cost	Material Total Cost (C x G)	Equipment Unit Cost	Equipment Total Cost (C x I)	Supplemental Work Sheet	Supplemental Total Cost (C x K)	Subcontract Unit Cost	Subcontract Total Cost (C x M)	Subtotal
1	MGC Labor & Equipment	1	LS	$ 2,034	$ 2,034	$ -	$ -	$ 554	$ 554		$ -		$ -	$ 2,589
2	Ductile Iron Fittings & Access	1	LS		$ -	$ 418	$ 418		$ -		$ -		$ -	$ 418
3	Gate Valve & Valve Box	1	LS		$ -	$ 1,096	$ 1,096		$ -		$ -		$ -	$ 1,096
4	Copper Pipe & Fittings	1	LS		$ -	$ 1,469	$ 1,469		$ -		$ -		$ -	$ 1,469
5	Bedding Sand	1	LS		$ -	$ 200	$ 200		$ -		$ -		$ -	$ 200
6		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 163	$ 163		$ -		$ -		$ -	$ 163
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 195	$ 195		$ -		$ -		$ -		$ -	$ 195
COLUMN SUBTOTALS					$ 2,229		$ 3,346		$ 554		$ -		$ -	$ 6,130
11.6.2.2 Fee for work by Subcontractor		10.0%											$ -	$ -
11.6.2.1 Fee for work by Contractor		15.0%			$ 334		$ 502							$ 836
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 6,966

SUBTOTAL CHANGE ORDER AMOUNT		$ 6,966
ADJUSTMENTS	Bond 1.0%	$ -
	Insurance 3.2%	$ -
	Subtotal	$ 6,966
	Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT		$ 6,966

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 003 Rev. 1 of 2/27/14

City Project No: WA089

DATE : 2/27/2014
MGC Job # 13290
PREPARED BY: JH

DESCRIPTION OF WORK PERFORMED: 12" PW Line Replacement
MGC T&M Rates

12" PW Line Replacement will consist of the following:
1. Isolate and drain 12" PW line.
2. Demo existing 12" PW line, approximately 60'.
3. Install 12" x 6" MJ reducer, 6" MJ gate valve and valve box.
4. Install approximately 80' of 2" copper pipe.
5. Bac-T and test.
6. Backfill line.

COST ANALYSIS:

Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - **JH**	HR	1.0	$97.60	$97.60	$97.60
Project Engineer - **KM**	HR	0.0	$72.40	$0.00	$0.00
Superintendent - **RS**	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	8.0	$70.00	$560.00	$560.00
Crane Operator	HR	0.0	$55.80	$0.00	$0.00
Equipment Operator - **1 each**	HR	8.0	$42.50	$340.00	$340.00
Skilled Tradesman - **2 each**	HR	16.0	$46.60	$745.60	$745.60
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer - 1 each	HR	8.0	$36.40	$291.20	$291.20
			Total Labor Cost		$2,034.40

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - **Supt**	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	8.0	$63.05	$504.40	$504.40
Cat 420D Backhoe	HR	0.0	$58.50	$0.00	$0.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Rammex P35K Trench Compactor	HR	0.0	$31.40	$0.00	$0.00
Wacker	HR	4.0	$12.50	$50.00	$50.00
		12.0	**Total Equipment Cost**		$554.40

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
Ductile Iron Fittings & Accessories	LOT	1	$418.18	$418.18	$418.18
Gate Valve & Valve Box	LOT	1	$1,095.81	$1,095.81	$1,095.81
Copper Pipe & Fittings	LOT	1	$1,469.06	$1,469.06	$1,469.06
Bedding Sand	LOAD	1	$200.00	$200.00	$200.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
			Total Material Cost		$3,183.05

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
		$0.00
		$0.00
		$0.00
		$0.00
		$0.00
	Total Subcontractor Cost	$0.00
	TOTAL	$5,771.85

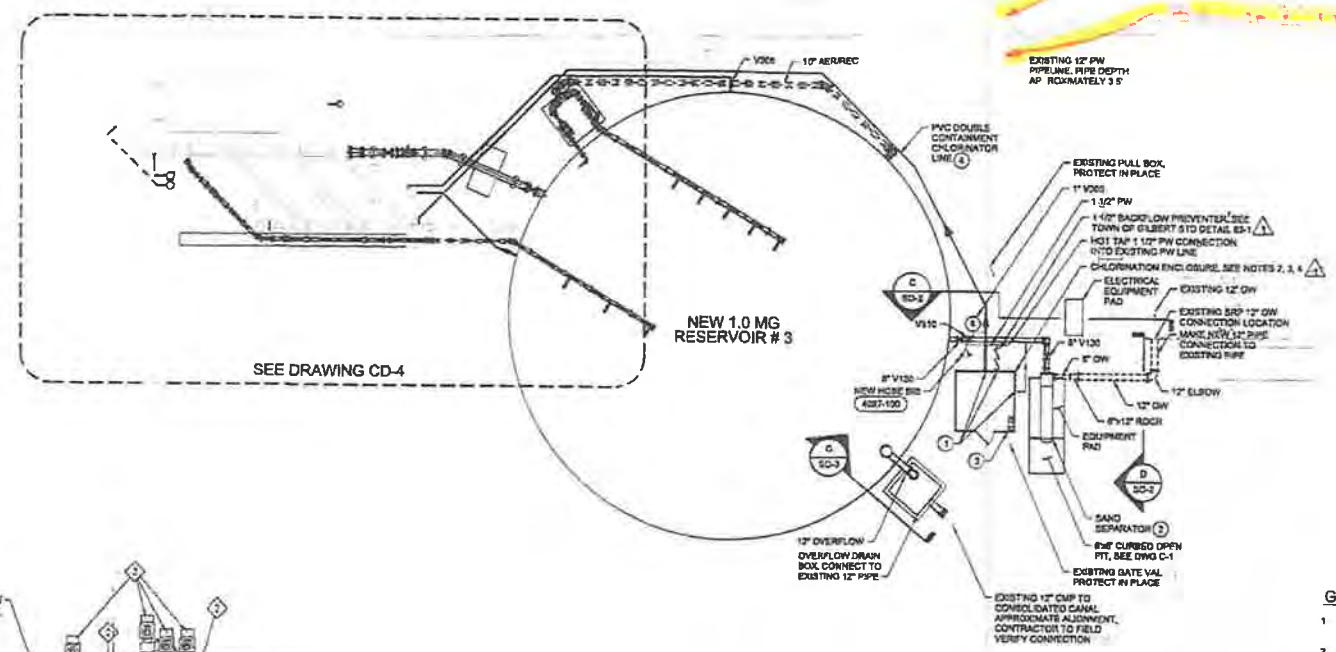
ITC
Information to
Contractor

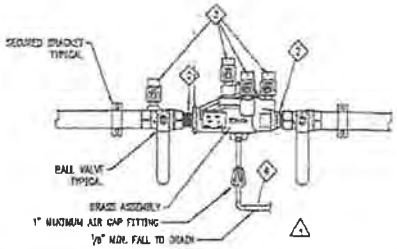
JACOBS
101 North First Avenue, Suite 3100
Phoenix, Arizona 85003 USA
1.602.650.4042
Fax 1.602.253.1202

Date:	February 19, 2014	**From:**	Herb Durbin
Attention:	Jim Howell, Keith McClure	**Project:**	WA089 RES #3
Firm Name:	MGC	**Project No.**	WA089
Copies to	Lee Brush	**File:**	**ITC #5** **12 inch Tee off Canal Access Rd.**

Jim,

Per request of TOG please provide a cost cut the 12 inch line that enters the site from the main line. Install a 12"x6" reducer, 6" gate valve and bring 2' feet inside new CMU block wall with a 6"x2" cap with a 2" copper line. See attached sketch.





LIST OF MATERIALS

1. APPROVED REDUCED PRESSURE PRINCIPLE BACKFLOW PREVENTER, BALL VALVES INCLUDED.
2. INLET AND OUTLET PIPING SHALL BE OF POTABLE WATER TYPE AS DEFINED BY THE 2006 IPC.
3. TEST LEADS SHALL BE INSTALLED IN ALL TEST COCKS WITH CAPS.
4. ADEQUATE DRAINAGE MUST BE INSTALLED TO ACCOMMODATE RELIEF VALVE WITH MIN.1" AIR GAP. . SEE MANUFACTURER'S RECOMMENDATIONS.
5. NO COPPER PIPING SHALL BE INSTALLED ON CARBONATOR APPLICATIONS, DOWSTREAM OF REDUCED PRESSURE PRINCIPLE BACKFLOW PREVENTER.

GENERAL NOTES:

1. ASSEMBLY SHALL BE SECURED TO A FIXED STRUCTURE.
2. ASSEMBLY SHALL NOT BE INSTALLED IN A POTENTIAL FLOOD ZONE OR CONFINED SPACE.
3. ASSEMBLY SHALL BE LOCATED IN AN ACCESSIBLE LOCATION FOR MAINTENANCE, TESTING AND PROPER DRAINAGE.
4. ASSEMBLY SHALL BE A MINIMUM OF 12" FROM FLOOR GRADE, AND NO GREATER THAN 60" IN HEIGHT.
5. ASSEMBLY SHALL BE NO LESS THAN 4" IN DISTANCE FROM AN ADJACENT STRUCTURE.
6. ASSEMBLY SHALL BE TESTED BY A CERTIFIED TESTER RECOGNIZED BY THE TOWN OF GILBERT, BEFORE FINAL APPROVAL IS GIVEN.

DETAIL 83-1 - REDUCED PRESSURE PRINCIPLE DEVICE FOR INTERNAL USE ONLY

NTS

GENERAL NOTE:

1. STANDARD DETAILS ARE SHOWN ON DRAWING D-1
2. SEE SPECIFICATION SECTION 44 44 18, WATER CHLORINATORS FOR DETAILS OF CHLORINATION SYSTEM, MAXIMUM QUANTITY AND CONCENTRATION OF CHLORINE SOLUTION.
3. CONTRACTOR SHALL PROVIDE HAZARDOUS MATERIAL INVENTORY STATEMENT IN ELECTRONIC FORMAT TO TOWN OF GILBERT, GILBERT FIRE DEPARTMENT'S FORM 0410 FOR CHLORINE SOLUTION AND TABLETS BEFORE COMPLETION OF CONSTRUCTION
4. POST MATERIAL SAFETY DATA SHEET (MSDS) FOR CHLORINATION SYSTEM AFTER INSTALLATION IN AN EASILY ACCESSIBLE LOCATION INSIDE THE CHLORINATION ENCLOSURE, IN ORDER TO COMPLY WITH INTERNATIONAL FIRE CODE, IFC-2006, CHAPTER 27.

CONSTRUCTION NOTES:

1. COORDINATE 1 1/2" NPW AND 1 1/2" CHLORINATION WITH EQUIPMENT VENDOR.
2. LAKOS SAND SEPARATOR: MODEL: PWV-1080. NO "OR EQUAL"
3. GUARDIAN PRESSURIZED PORTABLE EMERGENCY EYEWASH STATION, MODEL G1582 OR EQUAL. COORDINATE WITH OWNER.
4. CARRIER PIPE: 1 1/2" PIPE DOUBLE CONTAINMENT CHLORINATION LINE. CONTAINMENT PIPE: 4" MINIMUM OR AS PER PIPE MANUFACTURER'S RECOMMENDATION. MAINTAIN 1' HORIZONTAL SEPARATION WITH ELECTRICAL DUCTBANK, SEE E-1.

SITE PIPING PLAN

1"=10'-0"

0 10 20 30
1"=10'-0"

EXPIRES 3/31/14 — EXPIRES 09/30/14

NO.	DATE	REVISION	BY	APV'D
1	10/09/13	ADDRESS PERMITTING COMMENT, CHANGE BY DESIGNER	SM	DB

DESIGNED: CANDELARIA, CRK
DRAWN: CANDELARIA, CRK
CHECKED: S.MERCALF, M.HESSI/J.HESSI
APV'D: D.BERGCHAUER

1501 W FOUNTAINHEAD PARKWAY
SUITE 40
TEMPE, AZ 85282

TOWN OF GILBERT
RESERVOIR NO. 3 REPLACEMENT
201 E. WATER TANK RD.
GILBERT AZ 85296

CH2MHILL

CIVIL / PROCESS

SITE PIPING PLAN

VERIFY SCALE
BAR IS ONE INCH ON ORIGINAL DRAWING
0 1"

DATE SEPTEMBER 2013
PROJ 485596
DWG CD-3
SHEET 11

FILENAME: CD-103_485596.dgn PLOT DATE: 2013/10/09 PLOT TIME: 1:10:58 PM

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PURPOSE OF DOCUMENTS: THIS DOCUMENT WAS PREPARED FOR THE PURPOSE OF PROVIDING INFORMATION ON THE DESIGN OF THE PROJECT. THE INFORMATION CONTAINED HEREIN MAY NOT BE SUFFICIENT OR APPROPRIATE FOR PURPOSES OTHER THAN THE PROJECT. ALL REPRODUCTIONS OF THIS DOCUMENT MUST BE MADE IN ITS ENTIRETY. THE CONTENTS OF THIS DOCUMENT MAY NOT BE ALTERED WITHOUT THE WRITTEN AUTHORIZATION OF CH2M HILL.

Jim Howell

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rom: Durbin, Herb [Herb.Durbin@Jacobs.com]
Sent: Friday, February 07, 2014 10:50 AM
To: Jim Howell
Subject: RE: Gilbert Reservoir #3 - RFI #09 Existing 12" Pipe
Attachments: WA089_RFI009_Existing_12in_PW_Contractor edits.rtf

I was thinking something like this. Please review, edit, insert cost, and resubmit as RFI 009.

Best Regards,

Herb Durbin | Jacobs | Project Manager| Office 602.650.4976 | Mobile 602.321.5325 | herb.durbin@jacobs.com | www.jacobs.com

---

From: Jim Howell [mailto:JimH@mgccontractors.com]
Sent: Friday, February 07, 2014 10:39 AM
To: Durbin, Herb
Subject: RE: Gilbert Reservoir #3 - RFI #09 Existing 12" Pipe

Herb:

This what you were looking for?

Thanks,

Jim Howell
Project Manager

MGC
QUALITY · PERFORMANCE · VALUE

4110 E. Elwood St.
Phoenix, Az. 85040
Office 602-437-5000
Fax 602-470-4000
Mobile 602-717-9063

jimh@mgccontractors.com

www.mgccontractors.com

MGC Contractors

4110 East Elwood St.
Phoenix, AZ 85040

Phone: 437-5000
Fax: 470-4000

REQUEST FOR INFORMATION
No. 9

RFI ISSUE: Existing 12" PW Pipe CD-3 / ITC #5

PROJECT: Gilbert Reservoir #3
WA089

DATE: February 25, 2014
PROJECT NO. 13290

TO: Town of Gilbert
Attn: Herb Durbin

Email: Herb.Durbin@Jacobs.com

REQUEST: Drawing Number: CD-3 Specification:

This RFI is being submitted for records purposes at this time - The existing 12" PW pipeline, on sheet CD-3, noted to be Hot Tap with a 1-1/2" PW connection, is a live line which MGC has requested be turned off while construction occurs. The owner has indicated the line is live and there is no valve to isolate the line to turn it off without turning off the homes also being fed from the line in the street.

We discovered this line is DI. MGC potholed at location of new hot tap in the presence of the Town Water Dept.

The TOC requests a change order budget to install a 6" reducer on the 12" line in the street, then install a buried 6" valve, then reduce to 2" copper and extend onto the site as shown in the design drawings. The cost for this modification to the design is $9,926.00

Is MGC authorized to perform this work and issue a change order in the amount referenced above?

REPLY:

Town of Gilbert

FERGUSON Waterworks

FERGUSON WATERWORKS (3083)
111 EAST BUCKEYE ROAD SUITE 5
PHOENIX, AZ 85004-2725

Deliver To: jak@ferguson.com
From: Justin Kapitan
Comments:

17:51:25 FEB 19 2014

FERGUSON WATERWORKS #3083
Price Quotation
Phone : 602-495-8420
Fax : 602-262-4276

Bid No.....: B203111
Bid Date....: 02/19/14
Quoted By.: JAK

Cust 602-437-5000
Terms.....: NET 10TH PROX

Customer: MGC CONTRACTORS INC
RESERVOIR # 3 TANK #13290
PO BOX 61748
PHOENIX, AZ 85082-1748

Ship To: MGC CONTRACTORS INC
RESERVOIR # 3 TANK #13290
PO BOX 61748
PHOENIX, AZ 85082-1748

Cust PO#...:

Job Name: ADDITIONAL PRICING

Item	Description	Quantity	Net Price	UM	Total
MJRLA12U	12X6 MJ C153 RED L/A	1	127.850	EA	127.85

SSLCE12	12 PVC WDG REST GLND *ONELOK	1	88.511	EA	88.51
IMJBGP12	12 MJ C153 BOLT GSKT PK L/ GLAND	1	24.841	EA	24.84

K7571LAUOL	6 MJ RW DI OL GATE VLV L/A	1	580.777	EA	580.78
IVBABS24	24 SLIP VLV BX BOT SECT	1	30.000	EA	30.00
SVSHPSS	5X5 SV SH SOIL PIPE	5	2978.184	C	148.91
IVBATS16	16 SLIP VLV BX TOP SECT	1	26.000	EA	26.00
SDC457BL	5-1/4 BL DEBRIS CAP	1	96.390	EA	96.39
SNPR600	6 VLV BX NON POP LID CHANDLER	1	61.200	EA	61.20
VSEP	4 FT VLV STEM EXT	1	110.726	EA	110.73
CON03310	SM DIRT RNG PHX	1	41.800	EA	41.80

SSLCE6	6 PVC WDG REST GLND *ONELOK	2	30.038	EA	60.08
IMJBGPU	6 MJ C153 BOLT GSKT PK L/ GLAND	2	16.116	EA	32.23

MJTPUK	6X2 MJ C153 TAP PLUG	1	68.550	EA	68.55
IMJBGPU	6 MJ C153 BOLT GSKT PK L/ GLAND	1	16.116	EA	16.12

P19175P	2X4 TXT DIELEC NIP	1	29.567	EA	29.57
M7475422K	LF 2 CTS COMP X FIP COUP	1	83.843	EA	83.84
KSOFTK60	2X60 K SOFT COP TUBE	60	1634.711	C	980.83
KHARDK20	2 X 20 K HARD COP TUBE	20	1469.481	C	293.90
C9K	2 WROT CXC 90 ELL 2-1/8 OD	1	17.825	EA	17.83
CRCKJ	2X1-1/2 WROT CXC RED COUP	1	13.538	EA	13.54
LP3016	200 FT ROLL BLUE 2 PLAS - SLV	1	49.550	EA	49.55

FERGUSON Waterworks

FERGUSON WATERWORKS #3083
Price Quotation
Phone : 602-495-8420
Fax : 602-262-4276

17:51:25 FEB 19 2014

Reference No: B203111

Item	Description	Quantity	Net Price	UM	Total

	SUBTOTAL				2983.05

Net Total:	$2983.05
Tax:	$0.00
Freight:	$0.00
Total:	$2983.05

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This quote is offered contingent upon the buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at http://wolseleyna.com/terms_conditionsSale.html. Govt Buyers: All items are open market unless noted otherwise.

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

Town of Gilbert
Allowance Use Authorization No. 03
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
MGC
Jacobs

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #05 - Neighbors Gate	$	1,638.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	1,638.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

		$ 128,204.00 ZRB
Original Allowance Amount	$	~~128,000.00~~
Previous Authorizations	$	8,383.00
This Authorization	$	1,638.00
Remaining Allowance Amount	$	~~117,979.00~~
		$ 118,183.00 ZRB

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 3-16-2014
Greg Armey PMCM

Contractor Acceptance

By: _____ Date: 3/24/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 4/16/15
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 005
Neighbors Gate Addition

TO: Jacobs

ATTN: Herb Durbin

JOB NAME: Reservoir #3 Tank Replacement Date: 3/11/2014

REFERENCE: WA089 Reservoir Tank #3 Replacement

MGC JOB NO. 13290 City Project No: WA089

We have reviewed the requirements of: Neighbors Gate Addition
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

_____ Additional Amount of $1,638

_____ Deductive Amount of _____

_____ No Change in Contract Amount

This pricing is based on the following conditions:

_____ Quotation is valid for 30 days. Lack of direction concerning this work by that date will require re-evaluation of the work change.

0 Calendar days extension of Contract time is required.

_____ Exclusions or conditions that vary from our Contract Agreement are as follows:
Sales tax; painting

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

Neighbors Gate Additio

CHANGE ORDER PRICING SHEET

Description of Change Order:
Neighbors Gate Addition

Prepared by: JH
Date: 3/11/2014

A Item No.	B Description	C Units	D UM	E Labor Unit Cost Column S	F Labor Total Cost (C x E)	G Material Unit Cost	H Material Total Cost (C x G)	I Equipment Unit Cost	J Equipment Total Cost (C x I)	K Supplemental Work Sheet	L Supplemental Total Cost (C x K)	M Subcontract Unit Cost	N Subcontract Total Cost (C x M)	O Subtotal
1	MGC	1	LS	$ 163	$ 163	$ -	$ -	$ -	$ -		$ -		$ -	$ 163
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ 1,239	$ 1,239	$ 1,239
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 13	$ 13		$ -		$ -		$ -	$ 13
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 63	$ 63		$ -		$ -		$ -		$ -	$ 63
COLUMN SUBTOTALS					$ 226		$ 13		$ -		$ -		$ 1,239	$ 1,478
11.6.2.2 Fee for work by Subcontractor		10.0%											$ 124	$ 124
11.6.2.1 Fee for work by Contractor		15.0%			$ 34		$ 2							$ 36
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 1,638

SUBTOTAL CHANGE ORDER AMOUNT	$ 1,638
ADJUSTMENTS Bond 1.0%	$ -
Insurance 3.2%	$ -
Subtotal	$ 1,638
Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT	$ 1,638

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 005

City Project No: WA089

DATE : 3/11/2014
MGC Job # 13290
PREPARED BY: XXXX

DESCRIPTION OF WORK PERFORMED:
MGC T&M Rates

To be used on owner requested T&M changes due to time

COST ANALYSIS:
Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - JH	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - KM	HR	0.0	$72.40	$0.00	$0.00
Superintendent - RS	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	1.0	$70.00	$70.00	$70.00
Crane Operator	HR	0.0	$55.80	$0.00	$0.00
Equipment Operator	HR	0.0	$42.50	$0.00	$0.00
Skilled Tradesman	HR	2.0	$46.60	$93.20	$93.20
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer	HR	0.0	$36.40	$0.00	$0.00
			Total Labor Cost		$163.20

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - PM, PE & Supt	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	0.0	$63.05	$0.00	$0.00
Cat 420D Backhoe	HR	0.0	$58.50	$0.00	$0.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Rammex P35K Trench Compactor	HR	0.0	$31.40	$0.00	$0.00
Wacker	HR	0.0	$12.50	$0.00	$0.00
		0.0	Total Equipment Cost		$0.00

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
			Total Material Cost		$0.00

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
Biddle & Brown	Add gate & gate posts to match exisitng gate	$1,239.00
	per 2/S-6	$0.00
		$0.00
		$0.00
		$0.00
	Total Subcontractor Cost	$1,239.00
	TOTAL	$1,402.20

BIDDLE & BROWN
FENCE COMPANY

895 W. ELWOOD
Phoenix, AZ 85041
P: (602) 456-8999
F: (602) 396-1077
C: (602) 501-9381
ROC 272838

PROPOSED CHANGE ORDER

CUSTOMER(S) MGC		ATTN: JIM	
BILLING ADDRESS			
CITY		STATE	ZIP
PHONE	FAX	MOBILE 602-717-9063	

JOB NUMBER 14-003	DATE 3/6/2014
JOB NAME Gilbert Reservoir #3	
JOB LOCATION	
EXISTING CONTRACT NO.	DATE OF EXISTING

We hereby agree to make the change(s) specified below:

LABOR AND MATERIALS TO MAKE CHANGES AS FOLLOWS:

ADD 6' X 7' SINGLE GATE WITH POSTS TO MATCH EXISTING SINGLE GATE DETAIL 2/S-6 WITH PERFORATED METAL

$1,239.00

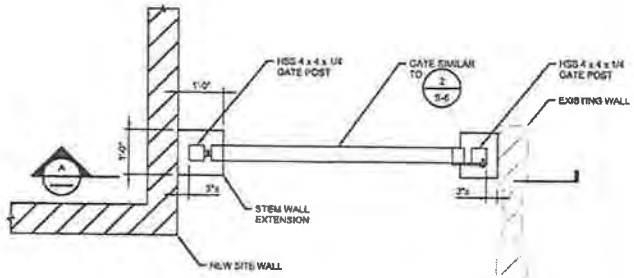
NOTE: This Change Order becomes part of and in conformance with the existing contract.

WE AGREE hereby to make the change(s) specified above at this price		$
COURTNEY FORSGREN, PM C) 602-501-9381	ORIGINAL CONTRACT AMOUNT	$
	SUM OF PRIOR CHANGE ORDERS	$
	CONTRACT AMOUNT PRIOR TO THIS CHANGE	$
	AMOUNT OF THIS CHANGE ORDER	$
BY (BBF)	NEW CONTRACT AMOUNT INCL. THIS CHANGE	$

DATE

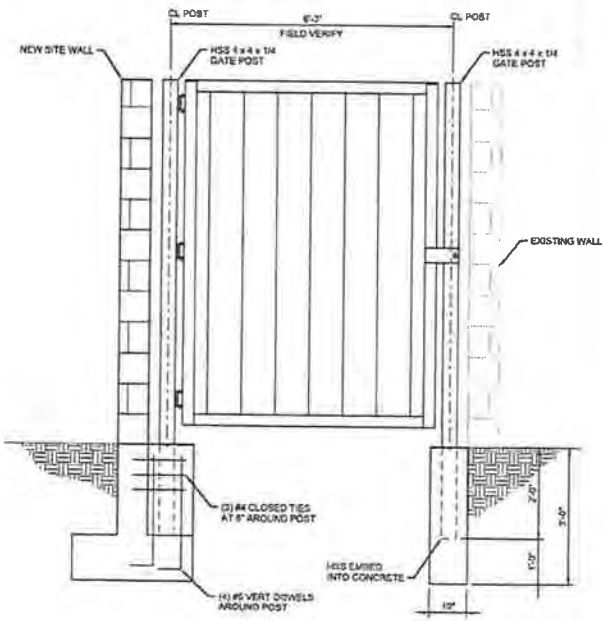
13200

ACCEPTED - The above prices and specifications of this Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.	DATE
	SIGNATURE (GC OR OWNER)



PLAN

3/4"=1'-0"



SECTION

3/4"=1'-0"

1501 W FOUNTAINHEAD PARKWAY
SUITE 401
TEMPE, AZ 85282

CH2MHILL

TOWN OF GILBERT
RESERVOIR NO. 3 REPLACEMENT
201 E. WATER TANK RD.
GILBERT AZ. 85296

STRUCTURAL

PRIVATE GATE

NO.	DATE	REVISION	BY	APVD

DSGN S. DUPUIS | DR. S. METCALF | CHK. T. PAGE | APVD D. BERSCHNER

VERIFY SCALE
BAR IS ONE INCH ON ORIGINAL DRAWING
0 1"

DATE FEBRUARY 2013
PROJ 468890
DWG S-11
SHEET XX

FILENAME S-111_468890.dgn PLOT DATE 20140303 PLOT TIME 10:56:55 AM

Town of Gilbert
Allowance Use Authorization No. 4
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
Contractor
CM

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #02 Remove Existing 12" Pipe	$	492.00
Item 2	COR #02A Reinstall 12" Piping	$	3,826.00
Item 3		$	-
	Total Adjustment Requested:	$	4,318.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

		$ 128,204.00 LRB
Original Allowance Amount	$	~~128,000.00~~
Previous Authorizations	$	10,021.00
This Authorization	$	4,318.00
Remaining Allowance Amount	$	~~113,661.00~~
		$ 113,865.00 LRB

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 3-17-2014
Greg Armey PMCM

Contractor Acceptance

By: _____ Date: 3/17/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 4/16/14
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.

MGC CO - 002 Rev. 2/27/14

ITC #4 - 12" @ Tank Removal

TO: **Jacobs**

ATTN: **Herb Durbin**

JOB NAME: **Reservoir #3 Tank Replacement** Date: **2/21/2014**

REFERENCE: **WA089 Reservoir Tank #3 Replacement**

MGC JOB NO. **13290** City Project No: **WA089**

We have reviewed the requirements of: **12" @ Tank Removal**
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

_____ Additional Amount of **$492**

_____ Deductive Amount of _____

_____ No Change in Contract Amount

This pricing is based on the following conditions:

_____ Quotation is valid for 30 days. Lack of direction concerning this work by that date will require re-evaluation of the work change.

0 Calendar days extension of Contract time is required.

_____ Exclusions or conditions that vary from our Contract Agreement are as follows:

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

ITC #4 - 12" @ Tank Rer

CHANGE ORDER PRICING SHEET

Description of Change Order:
ITC #4 - 12" @ Tank Removal

Prepared by: JH
Date: 2/21/2014

A Item No.	B Description	C Units	D UM	E Labor Unit Cost Column S	F Labor Total Cost (C x E)	G Material Unit Cost	H Material Total Cost (C x G)	I Equipment Unit Cost	J Equipment Total Cost (C x I)	K Supplemental Work Sheet	L Supplemental Total Cost (C x K)	M Subcontract Unit Cost	N Subcontract Total Cost (C x M)	O Subtotal
1	MGC	1	LS	$ 325	$ 325	$ -	$ -	$ 82	$ 82		$ -		$ -	$ 407
	a. materials will be addressed	1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
	reconnet change	1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 26	$ 26		$ -		$ -		$ -	$ 26
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 5	$ 5		$ -		$ -		$ -		$ -	$ 5
COLUMN SUBTOTALS					$ 331		$ 26		$ 82		$ -		$ -	$ 439
11.6.2.2 Fee for work by Subcontractor		10.0%											$ -	$ -
11.6.2.1 Fee for work by Contractor		15.0%			$ 50		$ 4							$ 54
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 492

SUBTOTAL CHANGE ORDER AMOUNT		$ 492
ADJUSTMENTS	Bond 1.0%	$ -
	Insurance 3.2%	$ -
	Subtotal	$ 492
	Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT		$ 492

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 002 Rev. 2/27/14

City Project No: WA089

DATE : 2/21/2014
MGC Job # 13290
PREPARED BY: JH

DESCRIPTION OF WORK PERFORMED:
MGC T&M Rates

ITC #4 - Remove exisitng 12" @ tank back to 1st joint & cap. Reconnect to tank costs will be addressed under separate cover.

COST ANALYSIS:
Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - **JH**	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - **KM**	HR	0.0	$72.40	$0.00	$0.00
Superintendent - **RS**	HR	1.0	$83.20	$83.20	$83.20
Foreman	HR	1.0	$70.00	$70.00	$70.00
Crane Operator	HR	0.0	$55.80	$0.00	$0.00
Equipment Operator - 1 each	HR	1.0	$42.50	$42.50	$42.50
Skilled Tradesman - 2 each	HR	2.0	$46.60	$93.20	$93.20
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer - 1 each	HR	1.0	$36.40	$36.40	$36.40
			Total Labor Cost		$325.30

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - **PM, PE & Supt**	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	1.0	$63.05	$63.05	$63.05
Cat 420D Backhoe	HR	0.0	$58.50	$0.00	$0.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Rammex P35K Trench Compactor	HR	0.0	$31.40	$0.00	$0.00
Wacker	HR	1.5	$12.50	$18.75	$18.75
		2.5	**Total Equipment Cost**		$81.80

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
materials 1	EA	0	$0.00	$0.00	$0.00
materials 2	EA	0	$0.00	$0.00	$0.00
materials 3	EA	0	$0.00	$0.00	$0.00
materials 4	EA	0	$0.00	$0.00	$0.00
materials 5	EA	0	$0.00	$0.00	$0.00
materials 6	EA	0	$0.00	$0.00	$0.00
materials 7	EA	0	$0.00	$0.00	$0.00
			Total Material Cost		$0.00

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
sub 1		$0.00
sub 2		$0.00
sub 3		$0.00
sub 4		$0.00
sub 5		$0.00
	Total Subcontractor Cost	$0.00
	TOTAL	$407.10

QUALITY · PERFORMANCE · VALUE

Change Order No.

MGC CO - 002A

ITC #4 - 12" Pipe @ Tank Install

TO: **Jacobs**

ATTN: **Herb Durbin**

JOB NAME: **Reservoir #3 Tank Replacement** Date: **3/14/2014**

REFERENCE: **WA089 Reservoir Tank #3 Replacement**

MGC JOB NO. **13290** City Project No: **WA089**

We have reviewed the requirements of: **12" @ Tank Piping Install**
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

_____ Additional Amount of **$3,826**

_____ Deductive Amount of _____

_____ No Change in Contract Amount

This pricing is based on the following conditions:

_____ Quotation is valid for 30 days. Lack of direction concerning this work by that date will require re-evaluation of the work change.

0 Calendar days extension of Contract time is required.

_____ Exclusions or conditions that vary from our Contract Agreement are as follows:

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

ITC #4 - 12" Pipe @ Tan

CHANGE ORDER PRICING SHEET

Description of Change Order:

ITC #4 - 12" Pipe @ Tank Install

Prepared by: JH

Date: 3/14/2014

A Item No.	B Description	C Units	D UM	E Labor Unit Cost Column S	F Labor Total Cost (C x E)	G Material Unit Cost	H Material Total Cost (C x G)	I Equipment Unit Cost	J Equipment Total Cost (C x I)	K Supplemental Work Sheet	L Supplemental Total Cost (C x K)	M Subcontract Unit Cost	N Subcontract Total Cost (C x M)	O Subtotal
1	MGC	1	LS	$ 1,463	$ 1,463	$ -	$ -	$ 403	$ 403		$ -		$ -	$ 1,866
	Ferguson	1	LS		$ -	$ 1,305	$ 1,305		$ -		$ -		$ -	$ 1,305
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 117	$ 117		$ -		$ -		$ -	$ 117
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 91	$ 91		$ -		$ -		$ -		$ -	$ 91
COLUMN SUBTOTALS					$ 1,554		$ 1,422		$ 403		$ -		$ -	$ 3,379
11.6.2.2 Fee for work by Subcontractor		10.0%											$ -	$ -
11.6.2.1 Fee for work by Contractor		15.0%			$ 233		$ 213							$ 446
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 3,826

SUBTOTAL CHANGE ORDER AMOUNT	$ 3,826
ADJUSTMENTS Bond 1.0%	$ -
Insurance 3.2%	$ -
Subtotal	$ 3,826
Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT	$ 3,826

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 002A

City Project No: WA089

DATE : 3/14/2014
MGC Job # 13290
PREPARED BY: JH

DESCRIPTION OF WORK PERFORMED:
MGC T&M Rates

ITC #4 -New materials for reinstalaltion of exisitng 12" @ tank

COST ANALYSIS:
Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - JH	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - KM	HR	0.0	$72.40	$0.00	$0.00
Superintendent - RS	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	8.0	$70.00	$560.00	$560.00
Crane Operator	HR	0.0	$55.80	$0.00	$0.00
Equipment Operator - 1 each	HR	6.0	$42.50	$255.00	$255.00
Skilled Tradesman - 2 each	HR	10.0	$46.60	$466.00	$466.00
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer - 1 each	HR	5.0	$36.40	$182.00	$182.00
			Total Labor Cost		$1,463.00

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - PM, PE & Supt	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	6.0	$63.05	$378.30	$378.30
Cat 420D Backhoe	HR	0.0	$58.50	$0.00	$0.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Rammex P35K Trench Compactor	HR	0.0	$31.40	$0.00	$0.00
Wacker	HR	2.0	$12.50	$25.00	$25.00
		8.0	Total Equipment Cost		$403.30

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
Ferguson B204097	EA	1	$1,304.65	$1,304.65	$1,304.65
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
materials 7	EA	0	$0.00	$0.00	$0.00
			Total Material Cost		$1,304.65

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
		$0.00
		$0.00
		$0.00
		$0.00
		$0.00
	Total Subcontractor Cost	$0.00
	TOTAL	$3,170.95

FERGUSON Waterworks

FERGUSON WATERWORKS (3083)
111 EAST BUCKEYE ROAD SUITE 5
PHOENIX, AZ 85004-2725

Deliver To: tammy.spencer@ferguson.com
From: Tammy Spencer
Comments:

13:24:01 MAR 10 2014

FERGUSON WATERWORKS #3083
Price Quotation
Phone : 602-495-8420
Fax : 602-262-4276

Bid No.....: B204097
Bid Date....: 03/07/14
Quoted By.: TLS

Cust 602-437-5000
Terms.....: NET 10TH PROX

Customer: MGC CONTRACTORS INC
RESERVOIR # 3 TANK #13290
PO BOX 61748
PHOENIX, AZ 85082-1748

Ship To: MGC CONTRACTORS INC
RESERVOIR # 3 TANK #13290
PO BOX 61748
PHOENIX, AZ 85082-1748

Cust PO#...:

Job Name: ADDTL 12 DIP & FTGS

Item	Description	Quantity	Net Price	UM	Total
	---				
	12 DIP & FTGS CHANGE ORDER				

MJ9LA12	12 MJ C153 90 BEND L/A	1	276.450	EA	276.45
SSLDE12	12 DI MJ WDG REST GLND *ONELOK	4	77.964	EA	311.86
IMJBGP12	12 MJ C153 BOLT GSKT PK L/ GLAND	4	24.841	EA	99.36
AFT350P12	12 CL350 CL DI FASTITE PIPE	20	30.849	FT	616.98

Net Total:	$1304.65
Tax:	$0.00
Freight:	$0.00
Total:	$1304.65

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This quote is offered contingent upon the buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at http://wolseleyna.com/terms_conditionsSale.html.
Govt Buyers: All items are open market unless noted otherwise.

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

Town of Gilbert
Allowance Use Authorization No. _5_
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
Contractor
CM

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #07 - RFI #018 CMP Modification	$	724.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	724.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	14,339.00
This Authorization	$	724.00
Remaining Allowance Amount	$	113,141.00

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 5/13/14
~~Greg Amley~~ PMCM
HERB DORGAN

Contractor Acceptance

By: _____ Date: 5/13/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 5/21/14
Lee Brush Sr. Project Manager

Town of Gilbert
Allowance Use Authorization No. _6_
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
Contractor
CM

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #08 - Flowmeter Revision	$	6,308.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	6,308.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	15,063.00
This Authorization	$	6,308.00
Remaining Allowance Amount	$	106,833.00

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 5/13/14
~~Greg Armey~~ PMCM
HERB DURBIN

Contractor Acceptance

By: _____ Date: 5/13/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 5/21/14
Lee Brush Sr. Project Manager

Town of Gilbert
Allowance Use Authorization No. _7_
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
Contractor
CM

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #09 - Overflow Structure Sump Pump	$	3,414.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	3,414.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	21,371.00
This Authorization	$	3,414.00
Remaining Allowance Amount	$	103,419.00

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 5/13/14
~~Greg Armey~~ PMCM
HERB DURAN

Contractor Acceptance

By: _____ Date: 5/13/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 5/21/14
Lee Brush Sr. Project Manager

Town of Gilbert
Allowance Use Authorization No. _8_
Reservoir #3 Replacement

From: Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ

Distribution: Gilbert
Contractor
CM

To: MGC Contractors, Inc.
4110 E. Elwood Street
Phoenix, Az. 85040

Agreement Date: 1/28/14
CIP Project No.: WA089
Contract No.: 2014-7009-0109

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #011 - Pump Station Piping Revision	$	96,230.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	96,230.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	24,785.00
This Authorization	$	96,230.00
Remaining Allowance Amount	$	7,189.00

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 6-25-2014
Greg Armey PMCM

Contractor Acceptance

By: _____ Date: 6/25/2014
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 7/1/14
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 011
Pump Station Piping Replacement

TO: **Jacobs**

ATTN: **Herb Durbin**

JOB NAME: **Reservoir #3 Tank Replacement** Date: **6/24/2014**

REFERENCE: **WA089 Reservoir Tank #3 Replacement**

MGC JOB NO. **13290** City Project No: **WA089**

We have reviewed the requirements of: **Pump Station Piping Replacement**
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

X Additional Amount of **$96,230**

____ Deductive Amount of ____

____ No Change in Contract Amount

This pricing is based on the following conditions:

X Quotation is valid for **0 days** (due to material availability). Lack of direction concerning this this work by that date will require re-evaluation of the work change.

0 Calendar days extension of Contract time is required.

X Exclusions or conditions that vary from our Contract Agreement are as follows:
See attached sheet for clarifications.

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

Pump Station Piping Re

CHANGE ORDER PRICING SHEET

Description of Change Order:
Pump Station Piping Replacement

Prepared by: KJM
Date: 6/24/2014

A Item No.	B Description	C Units	D UM	E Labor Unit Cost Column S	F Labor Total Cost (C x E)	G Material Unit Cost	H Material Total Cost (C x G)	I Equipment Unit Cost	J Equipment Total Cost (C x I)	K Supplemental Work Sheet	L Supplemental Total Cost (C x K)	M Subcontract Unit Cost	N Subcontract Total Cost (C x M)	O Subtotal
1	MGC Labor & Equipment	1	LS	$ 22,876	$ 22,876	$ -	$ -	$ 4,502	$ 4,502		$ -		$ -	$ 27,378
2	Ductile Iron Pipe, Fittings & Valves	1	LS		$ -	$ 38,897	$ 38,897		$ -		$ -		$ -	$ 38,897
3	Nuts, Bolts & Gaskets	1	LS		$ -	$ 1,374	$ 1,374		$ -		$ -		$ -	$ 1,374
4	Pipe Supports, Epoxy & Hardware	1	LS		$ -	$ 6,109	$ 6,109		$ -		$ -		$ -	$ 6,109
5	Pump Alignment, Grout & Hardware	1	LS		$ -	$ 3,024	$ 3,024		$ -		$ -		$ -	$ 3,024
6	Concrete & Forms	1	LS		$ -	$ 450	$ 450		$ -		$ -		$ -	$ 450
7	Dump Fee	1	LS		$ -	$ 600	$ 600		$ -		$ -		$ -	$ 600
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
8	Rebar for Concrete Pipe Supports	1	LS		$ -		$ -		$ -		$ -	$ 1,752	$ 1,752	$ 1,752
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 1,830	$ 1,830		$ -		$ -		$ -	$ 1,830
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 2,927	$ 2,927		$ -		$ -		$ -		$ -	$ 2,927
COLUMN SUBTOTALS					$ 25,803		$ 52,284		$ 4,502		$ -		$ 1,752	$ 84,341
11.6.2.2 Fee for work by Subcontractor		10.0%											$ 175	$ 175
11.6.2.1 Fee for work by Contractor		15.0%			$ 3,870		$ 7,843							$ 11,713
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 96,230

SUBTOTAL CHANGE ORDER AMOUNT	$ 96,230
ADJUSTMENTS **Bond 1.0%**	$ -
Insurance 3.2%	$ -
Subtotal	$ 96,230
Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT	$ 96,230

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 011

City Project No: WA089

DATE : 6/24/2014
MGC Job # 13290
PREPARED BY: KJM

DESCRIPTION OF WORK PERFORMED: Pump Station Piping Replacement
MGC T&M Rates

1. Demo existing pump station piping and supports.
2. Install new ductile iron piping, fittings and valves.
3. Install (3) 12" & (3) 18" concrete pipe supports.
4. Install (6) non-adjustable pipe supports at pump suction and discharge.
5. Raise pump P-3-2 & P-3-1, so centerline of pump suction/discharge matches P-3-3.
6. Laser align all (3) pumps.
7. Haul off old material.

COST ANALYSIS:

Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - **JH**	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - **KM**	HR	0.0	$72.40	$0.00	$0.00
Superintendent - **RS**	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	96.0	$70.00	$6,720.00	$6,720.00
CAD Detailing	HR	28.0	$36.40	$1,019.20	$1,019.20
Equipment Operator	HR	56.0	$42.50	$2,380.00	$2,380.00
Skilled Tradesman	HR	96.0	$46.60	$4,473.60	$4,473.60
Semi Skilled Worker	HR	108.0	$40.30	$4,352.40	$4,352.40
Laborer	HR	108.0	$36.40	$3,931.20	$3,931.20
			Total Labor Cost		$22,876

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - **PM, PE & Supt**	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	0.0	$63.05	$0.00	$0.00
Cat 420D Backhoe	HR	0.0	$58.50	$0.00	$0.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	56.0	$62.45	$3,497.20	$3,497.20
Compressor & Jack Hammer	HR	32.0	$31.40	$1,004.80	$1,004.80
Wacker	HR	0.0	$12.50	$0.00	$0.00
		88.0	**Total Equipment Cost**		$4,502

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
Ductile Iron Pipe, Fittings & Valves	LS	1	$38,897.30	$38,897.30	$38,897.30
Nuts, Bolts & Gaskets	LS	1	$1,373.53	$1,373.53	$1,373.53
Pipe Supports, Epoxy & Hardware	LS	1	$6,109.02	$6,109.02	$6,109.02
Pump Alignment, Grout & Hardware	LS	1	$3,024.10	$3,024.10	$3,024.10
Concrete & Forms	LS	1	$450.00	$450.00	$450.00
Dump Fee	LS	1	$600.00	$600.00	$600.00
	EA	0	$0.00	$0.00	$0.00
			Total Material Cost		$50,454

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
Gerdau Reinforcing Steel	Rebar for the (6) concrete pipe supports	$1,752.00
		$0.00
		$0.00
		$0.00
		$0.00
	Total Subcontractor Cost	$1,752.00
	TOTAL	$79,584

Clarifications

1. Fittings will be from blended manufacturers to allow the best possible delivery time.

2. All material is currently 2-3 weeks out. If we wait too long to proceed with this change order, the other 18" x 8" wyes may get sold to someone else, resulting in a 12-16 week lead-time.

3. The pricing for the 14" discharge piping was quoted by Ferguson, but it's not included in the pricing proposal. It's labeled "Discharged Header Alternate" on Ferguson's quote and it will would save approximately $1200.00, but the material has a 12-16 week lead time.

4. All (6) existing concrete supports will be removed and reinstalled, per Detail 0330-061. This has to be done because the pipe is sloping 2" downhill from the West to the East and the new pipe needs to be installed level.

5. All (6) of the pipe supports on the suction/discharge piping will be replace with non-adjustable pipe supports, per Detail 4005-501. Adjustable pipe supports can be provided at an additional cost, but a detail for them needs to be provided.

6. Pumps P-3-2 & P-3-1 will be removed, raised 2" and re-grouted. This will ensure that all (3) pumps have the same centerline elevations.

7. All (3) pumps will be laser aligned.

8. All saddle taps on the piping being replaced will be new, but the existing nipples, ball valves, PIT's, etc. will be reused.

9. The check valves quoted will match what is currently installed in the field, which is a Val-Matic Swing Flex, Model-508A.

ITC
Information to Contractor

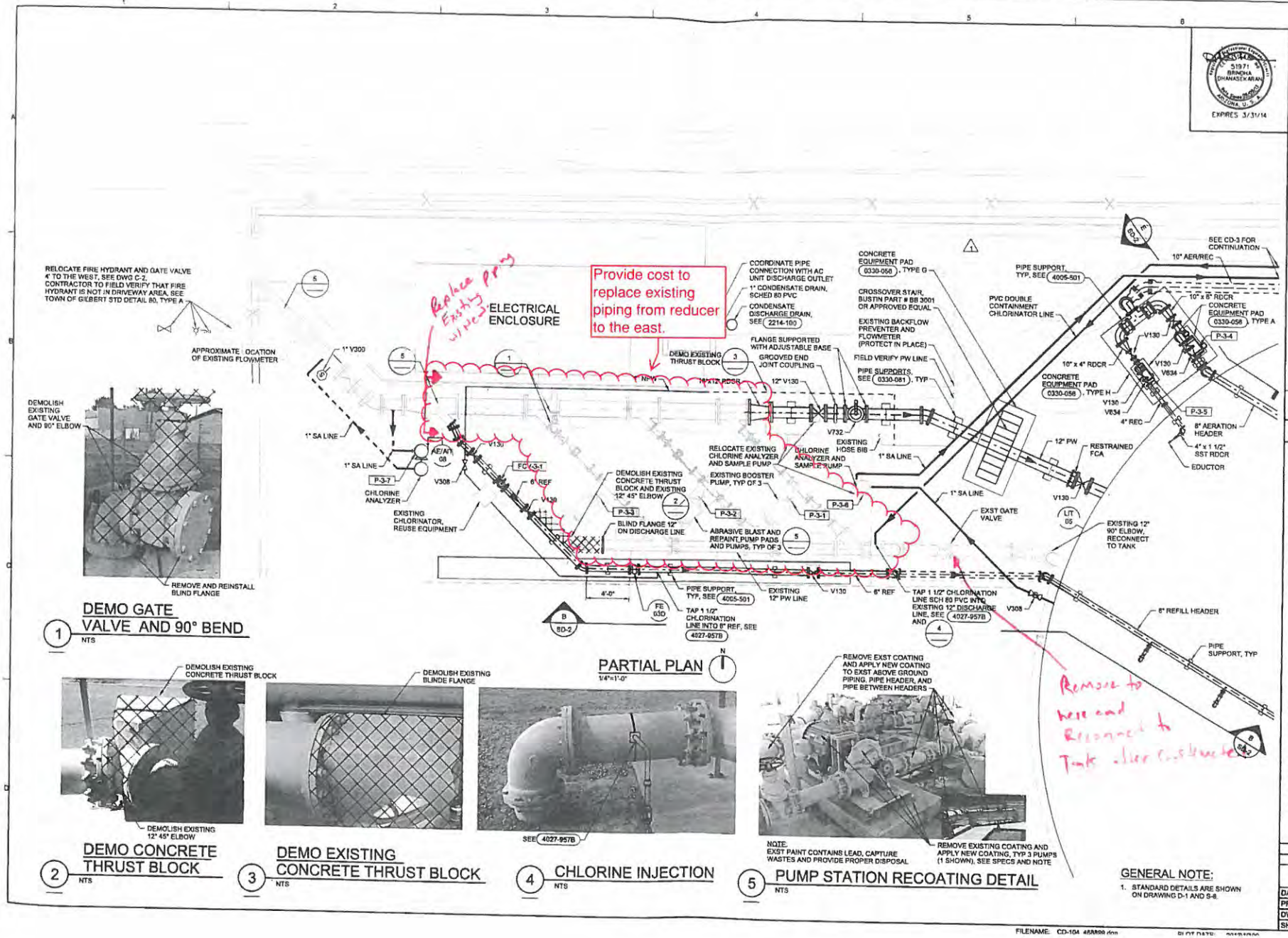
JACOBS
101 North First Avenue, Suite 3100
Phoenix, Arizona 85003 USA
1.602.650.4042
Fax 1.602.253.1202

Date:	May 21, 2014	**From:**	Herb Durbin
Attention:	Jim Howell, Keith McClure	**Project:**	WA089 Gilbert Reservoir No.3
Firm Name:	MGC	**Project No.**	WA089
Copies to	Lee Brush	**File:**	ITC #11 **BPS Piping Replacement Cost**

Jim,

Per the meeting on 5/13/14 provide a cost proposal to replace the booster pump station suction and discharge piping per the attached figures. RFI040 and RFI040A requested direction from the town regarding the piping. The Town will determine the best course of action after receiving the cost proposal. The cost will include raising the existing pump centerlines per the RFI044 response.

Provide cost for new piping from reducer.


Provide cost to replace existing piping from reducer to the east.
Replace Pipe Existing wires
ELECTRICAL ENCLOSURE
RELOCATE FIRE HYDRANT AND GATE VALVE 4' TO THE WEST, SEE DWG C-2, CONTRACTOR TO FIELD VERIFY THAT FIRE HYDRANT IS NOT IN DRIVEWAY AREA, SEE TOWN OF GILBERT STD DETAIL 80, TYPE A
APPROXIMATE LOCATION OF EXISTING FLOWMETER
DEMOLISH EXISTING GATE VALVE AND 90° ELBOW
REMOVE AND REINSTALL BLIND FLANGE
DEMOLISH EXISTING CONCRETE THRUST BLOCK
DEMOLISH EXISTING 12" 45° ELBOW
DEMOLISH EXISTING BLINDE FLANGE
SEE 4027-957B
REMOVE EXST COATING AND APPLY NEW COATING TO EXST ABOVE GROUND PIPING, PIPE HEADER, AND PIPE BETWEEN HEADERS
REMOVE EXISTING COATING AND APPLY NEW COATING, TYP 3 PUMPS (1 SHOWN), SEE SPECS AND NOTE
NOTE: EXST PAINT CONTAINS LEAD, CAPTURE WASTES AND PROVIDE PROPER DISPOSAL
Remove to well and Reconnect to Tank after installation
DEMO GATE VALVE AND 90° BEND
DEMO CONCRETE THRUST BLOCK
DEMO EXISTING CONCRETE THRUST BLOCK
CHLORINE INJECTION
PUMP STATION RECOATING DETAIL
PARTIAL PLAN
1/4"=1'-0"
GENERAL NOTE:
1. STANDARD DETAILS ARE SHOWN ON DRAWING D-1 AND S-8.
CH2MHILL
1501 W FOUNTAINHEAD PARKWAY SUITE 401 TEMPE, AZ 85282
TOWN OF GILBERT
RESERVOIR NO. 3 REPLACEMENT
201 E. WATER TANK RD. GILBERT AZ, 85296
CIVIL / PROCESS
PARTIAL PIPING PLAN AND DETAILS
VERIFY SCALE
DATE SEPTEMBER 2013
PROJ 468899
DWG CD-4
SHEET 12
95% REVIEW - NOT FOR CONSTRUCTION
FILENAME: CD-104 468899.dgn

Town of Gilbert
Allowance Use Authorization No. _9_
Reservoir #3 Replacement

From:	Town of Gilbert 90 E. Civic Center Drive Gilbert, AZ	**Distribution:**	Gilbert Contractor CM
To:	MGC Contractors, Inc. 4110 E. Elwood Street Phoenix, Az. 85040	**Agreement Date: 1/28/14** **CIP Project No.: WA089** **Contract No.: 2014-7009-0109**	

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #012 - 12" SRP Groundwater	$	2,322.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	2,322.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	121,015.00
This Authorization	$	2,322.00
Remaining Allowance Amount	$	4,867.00

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 6-26-2014
Greg Armey PMCM

Contractor Acceptance

By: _____ Date: 6/25/2014
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 7/1/14
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 012
12" SRP Ground Water Connection

TO: **Jacobs**

ATTN: **Herb Durbin**

JOB NAME: **Reservoir #3 Tank Replacement** Date: **6/18/2014**

REFERENCE: **WA089 Reservoir Tank #3 Replacement**

MGC JOB NO. **13290** City Project No: **WA089**

We have reviewed the requirements of: **12" SPR Ground Water Connection**
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

X Additional Amount of **$2,322**

____ Deductive Amount of ____

____ No Change in Contract Amount

This pricing is based on the following conditions:

X Quotation is valid for 5 days. Lack of direction concerning this work by that date will require re-evaluation of the work change.

____ Calendar days extension of Contract time is required.

____ Exclusions or conditions that vary from our Contract Agreement are as follows:

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

12" SRP Ground Water C

CHANGE ORDER PRICING SHEET

Description of Change Order:
12" SRP Ground Water Connection

Prepared by: KJM
Date: 6/18/2014

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item No.	Description	Units	UM	Labor Unit Cost Column S	Labor Total Cost (C x E)	Material Unit Cost	Material Total Cost (C x G)	Equipment Unit Cost	Equipment Total Cost (C x I)	Supplemental Work Sheet	Supplemental Total Cost (C x K)	Subcontract Unit Cost	Subcontract Total Cost (C x M)	Subtotal
1	MGC Labor & Equipment	1	LS	$ 557	$ 557	$ -	$ -	$ 117	$ 117		$ -		$ -	$ 674
2	Ductile Iron Pipe & Fittings	1	LS		$ -	$ 1,332	$ 1,332		$ -		$ -		$ -	$ 1,332
3	Nuts, Bolts & Gaskets	1	LS		$ -	$ 72	$ 72		$ -		$ -		$ -	$ 72
4	Ductile Iron Solid Sleeve	1	LS		$ -	$ (159)	$ (159)		$ -		$ -		$ -	$ (159)
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 45	$ 45		$ -		$ -		$ -	$ 45
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 70	$ 70		$ -		$ -		$ -		$ -	$ 70
COLUMN SUBTOTALS					$ 627		$ 1,290		$ 117		$ -		$ -	$ 2,034
11.6.2.2 Fee for work by Subcontractor		10.0%											$ -	$ -
11.6.2.1 Fee for work by Contractor		15.0%			$ 94		$ 193							$ 288
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 2,322

SUBTOTAL CHANGE ORDER AMOUNT	**$ 2,322**
ADJUSTMENTS **Bond 1.0%**	**$ -**
Insurance 3.2%	**$ -**
Subtotal	**$ 2,322**
Sales Tax 7.8% of 65% of C.O. Amount	**$ -**
GRAND TOTAL CHANGE ORDER AMOUNT	**$ 2,322**

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 012

City Project No: WA089

DATE : 6/18/2014
MGC Job # 13290
PREPARED BY: KJM

DESCRIPTION OF WORK PERFORMED: 12" SRP Ground Water Connection
MGC T&M Rates

Per the response to RFI-049, MGC will need to install ductile iron fittings and pipe to transition the 12" ground water line from above grade to below grade.

COST ANALYSIS:
Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - **JH**	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - **KM**	HR	0.0	$72.40	$0.00	$0.00
Superintendent - **RS**	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	2.0	$70.00	$140.00	$140.00
Crane Operator	HR	0.0	$55.80	$0.00	$0.00
Equipment Operator	HR	2.0	$42.50	$85.00	$85.00
Skilled Tradesman	HR	4.0	$46.60	$186.40	$186.40
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer	HR	4.0	$36.40	$145.60	$145.60
			Total Labor Cost		$557.00

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - **PM, PE & Supt**	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	0.0	$63.05	$0.00	$0.00
Cat 420D Backhoe	HR	2.0	$58.50	$117.00	$117.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Rammex P35K Trench Compactor	HR	0.0	$31.40	$0.00	$0.00
Wacker	HR	0.0	$12.50	$0.00	$0.00
		2.0	**Total Equipment Cost**		$117.00

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
12" FxF 90, 12" MJx MJ 90 & 12" Fx PE Spool	LS	1	$1,331.77	$1,331.77	$1,332
Bolts, Nuts & Gaskets	LS	1	$72.30	$72.30	$72
12" Solid Sleeve	EA	-1	$158.92	-$158.92	-$159
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
			Total Material Cost		$1,245

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
		$0.00
		$0.00
		$0.00
		$0.00
		$0.00
	Total Subcontractor Cost	$0.00
	TOTAL	$1,919

FERGUSON WATERWORKS (3083)
111 EAST BUCKEYE ROAD SUITE 5
PHOENIX, AZ 85004-2725

Deliver To: greg.go@ferguson.com
From: Greg Go
Comments:

21:22:01 JUN 17 2014

FERGUSON WATERWORKS #3083
Price Quotation
Phone : 602-495-8420
Fax : 602-262-4276

Bid No.....: B209596
Bid Date....: 06/16/14
Quoted By.: TLS

Cust 602-437-5000
Terms.....: NET 10TH PROX

Customer: MGC CONTRACTORS INC
RESERVOIR # 3 TANK #13290
PO BOX 61748
PHOENIX, AZ 85082-1748

Ship To: MGC CONTRACTORS INC
RESERVOIR # 3 TANK #13290
PO BOX 61748
PHOENIX, AZ 85082-1748

Cust PO#...: GILBERT, AZ

Job Name: 12" CHANGE ORDER

Item	Description	Quantity	Net Price	UM	Total

F9PC12	12 FLG 90 C110 BEND PC	1	441.696	EA	441.70
FPPPC12W	12X7'0 FLGXPE PC DI SPL	1	659.590	EA	659.59
	PRIMED 2'0 FROM FACE OF FLANGE,				
	T/C BALANCE				
MJ9LA12	12 MJ C153 90 BEND L/A	1	230.478	EA	230.48
MJLSLA12	12X12 MJ C153 LONG SLV L/A	1	158.920	EA	158.92

Net Total:	$1490.69
Tax:	$0.00
Freight:	$0.00
Total:	$1490.69

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This quote is offered contingent upon the buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at http://wolseleyna.com/terms_conditionsSale.html.
Govt Buyers: All items are open market unless noted otherwise.

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

FOUR PEAKS FASTENERS, INC.
5865 SOUTH KYRENE ROAD
SUITE 1
TEMPE, AZ 85283
TEL: 480-968-2333
TOL: 877-571-2333
FAX: 480-968-6353

*** SALES QUOTE ***

Quote #:
00030240

Page: 1 of 1

TO: 1044
MGC CONTRACTORS, INC
4110 EAST ELWOOD STREET

PHOENIX, AZ 85040

SHIP TO: MGC CONTRACTORS
GILBERT RESERVOIR NO.3
201 E WATER TANK RD
GILBERT, AZ 85296

Contact: KEITH MCCLURE

Terms: NET 30

Quote Date	Expire Date	Taker	Ship Via	Freight	Salesperson
06/16/2014	07/16/2014	PAUL	OUR TRUCK		SCOTT GUERRA

Item # / Description	Your Part Number	U/M	Order Qty	Unit Price	Ext Price
120GNBZ 12" A307A BOLT NUT SET ZINC		EA	2	17.0500	34.10
120GF81/EPD 12" FULL FACE GASKET 1/8" EPDM 150#		EA	2	19.1000	38.20

QUOTE TOTAL: $72.30

THANK YOU FOR ALLOWING US TO BE OF SERVICE TO YOU!!

MGC Contractors

4110 East Elwood St.
Phoenix, AZ 85040

Phone: 437-5000
Fax: 470-4000

REQUEST FOR INFORMATION
No. 49

RFI ISSUE: 12" GW Connection

PROJECT: Gilbert Reservoir #3
WA089

DATE: June 11, 2014
PROJECT NO. 13290

TO: Town of Gilbert
Attn: Herb Durbin

Email: Herb.Durbin@Jacobs.com

REQUEST: Drawing Number: CD-3 Specification: N/A

Per CD-3, the 12" GW Line connection from the SRP Well is shown connecting below grade. In the field, this connection is above grade. Since we have to connect the piping above grade, we'll need the following additional materials:

Add
(1) 12" Ductile Iron Flanged 90
(2) 12" Bolt Kits & Gaskets
(1) 12" Flanged x Plain End Spool - 6' Long
(1) 12" MJ 90

Delete
(1) 12" MJ Solid Sleeve

Please advise if we are to proceed with the above grade connection and then route the piping underground? Also, be advised that there's cost associated with this change and MGC will proceed once the pricing is approved.

REPLY:

Town of Gilbert has reviewed the RFI and is in agreement for replacement of the parts listed. Please reference attached response.
.
Dan Candelaria
CH2MHILL
6/12/14

Town of Gilbert

Candelaria, Daniel/PHX

From: Bryan Galvin <Bryan.Galvin@gilbertaz.gov>
Sent: Thursday, June 12, 2014 3:33 PM
To: Candelaria, Daniel/PHX
Cc: Berschauer, Doug/PHX; Lee Brush
Subject: RE: Gilbert Reservoir No. 3 - RFI #49 - 12" Ground Water Connection

I have reviewed this RFI49 and agree to this recommendation.

Bryan Galvin
Interim Water Production Supervisor
Wells Field Supervisor
2865 E. Guadalupe Rd
Gilbert AZ. 85234
email: bryan.galvin@gilbertaz.gov
480-503-6381 office
480-283-3057 Cell Phone
480-503-6394 Fax

From: Daniel.Candelaria@CH2M.com [mailto:Daniel.Candelaria@CH2M.com]
Sent: Tuesday, June 10, 2014 1:59 PM
To: Bryan Galvin
Cc: Douglas.Berschauer@CH2M.com; Lee Brush
Subject: FW: Gilbert Reservoir No. 3 - RFI #49 - 12" Ground Water Connection

Bryan,

RFI was issued regarding SRP pipe connection. I attached photos of before and after demo. It appears that section of underground piping was removed during demo.

The materials listed in RFI would need to be procured to make the connection between tank inlet and SRP pump station.

Can you please review this RFI and let me know if it's acceptable to procure these pipe materials to reconnect to SRP pump station. Per contractor this is a time sensitive RFI.

Thanks,

Dan

From: Durbin, Herb [mailto:Herb.Durbin@Jacobs.com]
Sent: Tuesday, June 10, 2014 1:01 PM
To: Berschauer, Doug/PHX; Candelaria, Daniel/PHX
Cc: Jim Howell; Keith McClure; Randy Shoemake; Armey, Greg F.; Lee Brush; Bryan Galvin
Subject: FW: Gilbert Reservoir No. 3 - RFI #49 - 12" Ground Water Connection

Doug,

Please review the above referenced RFI.

Best Regards,

Herb Durbin | Jacobs | Project Manager| Office 602.650.4976 | Mobile 602.321.5325 | herb.durbin@jacobs.com | www.jacobs.com

From: Keith McClure [mailto:keith@mgccontractors.com]
Sent: Tuesday, June 10, 2014 8:10 AM
To: Durbin, Herb
Cc: Armey, Greg F.; Randy Shoemake; Jim Howell; Doug Hoopes
Subject: Gilbert Reservoir No. 3 - RFI #49 - 12" Ground Water Connection

Herb,

This is a time sensitive RFI for the project.

Thanks,

Keith McClure

Project Engineer

4110 E. Elwood Street

Phoenix, AZ 85040

C: 602-680-8628

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From the Gilbert Green Team: Please consider the environment before printing this email.

Under Arizona Law, email to and from public entities may be public records subject to release upon request. This message (including any attachments) contains information intended for a specific individual and purpose. If you are not the intended recipient, please notify the sender immediately by either reply email or by telephone and delete this message from your system.

Town of Gilbert
Allowance Use Authorization No. _10_
Reservoir #3 Replacement

From:	Town of Gilbert 90 E. Civic Center Drive Gilbert, AZ	**Distribution:**	Gilbert Contractor CM
To:	MGC Contractors, Inc. 4110 E. Elwood Street Phoenix, Az. 85040	**Agreement Date: 1/28/14** **CIP Project No.: WA089** **Contract No.: 2014-7009-0109**	

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	COR #010 - Paint Exterior Block Wall - ITC #10	$	7,987.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	7,987.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	123,337.00
This Authorization	$	7,987.00
Remaining Allowance Amount	$	(3,120.00)

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 6-26-2014
Greg Armey PMCM

Contractor Acceptance

By: _____ Date: 6/25/2014
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 7/1/14
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 010
ITC #10 Coat Exterior of Site Fence

TO: Jacobs

ATTN: Herb Durbin

JOB NAME: Reservoir #3 Tank Replacement Date: 6/25/2014

REFERENCE: WA089 Reservoir Tank #3 Replacement

MGC JOB NO. 13290 City Project No: WA089

We have reviewed the requirements of: Paint Exterior Block Fence - ITC #10
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

_____ Additional Amount of $7,987

_____ Deductive Amount of _____

_____ No Change in Contract Amount

This pricing is based on the following conditions:

_____ Quotation is valid for 30 days. Lack of direction concerning this work by that date will require re-evaluation of the work change.

0 Calendar days extension of Contract time is required.

_____ Exclusions or conditions that vary from our Contract Agreement are as follows:

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

ITC #10 Coat Exterior of

CHANGE ORDER PRICING SHEET

Description of Change Order:
ITC #10 Coat Exterior of Site Fence

Prepared by: JH
Date: 6/25/2014

A Item No.	B Description	C Units	D UM	E Labor Unit Cost Column S	F Labor Total Cost (C x E)	G Material Unit Cost	H Material Total Cost (C x G)	I Equipment Unit Cost	J Equipment Total Cost (C x I)	K Supplemental Work Sheet	L Supplemental Total Cost (C x K)	M Subcontract Unit Cost	N Subcontract Total Cost (C x M)	O Subtotal
1	MGC	1	LS	$ -	$ -	$ -	$ -	$ -	$ -		$ -		$ -	$ -
2	Murphy	1	LS		$ -		$ -		$ -		$ -	$ 6,900	$ 6,900	$ 6,900
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 345	$ 345		$ -		$ -		$ -		$ -	$ 345
COLUMN SUBTOTALS					$ 345		$ -		$ -		$ -		$ 6,900	$ 7,245
11.6.2.2 Fee for work by Subcontractor		10.0%											$ 690	$ 690
11.6.2.1 Fee for work by Contractor		15.0%			$ 52		$ -							$ 52
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 7,987

SUBTOTAL CHANGE ORDER AMOUNT	$ 7,987
ADJUSTMENTS **Bond 1.0%**	$ -
Insurance 3.2%	$ -
Subtotal	$ 7,987
Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT	$ 7,987

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 010

City Project No: WA089

DATE : 6/25/2014
MGC Job # 13290
PREPARED BY: JH

DESCRIPTION OF WORK PERFORMED:
ITC #10 Coat Exterior of Site Fence

COST ANALYSIS:
Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - **JH**	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - **KM**	HR	0.0	$72.40	$0.00	$0.00
Superintendent - **RS**	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	0.0	$70.00	$0.00	$0.00
Crane Operator	HR	0.0	$55.80	$0.00	$0.00
Equipment Operator	HR	0.0	$42.50	$0.00	$0.00
Skilled Tradesman	HR	0.0	$46.60	$0.00	$0.00
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer	HR	0.0	$36.40	$0.00	$0.00
			Total Labor Cost		$0.00

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
0	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - **PM, PE & Supt**	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	0.0	$63.05	$0.00	$0.00
Cat 420D Backhoe	HR	0.0	$58.50	$0.00	$0.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Rammex P35K Trench Compactor	HR	0.0	$31.40	$0.00	$0.00
Wacker	HR	0.0	$12.50	$0.00	$0.00
		0.0	**Total Equipment Cost**		$0.00

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
	EA	0	$0.00	$0.00	$0.00
			Total Material Cost		$0.00

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
Murphy Industrial Coatings	Exterior Coating of Perimiter Wall - Fence	$6,900.00
		$0.00
		$0.00
		$0.00
		$0.00
	Total Subcontractor Cost	$6,900.00
	TOTAL	$6,900.00

MURPHY
INDUSTRIAL COATINGS, INC.
50-B West Hoover Avenue
Mesa, AZ 85210
Phone (480) 981-0185 - Fax (480) 981-1567

Safety - Pride - Integrity

Option # 3, Typical paint system for Pump Stations Walls

Scope:

- **Pressure wash all surfaces**
- **Apply one coat of Heavy Duty Block Filler at 5 mils dry**
- **Apply one coat of A100 Acrylic Latex at 3 to 4 mils dry**

Pricing: $6,900.00

Clarifications:

1. All Products are from Sherwin-Williams Company
2. Pricing is based on one full color, no accent or multi color system is included.
3. Murphy is QP-1 and QP-2 Certified by SSPC The Society for Protective Coating

Addendums noted: n/a

Subcontractor Listed Information:
AZ License No. 127921, Type L34 (Exp. 10-01-14)
CA License No. 310594, Type C33 (Exp. 10-31-14)
NV License No. 044229, Type C4 (Exp. 04-30-15)
NM License No. 35297, Type GS18 (Exp. 11-30-14)
UT License No. 7518, Type S300 (Exp. 11-30-14)

Please call me if you have any questions regarding this proposal.

MURPHY INDUSTRIAL COATINGS, INC.

Gilles Bussieres

Gilles Bussieres
Southwest Operations Manager
gilles@murphy.ac

Town of Gilbert
Allowance Use Authorization No. _11_
Gilbert Reservoir #3 Replacement Project

From:	Town of Gilbert 90 E. Civic Center Drive Gilbert, AZ	**Distribution:**	Gilbert MGC Jacobs
To:	MGC Contractors, Inc. 4110 E. Elwood Street Phoenix, Az. 85040	**Agreement Date: 1/28/14** **CIP Project No.: WA089** **Contract No.: 2014-7009-0109**	

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	Addition of two (2) each pipe supports @ GW line per RFI #064	$	4,568.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	4,568.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	131,324.00
This Authorization	$	4,568.00
Remaining Allowance Amount	$	(7,688.00)

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 9-9-2014
Greg Armey - Jacobs

Contractor Acceptance

By: _____ Date: 9/9/14
Jim Howell PM

Town of Gilbert Acceptance

By: _____ Date: 9/15/14
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 013
Pipe Supports for 8" GW Line

TO: **Jacobs**

ATTN: **Greg Armey**

JOB NAME: **Reservoir #3 Tank Replacement** Date: **8/28/2014**

REFERENCE: **WA089 Reservoir Tank #3 Replacement**

MGC JOB NO. **13290** City Project No: **WA089**

We have reviewed the requirements of: **Add (2) 8" Pipe Supports at GW Line, per RFI-64**
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

X Additional Amount of **$4,568**

____ Deductive Amount of ____

____ No Change in Contract Amount

This pricing is based on the following conditions:

X Quotation is valid for **15 days** (due to material availability). Lack of direction concerning this this work by that date will require re-evaluation of the work change.

____ Calendar days extension of Contract time is required.

____ Exclusions or conditions that vary from our Contract Agreement are as follows:

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

Pipe Supports for 8" GW

CHANGE ORDER PRICING SHEET

Description of Change Order:
Pipe Supports for 8" GW Line

Prepared by:) KJM
Date: 8/28/2014

A Item No.	B Description	C Units	D UM	E Labor Unit Cost Column S	F Labor Total Cost (C x E)	G Material Unit Cost	H Material Total Cost (C x G)	I Equipment Unit Cost	J Equipment Total Cost (C x I)	K Supplemental Work Sheet	L Supplemental Total Cost (C x K)	M Subcontract Unit Cost	N Subcontract Total Cost (C x M)	O Subtotal
1	MGC Labor & Equipment	1	LS	$ 2,448	$ 2,448	$ -	$ -	$ 75	$ 75		$ -		$ -	$ 2,523
2	Pipe Strap, Epoxy & Hardware	1	LS		$ -	$ 579	$ 579		$ -		$ -		$ -	$ 579
3	Concrete & Forms	1	LS		$ -	$ 450	$ 450		$ -		$ -		$ -	$ 450
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -	$ -	$ -		$ -		$ -		$ -	$ -
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
4	Rebar for Concrete Pipe Supports	1	LS		$ -		$ -		$ -		$ -	$ 169	$ 169	$ 169
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 196	$ 196		$ -		$ -		$ -	$ 196
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 73	$ 73		$ -		$ -		$ -		$ -	$ 73
COLUMN SUBTOTALS					$ 2,521		$ 1,224		$ 75		$ -		$ 169	$ 3,989
11.6.2.2 Fee for work by Subcontractor		10.0%											$ 17	$ 17
11.6.2.1 Fee for work by Contractor		15.0%			$ 378		$ 184							$ 562
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 4,568

SUBTOTAL CHANGE ORDER AMOUNT	$ 4,568
ADJUSTMENTS Bond 1.0%	$ -
Insurance 3.2%	$ -
Subtotal	$ 4,568
Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT	$ 4,568

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 013

City Project No: WA089

DATE : 8/28/2014
MGC Job # 13290
PREPARED BY: KJM

DESCRIPTION OF WORK PERFORMED: Pump Station Piping Replacement
MGC T&M Rates

Install (2) pipe supports on the 8" GW Line, between the sand seperator and reservoir. Supports will be installed per Detail 0330-061 on S-9.

COST ANALYSIS:

Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - JH	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - KM	HR	0.0	$72.40	$0.00	$0.00
Superintendent - RS	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	16.0	$70.00	$1,120.00	$1,120.00
CAD Detailing	HR	0.0	$36.40	$0.00	$0.00
Equipment Operator	HR	0.0	$42.50	$0.00	$0.00
Skilled Tradesman	HR	16.0	$46.60	$745.60	$745.60
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer	HR	16.0	$36.40	$582.40	$582.40
			Total Labor Cost		$2,448

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - PM, PE & Supt	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	0.0	$63.05	$0.00	$0.00
Cat 420D Backhoe	HR	0.0	$58.50	$0.00	$0.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Compressor & Jack Hammer	HR	0.0	$31.40	$0.00	$0.00
Wacker	HR	6.0	$12.50	$75.00	$75.00
		6.0	Total Equipment Cost		$75

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
Pipe Straps, Epoxy & Hardware	LS	1	$578.50	$578.50	$578.50
Concrete & Forms	LS	1	$450.00	$450.00	$450.00
			$0.00	$0.00	$0.00
			$0.00	$0.00	$0.00
			$0.00	$0.00	$0.00
			$0.00	$0.00	$0.00
			$0.00	$0.00	$0.00
			Total Material Cost		$1,029

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
Gerdau Reinforcing Steel	Rebar for the (2) concrete pipe supports	$168.75
		$0.00
		$0.00
		$0.00
		$0.00
	Total Subcontractor Cost	$168.75
	TOTAL	$3,720

MGC Contractors

4110 East Elwood St.
Phoenix, AZ 85040

Phone: 437-5000
Fax: 470-4000

REQUEST FOR INFORMATION
No. 64

RFI ISSUE: Pipe Supports at 8" GW Line

PROJECT: Gilbert Reservoir #3
WA089

DATE: July 1, 2014
PROJECT NO. 13290

TO: Town of Gilbert
Attn: Greg Armey

Email: Greg.Armey@Jacobs.com

REQUEST:	Drawing Number: CD-3 & SD-2	Specification: 40 05 15

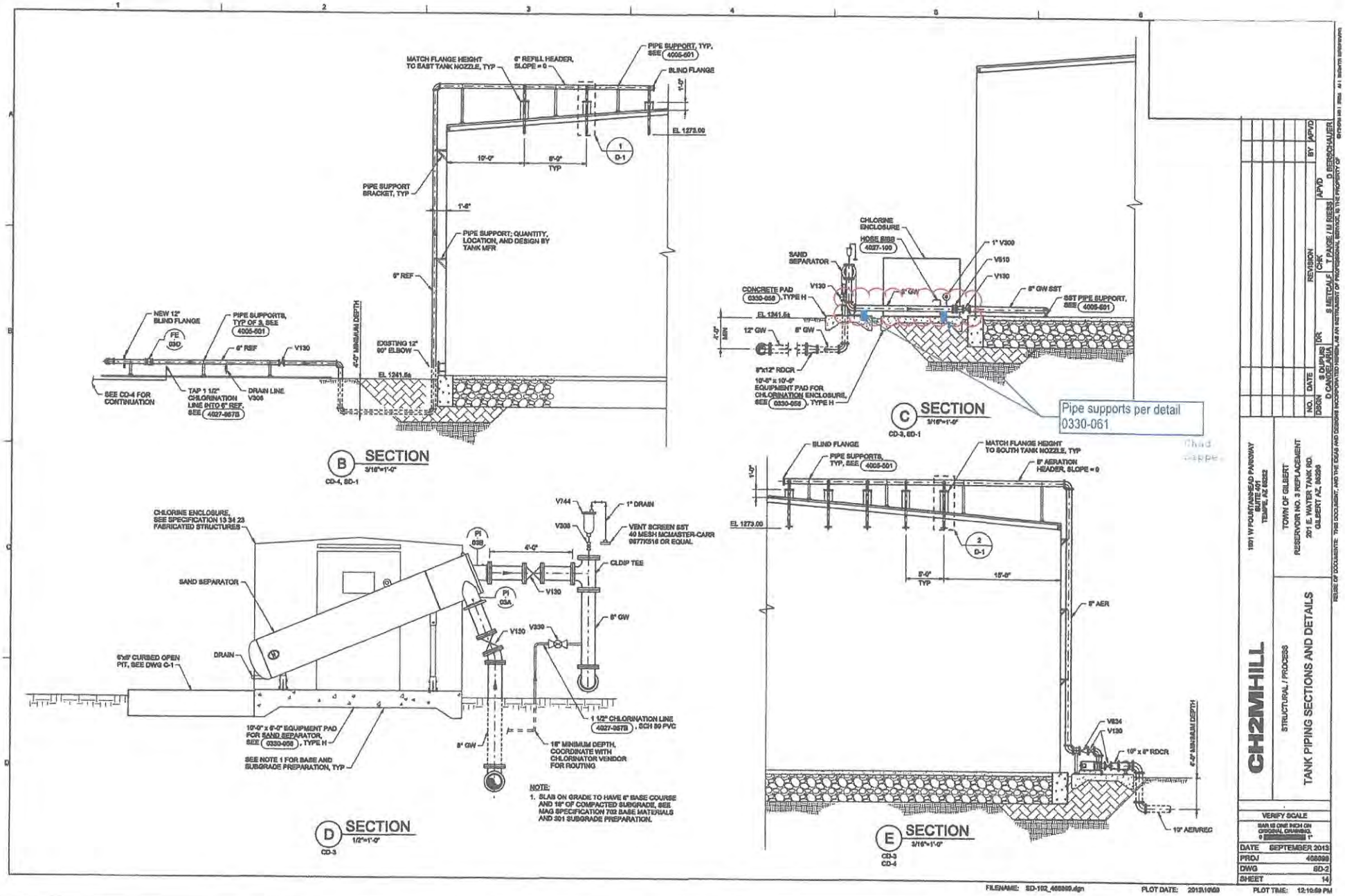
Please confirm that pipe supports aren't required between the discharge side of the sand separator and the reservoir, as none are shown in the contract documents.

Provide two pipe supports per detail 0330-061. See the following page for approximate location of pipe supports.

Chad Sippel, PE
8/18/14

REPLY:

Town of Gilbert


MATCH FLANGE HEIGHT TO EAST TANK NOZZLE, TYP
6" REFILL HEADER, SLOPE = 0
PIPE SUPPORT, TYP, SEE 4005-501
BLIND FLANGE
EL 1273.00
PIPE SUPPORT BRACKET, TYP
PIPE SUPPORT; QUANTITY, LOCATION, AND DESIGN BY TANK MFR
6" REF
NEW 12" BLIND FLANGE
PIPE SUPPORTS, TYP OF 3, SEE 4005-501
V130
EXISTING 12" 90° ELBOW
EL 1241.5±
SEE CD-4 FOR CONTINUATION
TAP 1 1/2" CHLORINATION LINE INTO 6" REF, SEE 4027-057B
DRAIN LINE V306
B SECTION 3/16"=1'-0" CD-4, SD-1
CHLORINE ENCLOSURE
HOSE BIBB 4027-100
SAND SEPARATOR
CONCRETE PAD 0330-058, TYPE H
8" GW
8" GW SST
SST PIPE SUPPORT, SEE 4005-501
12" GW
8"x12" RDCR
10'-0" x 10'-0" EQUIPMENT PAD FOR CHLORINATION ENCLOSURE, SEE 0330-058, TYPE H
C SECTION 3/16"=1'-0" CD-3, SD-1
Pipe supports per detail 0330-061
CHLORINE ENCLOSURE, SEE SPECIFICATION 13 34 23 FABRICATED STRUCTURES
SAND SEPARATOR
6'x9' CURBED OPEN PIT, SEE DWG C-1
DRAIN
10'-0" x 6'-0" EQUIPMENT PAD FOR SAND SEPARATOR, SEE 0330-058, TYPE H
SEE NOTE 1 FOR BASE AND SUBGRADE PREPARATION, TYP
1" DRAIN
VENT SCREEN SST 40 MESH MCMASTER-CARR 9677K516 OR EQUAL
CLDIP TEE
1 1/2" CHLORINATION LINE 4027-057B, SCH 80 PVC
16" MINIMUM DEPTH, COORDINATE WITH CHLORINATOR VENDOR FOR ROUTING
NOTE:
1. SLAB ON GRADE TO HAVE 6" BASE COURSE AND 16" OF COMPACTED SUBGRADE, SEE MAG SPECIFICATION 702 BASE MATERIALS AND 301 SUBGRADE PREPARATION.
D SECTION 1/2"=1'-0" CD-3
BLIND FLANGE
PIPE SUPPORTS, TYP, SEE 4005-501
MATCH FLANGE HEIGHT TO SOUTH TANK NOZZLE, TYP
8" AERATION HEADER, SLOPE = 0
8" AER
10" x 8" RDCR
10" AERVREC
E SECTION 3/16"=1'-0" CD-3 CD-4
CH2MHILL
1801 W FOUNTAINHEAD PARKWAY SUITE 401 TEMPE, AZ 85282
TOWN OF GILBERT
RESERVOIR NO. 3 REPLACEMENT
201 E. WATER TANK RD. GILBERT AZ, 85296
STRUCTURAL / PROCESS
TANK PIPING SECTIONS AND DETAILS
VERIFY SCALE
DATE SEPTEMBER 2013
PROJ 468999
DWG SD-2
SHEET 14
FILENAME: SD-102_468999.dgn
PLOT DATE: 2013\10\09
PLOT TIME: 12:10:59 PM

Town of Gilbert
Allowance Use Authorization No. _12_
Gilbert Reservoir #3 Replacement Project

From:	Town of Gilbert 90 E. Civic Center Drive Gilbert, AZ	**Distribution:**	Gilbert MGC Jacobs
To:	MGC Contractors, Inc. 4110 E. Elwood Street Phoenix, Az. 85040	**Agreement Date: 1/28/14** **CIP Project No.: WA089** **Contract No.: 2014-7009-0109**	

Purpose for which the Contractor proposes to adjust its Schedule of Values for the project noted above through an Allowance Use Request:

The purpose of this authorization is to:

Item 1	Misc. Changes	$	11,293.00
Item 2		$	-
Item 3		$	-
	Total Adjustment Requested:	$	11,293.00

Duration for which the Contractor proposes to adjust its Schedule for the project noted above related to an Allowance Use Request:

Number of Calendar Days the Contract Time will be increased 0 Calendar Days

Allowance Authorization Summary:

Original Allowance Amount	$	128,204.00
Previous Authorizations	$	135,892.00
This Authorization	$	11,293.00
Remaining Allowance Amount	$	(18,981.00)

The work is to be fully completed and delivered to Owner according to terms and conditions of the original Agreement referred to above for the price authorized, which includes all sales tax, bonds, fees, insurances, and all other taxes. Allowance Authorization is not valid until signed by both Town of Gilbert and the Construction Manager. Contractor's Signature indicates acceptance.

Construction Manager Recommendation

By: _____ Date: 11-18-2014
Greg Armey - Jacobs

Contractor Acceptance

By: _____ Date: 11-18-14
Keith McClure, PE

Town of Gilbert Acceptance

By: _____ Date: _____
Lee Brush Sr. Project Manager

QUALITY · PERFORMANCE · VALUE

Change Order No.
MGC CO - 014
Miscellaneous Changes

TO: **Jacobs**

ATTN: **Greg Armey**

JOB NAME: **Reservoir #3 Tank Replacement** Date: **11/18/2014**

REFERENCE: **WA089 Reservoir Tank #3 Replacement**

MGC JOB NO. **13290** City Project No: **WA089**

We have reviewed the requirements of: **Miscellaneous Changes**
as it pertains to the work of our Contract.

In Compliance with the terms of our Contract Agreement, we agree to perform the changed work for:

X Additional Amount of **$11,293**

____ Deductive Amount of ____

____ No Change in Contract Amount

This pricing is based on the following conditions:

X Quotation is valid for **15 days** (due to material availability). Lack of direction concerning this this work by that date will require re-evaluation of the work change.

____ Calendar days extension of Contract time is required.

____ Exclusions or conditions that vary from our Contract Agreement are as follows:

X Complete pricing breakdown for our work is attached for your review.

MGC REPRESENTATIVE

cc:

MGC WA089 Reservoir Tank #3 Replacement

Miscellaneous Changes

CHANGE ORDER PRICING SHEET

Description of Change Order:
Miscellaneous Changes

Prepared by: KJM
Date: 11/18/2014

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item No.	Description	Units	UM	Labor Unit Cost Column S	Labor Total Cost (C x E)	Material Unit Cost	Material Total Cost (C x G)	Equipment Unit Cost	Equipment Total Cost (C x I)	Supplemental Work Sheet	Supplemental Total Cost (C x K)	Subcontract Unit Cost	Subcontract Total Cost (C x M)	Subtotal
1	MGC Labor & Equipment	1	LS	$ 7,344	$ 7,344	$ -	$ -	$ 694	$ 694		$ -		$ -	$ 8,038
2	Knox Box	1	LS		$ -	$ 311	$ 311		$ -		$ -		$ -	$ 311
3	Fire Extinguisher & Signs	1	LS		$ -	$ 191	$ 191		$ -		$ -		$ -	$ 191
4	Concrete	1	LS		$ -	$ 600	$ 600		$ -		$ -		$ -	$ 600
5	Forms & Rebar	1	LS		$ -	$ 250	$ 250		$ -		$ -		$ -	$ 250
6	Misc. Anchors & Epoxy	1	LS		$ -	$ 75	$ 75		$ -		$ -		$ -	$ 75
7	Hose Bibs	1	LS		$ -	$ 30	$ 30		$ -		$ -		$ -	$ 30
8	Jacobs - CM Services	1	LS		$ -	$ (7,200)	$ (7,200)		$ -		$ -		$ -	$ (7,200)
		1	LS		$ -		$ -		$ -		$ -		$ -	$ -
9	Cost of Riprap	1	LS		$ -		$ -		$ -		$ -	$ 4,816	$ 4,816	$ 4,816
10	Pump P-3-2 Motor Repair	1	LS		$ -		$ -		$ -		$ -	$ 2,163	$ 2,163	$ 2,163
11	Trash Removal	1	LS		$ -		$ -		$ -		$ -	$ 225	$ 225	$ 225
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
		1	LS		$ -		$ -		$ -		$ -	$ -	$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
					$ -		$ -		$ -		$ -		$ -	$ -
	SMALL TOOLS 08% OF LABOR AND BURDEN	1	LS		$ -	$ 588	$ 588		$ -		$ -		$ -	$ 588
	COORDINATION (MAT., EQUIP., SUBCONT.) 5%	1	LS	$ 137	$ 137		$ -		$ -		$ -		$ -	$ 137
COLUMN SUBTOTALS					$ 7,481		$ (5,155)		$ 694		$ -		$ 7,204	$ 10,223
11.6.2.2 Fee for work by Subcontractor		10.0%											$ 720	$ 720
11.6.2.1 Fee for work by Contractor		15.0%			$ 1,122		$ (773)							$ 349
11.6.2.0 Fee for Equipment		0.0%							$ -					
														$ 11,293

SUBTOTAL CHANGE ORDER AMOUNT	$ 11,293
ADJUSTMENTS **Bond 1.0%**	$ -
Insurance 3.2%	$ -
Subtotal	$ 11,293
Sales Tax 7.8% of 65% of C.O. Amount	$ -
GRAND TOTAL CHANGE ORDER AMOUNT	$ 11,293

CHANGE ORDER WORKSHEET
MGC CONTRACTORS, INC.

MGC CO - 014

City Project No: WA089

DATE : 11/18/2014
MGC Job # 13290
PREPARED BY: KJM

DESCRIPTION OF WORK PERFORMED: Miscellaneous Changes
MGC T&M Rates

1. Provide & install Knox Box.
2. Provide & install fire extinguisher and sign.
3. Provide & install sign on chlorine building.
4. Install TOG address sign.
5. Fill and compact trench between west and east retention basins, on the north side of the reservoir.
6. Install riprap on the north retention basin.
7. Reshape the east side of the north retention basin, near SRP Well.
8. Demo 5' x 11' section of the conrete outside the electrical building and FPS new pad that has a slope less than 2%.
9. Install 4' x 4' concrete landing outside the chlorine building.
10. Deduct for Jacobs overages.
11. Install (2) hose bibs at sample ports.
12. Pump P-3-2 Motor Repair

COST ANALYSIS:

Labor

Position	Unit	Quantity	Labor Cost Unit	Labor Cost Total	Position Total
Project Manager - **JH**	HR	0.0	$97.60	$0.00	$0.00
Project Engineer - **KM**	HR	0.0	$72.40	$0.00	$0.00
Superintendent - **RS**	HR	0.0	$83.20	$0.00	$0.00
Foreman	HR	48.0	$70.00	$3,360.00	$3,360.00
CAD Detailing	HR	0.0	$36.40	$0.00	$0.00
Equipment Operator	HR	0.0	$42.50	$0.00	$0.00
Skilled Tradesman	HR	48.0	$46.60	$2,236.80	$2,236.80
Semi Skilled Worker	HR	0.0	$40.30	$0.00	$0.00
Laborer	HR	48.0	$36.40	$1,747.20	$1,747.20
			Total Labor Cost		$7,344

Equipment

Item	Unit	Quantity	Equipment Unit	Equipment Total	Item Total
Pickup Truck	HR	0.0	$25.00	$0.00	$0.00
Supervisor Truck - **PM, PE & Supt**	HR	0.0	$35.00	$0.00	$0.00
22 Ton Boom Truck	HR	0.0	$72.65	$0.00	$0.00
Water Truck	HR	0.0	$29.00	$0.00	$0.00
Volvo L90 Front End Loader	HR	0.0	$77.10	$0.00	$0.00
Volvo L110 Front End Loader	HR	0.0	$114.45	$0.00	$0.00
Cat 420E Backhoe	HR	0.0	$63.05	$0.00	$0.00
Cat 420D Backhoe	HR	8.0	$58.50	$468.00	$468.00
Cat 315 CL Excavator	HR	0.0	$103.50	$0.00	$0.00
Link Belt 110 Ton Crane	HR	0.0	$324.40	$0.00	$0.00
Sky Trak Ext Forklift	HR	0.0	$62.45	$0.00	$0.00
Compressor & Jack Hammer	HR	4.0	$31.40	$125.60	$125.60
Wacker	HR	8.0	$12.50	$100.00	$100.00
		20.0	**Total Equipment Cost**		$694

Materials

Item	Unit	Quantity	Material Unit	Material Total	Item Total
Knox Box	EA	1	$311.00	$311.00	$311.00
Fire Extinguisher, Exit Sign & Chlorine Sign	LS	1	$190.91	$190.91	$190.91
Concrete	LS	1	$600.00	$600.00	$600.00
Forms & Rebar	LS	1	$250.00	$250.00	$250.00
Misc. Anchors & Epoxy	LS	1	$75.00	$75.00	$75.00
Hose Bibs	EA	2	$15.19	$30.38	$30.38
Jacobs - CM Services	LS	1	-$7,200.00	-$7,200.00	-$7,200.00
			Total Material Cost		-$5,743

Subcontractors

Company	Description of Work to be Performed (Supporting Information Attached)	Item Total
Landscape Broker	Cost for installation of riprap at the north retention basin	$4,816.09
Keller Electric	Pump P-3-2 Motor Repair	$2,162.71
Trash Removal	Conrete Debris	$225.00
		$0.00
		$0.00
	Total Subcontractor Cost	$7,203.80
	TOTAL	$9,499

Quotation

1601 W Deer Valley Road□Phoenix, AZ 85027 • (800) 552-5669 • Fax (623) 687-2290
Visit us at.: www.knoxbox.com

Page.....: 1 of 1
Number.....: SQT000005882-1
Date.....: 11/11/2014
Quotation deadline.....: 1/10/2015
Payment Terms.....: Prepaid
Quoted by:.....: Nataly Hidalgo
Phone.....:
E-Mail.....:

MGC Contractors Inc
ATTN: Keith McClure
4110 E ELWOOD ST
PHOENIX, AZ 85040-1922

Dear Keith:

I am pleased to provide the following Knox product specification and cost proposal:

KNOX-BOX 3200 SERIES HINGED DOOR SURFACE MOUNT
Box-surface mount: 1/4" plate steel housing, 1/2" solid thick steel door with interior gasket seal and 30 cubic inch capacity. Exterior dimensions: 4" H x 5" W x 3-1/4" D. Steel finish: Knox-Coat proprietary six-step process that protects product up to six times longer than standard powder coat. Finish color: Black, Dark Bronze or Aluminum. Box and lock are UL listed. The lock has double-action rotating tumblers and hardened steel pins accessed by a bias-cut key. Lock also has a 1/8" stainless steel dust cover with tamper seal mounting capability.

Item number	Description	Quantity	Unit price	Amount
3262	3200 SURFACE, BLACK, HINGED, W/ TS PS-02-0016-07-86	1.00	285.00	285.00

Sales balance	Shipping & Handling	Sales tax	Total
285.00	26.00	0.00	311.00 USD

All pricing is subject to change and is based on a quantity order to be shipped all at one time. Prices quoted are valid through the "Quotation deadline" date shown above. All shipping and handling fees are estimates based upon ground service to the address shown above. Knox will provide you a firm cost for shipping and handling fees when order is placed. Knox provides detailed installation instructions with each Knox product however; Knox is not responsible for actual installation.

SALES TAX DISCLAIMER: Knox is required to collect sales tax for purchases made in the following states: AZ, CA, FL, IL, IN, MI, NC, NY, TX and WA. Where applicable, Knox will charge sales tax unless you have a valid sales tax exemption certificate on file with Knox. If you are exempt from sales tax, you must provide us with a sales tax exempt certificate at the time the order is placed.

If I can provide further information, please contact me at the phone number or email address listed above.

Sincerely,

Nataly Hidalgo
Customer Service Clerk

Cart Clear Cart

Share Cart Print

Delivery Method

- (●) Shipping
- ( ) Pickup

Availability

Enter ZIP code to check availability 85040 Go

Proceed to Checkout

Products in Cart

Need to add P.O. Line #'s, Part #'s or Special Notes? + Show fields

Product	Quantity	Availability	Total Price
AMEREX Fire Extinguisher,Dry Chemical,2A:10B:C Item # 3YWL7 Your Price: $119.25 / each (●) Deliver one time only ( ) Auto-Reorder Every 1 Month	1 Update Remove	Expected to arrive **Wed. Nov 12**	$119.25
BRADY Fire Extinguisher Sign,18 x 4-1/2In,FEXT Item # 5TB42 Your Price: $20.84 / each (●) Deliver one time only ( ) Auto-Reorder Every 1 Month	1 Update Remove	Expected to arrive **Wed. Nov 12**	$20.84
ACCUFORM SIGNS Danger Sign,10 x 14In,R and BK/WHT,CRSV Item # 8MXD6 Your Price: $14.42 / each (●) Deliver one time only ( ) Auto-Reorder Every 1 Month	1 Update Remove	Expected to arrive **Fri. Nov 14**	$14.42
ACCUFORM SIGNS Exit Sign,Aluminum,10x14 In.,English Item # 22CY77 Your Price: $23.50 / each (●) Deliver one time only ( ) Auto-Reorder Every 1 Month	1 Update Remove	Expected to arrive **Wed. Nov 12**	$23.50

If you changed multiple quantities, Update All.

Shipping Label / Packing List

PO #

Apply **Show more fields**

Order Summary

You are $1,321.99 away from FREE Ground shipping.

Subtotal	$178.01
Estimated Ground Shipping	$12.90
Estimated Total	**$190.91**

Availability, shipping, tax & promotions are not final until you complete your order.

Promotion Code

Apply Promo

Proceed to Checkout

Customers Also Purchased

1 of 5 Prev | Next

Disposable Respirator, N95, PK 10

Filter, N95, PK 10

click to chat

FOUR PEAKS FASTENERS, INC.
5865 SOUTH KYRENE ROAD
SUITE 1
TEMPE, AZ 85283
TEL: 480-968-2333
TOL: 877-571-2333
FAX: 480-968-6353

*** SALES QUOTE ***

Quote #:
00033559

Page: 1 of 1

1044
TO: MGC CONTRACTORS, INC
4110 EAST ELWOOD STREET

PHOENIX, AZ 85040

SHIP TO: MGC CONTRACTORS
GILBERT RESERVOIR NO.3
201 E WATER TANK RD
GILBERT, AZ 85296

Contact: KEITH MCCLURE

Terms: NET 30

Quote Date	Expire Date	Taker	Ship Via	Freight	Salesperson
11/13/2014	12/13/2014	PAUL	OUR TRUCK		SCOTT GUERRA

Item # / Description	Your Part Number	U/M	Order Qty	Unit Price	Ext Price
LEGENDT-532CP-075 LEGEND T-532CP 107-424 CHROME PLATED HOSE BIBB 3/4" THD X PE		EA	2	9.9000	19.80
2400631X3/4 BRASS 150 THD HEX BUSHING 1" X 3/4"		EA	2	5.2900	10.58

QUOTE TOTAL: $30.38

THANK YOU FOR ALLOWING US TO BE OF SERVICE TO YOU!!

THE LANDSCAPE BROKER

20635 N. 29th Pl.
Phoenix, AZ 85050
480.951.2266; 480.609.1199 Fax
www.tlbconstruction.com

MGC Contractors
Attn: Keith McClure

November 11, 2014

Change Order Request No. 2

Project: Gilbert Reservoir 3

Task 1 - Add Loose Rip Rap

Item Description	QTY	UOM	Price	TOTAL
3-8" Apache Brown Rip Rap @ 8" depth over Filter Fabric	1725	SF	$2.95	$5,088.75
Deduct of DG	1500	SF	($0.38)	($570.00)
Subtotal:				$4,518.75
Sales Tax (if applicable):			**5.005%**	$226.16
Insurance (if applicable):			**1.500%**	$71.17
			Task 1 Grand Total:	**$4,816.09**

Change Order Subtotal	$4,518.75
Sales Tax (if applicable):	$226.16
Insurance (if applicable):	$71.17
Grand Total:	**$4,816.09**

If you have questions or need further information please don't hesitate to call.

Thank you,

Sean Franklin

Invoice

KELLER ELECTRICAL INDUSTRIES, INC.
1881 E. UNIVERSITY DRIVE
PHOENIX, AZ 85034
(602) 437-3015

Invoice Number: 0186640-IN
Invoice Date: 10/17/2014

Order Number: 0186640
Order Date 9/30/2014
Salesperson: TB
Customer Number: 0002150

Sold To:
TOWN OF GILBERT - WATER PLANT
WATER TREATMENT PLANT
2865 E GUADALUPE ROAD
email invoices
GILBERT, AZ 85234
Confirm To:
BRIAN 480.283.3057

Ship To:
TOWN OF GILBERT - WATER PLANT
WATER TREATMENT PLANT
2865 E GUADALUPE ROAD
RUSH
GILBERT, AZ 85234

Customer P.O.	Ship VIA	F.O.B.	Terms
g-06222	KEI		NET 30 DAYS

Item Code	Unit	Ordered	Shipped	Back Ordered	Price	Amount
RUSH REPAIR - CUST DROPPED OFF- BRYAN 480.283.3057 ALLIS CHALMER 60HP FRAME 405US RPM 1770 VOLTS 208-230/440 AMPS 145-145/72.5 SERIAL 51-488-908-18 DISASSEMBLE INSPECT AND TEST CORE TEST ROTOR CLEAN DIP AND BAKE STATOR CHECK ALL BEARING FITS DYNAMIC BALANCE ROTOR INSTALL NEW BEARINGS ASSEMBLE TEST RUN AT FULL VOLTAGE PAINT						
/MSL LABOR						718.20
/MSM MATERIAL						1,333.80

Net Invoice:	2,052.00
Less Discount:	0.00
Freight:	0.00
Sales Tax:	110.71
Invoice Total:	2,162.71

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Tom Condit, PE, Development Engineer, 503-6815

MEETING DATE: January 15, 2015

SUBJECT: Approval of a Change Order for Contract Number 2014-2106-0004, increasing the compensation by $34,144 and increasing the contract time by 4 months. Consultant's scope shall be increased by adding updates to the Town's Engineering Details and Specifications to the current scope.

STRATEGIC INITIATIVE: Infrastructure

This project supports the Town's Strategic Initiative of Infrastructure by providing improved, up-to-date engineering standards for both public and private development.

RECOMMENDED MOTION

A motion to approve Change Order No. 2 for Contract Number 2014-2106-0004, increasing the compensation by $34,144 and increasing the contract time by 4 months, and to approve a corresponding contingency budget transfer from the respective funds as outlined in the table below.

BACKGROUND/DISCUSSION

In 2013, the Town released a solicitation for engineering consultant assistance in revising and updating our Engineering Standards Manual. Entellus was selected for the work, and Contract 2014-2106-0004 was approved by the Town Council on August 1, 2013. During the initial scoping for this project, it was decided that the Town could save money by revising the Details and MAG Supplement (i.e., Specifications) in-house, and the Consultant would be tasked only with updating our Design Manual. The scope and fee were reduced accordingly, saving the Town approximately from $35,000.

However, in June 2014, two key staff members who would have been available to complete this in-house work left Town employment (Senior Plan Reviewer and Engineering Intern). This work was left unfinished, and as Entellus is now finished with the Design Standards Manual, we

need to complete these other two components of the work in order to have unified standards, specifications, and details. It is our desire to roll out the completed Engineering Standards Manual, Engineering Details, and 2015 MAG Supplement together as a single, cohesive package.

The Change Order was reviewed by Cris Parisot, Office of Management and Budget.

FINANCIAL IMPACT

This project is being funded at varying levels through the Town's Environmental Services - Residential, Streets, Wastewater and Water Divisions. Contingency is being requested from those same funds, in the same proportions that were charged to these funds with the original contract approval:

Project Accounting Code:	210301.41050101.5131 (Environmental Services)	$ 3,415
Project Accounting Code:	120200.41060100.5131 (Streets)	$ 10,243
Project Accounting Code:	210201.41070100.5131 (Wastewater)	$ 10,243
Project Accounting Code:	210101.41080100.5107 (Water)	$ 10,243
		$ 34,144

The financial impact was reviewed by Cris Parisot, Office of Management and Budget.

STAFF RECOMMENDATION

Staff has reviewed the fees associated with this work and finds that they meet Gilbert's expectations for the services, and recommends approval of the Change Order.

Respectfully submitted,

Tom Condit, PE
Development Engineer

Approved By	Approval Date
Gregory Smith	1/6/2015 7:25 AM
Kenneth Morgan	1/6/2015 4:43 PM
Michael Hamblin	1/7/2015 10:29 AM
Dawn Buckland	1/6/2015 6:21 PM
Douglas Boyer	1/6/2015 5:05 PM

EXHIBIT E
CHANGE ORDER

CHANGE ORDER NO. 2

Distribution:	GILBERT	[ ]
	CONSULTANT	[ ]
	OTHER	[ ]

PROJECT: *ENGINEERING STANDARDS MANUAL UPDATE* DATE: January 15, 2015
OWNER: Town of Gilbert
CONSULTANT: Entellus
AGREEMENT DATED: August 1, 2013

CHANGES: The Agreement is changed as follows:

SCOPE AMENDED TO INCLUDE THE FOLLOWING ADDITIONAL SERVICES:

TOG has already completed substantial work towards the modernization of the TOG Specifications and Details. The Consultant shall utilize these materials as a launching point to finalize these two documents. The documents will correspond to and build upon TOG's existing regulations, codes and ordinances, and incorporate the latest technological advances and construction methods, as proven by other municipalities in the Phoenix area. The Scope of Services has been divided into the following major tasks:

1. ***Coordination Meetings:*** The Consultant shall meet with the TOG Project Manager on a regular basis to facilitate the progress of the work. Coordination meetings shall be either in person or via teleconference. It is assumed there will be approximately 5 meetings of approximately 1 hour each.

2. ***Data Collection and Analysis:*** Consultant will obtain and review existing draft TOG Specifications and TOG Details and compile any comments provided by previous reviews.

3. ***Update TOG Details:*** A majority of details are at the pre-final stage (90%) complete, with redline comments already provided to the Consultant. Consultant will also be provided with the latest TOG AutoCAD files containing the latest TOG updates to the Details (estimated at 162). These TOG Details will now either: 1) stay as details; 2) become figures or specifications in the GPW&ES; or 3) be deleted. Consultant will incorporate redline comments provided by the TOG into the details and figures. Consultant will update the Title Blocks for all TOG details. It is expressly understood that Consultant will be expected to generate approximately 8-12 new TOG Details as a part of this scope, in addition to updating the existing TOG details with TOG comments. The TOG Details will be prepared in the format previously developed by the TOG.

4. ***Update TOG Specifications:*** Consultant has been provided with the latest document that was updated by the Town in 2012. Consultant will compare the specifications to the GPW&ES and make any changes required to provide consistency between the documents as approved by the TOG Project Manager. Consultant will make a comparison between the TOG Specifications and the new 2015 MAG Standard Specifications. Consultant will update the TOG Specifications to be consistent with the MAG documents. The TOG Specifications will be prepared in the format previously developed by the TOG.

5. ***Prepare Draft-Final TOG Specifications and Details:*** Consultant shall complete the draft-final TOG Specifications and Details and submit an electronic copy to TOG's project manager for agency review. The Consultant will provide the comment resolution form along with the final TOG Specifications and TOG Details. Any comments by TOG staff or project manager shall be incorporated by the Consultant.

6. ***Submittal of Final TOG Specifications and Details:*** Consultant shall submit one single-sided, original, unbound, reproducible of the TOG Specifications and Details to the TOG; four bound hard copies; one fully modifiable electronic version of each (each Section of the TOG Specifications shall be a separate file (word format) and each TOG Detail shall be in a separate file (AutoCAD 2015 format); and all-inclusive electronic copies of the TOG Specifications and Details (two documents) in .pdf format.

7. ***Project Management:*** Consultant shall perform the following project management tasks in support of the execution of this project:

a. Quality Control – Third party review of all documents, grammar and typographical issues, ensuring issues have been addressed.
b. Document Control - Maintain data collection log, managing the comment resolution processes, and managing the ftp site.
c. Invoicing – include short description of tasks complete to date.

8. ***Allowances:***

a. Additional redlines for TOG Details in the event there are additional redlines provided by the Town that are beyond what are anticipated by this scope.
b. Additional revisions to the TOG Specifications beyond what is anticipated by this scope.

Not valid until signed by both Gilbert and Consultant.
Signature of Consultant indicates acceptance.

The original compensation was $120,000.00

Net change by previously authorized Change Orders $0.00

The compensation prior to this Change Order was $120,000.00

The compensation will be increased by this Change Order in the amount of $34,144.00

The new compensation under the Agreement including this Change Order will be $154,144.00

The Contract Time will increase by 4 MONTHS (end date April 30, 2015)

ACCEPTANCE STATUS:

Entellus	
Consultant	Town of Gilbert
By William A Linch	By _____
Date 1/5/14	Date _____

GILBERT
ARIZONA

Council Communication

TO: **HONORABLE MAYOR AND COUNCILMEMBERS**

FROM: **JASON BOBKO, WATER PRODUCTION SUPERINTENDENT, 503-6371**

THROUGH: **JESSICA MARLOW, WATER MANAGER, 503-6470**

MEETING DATE: **1/15/15**

SUBJECT: **REQUEST FOR CONTINGENCY FOR REPLACEMENT OF CHEMICAL STORAGE TANK – EMERGENCY PURCHASE**

STRATEGIC INITIATIVE: Infrastructure

Replacement of deteriorating chemical storage tank

LEGAL REVIEW	**FINANCIAL REVIEW**
☐ **Complete**	☑ **Complete**
☐ **N/A**	☐ **N/A**

RECOMMENDED MOTION

A MOTION TO APPROVE THE USE OF WATER FUND CONTINGNECY, IN THE AMOUNT OF $75,357 FOR THE EMERGENCY REPLACEMENT OF A CHEMICAL STORAGE TANK AT THE SAN TAN VISTA WATER TREATEMENT PLANT.

BACKGROUND/DISCUSSION

The approval of contingency funds will allow for the emergency purchase and replacement of an above ground 6,000 gallon Hydrofluorosilicic acid (Fluoride) storage tank at the Santan Vista Water Treatment Plant (SVWTP). The existing tank is approximately six years old and has developed a leak at a critical joint. Since the warranty period has ended and industry best practices do not recommend repairs on tanks containing Fluorides, staff recommend replacement of the tank. This recommendation is made in coordination with our partner, the City of Chandler.

The SVWTP is co-owned with the City of Chandler. The Intergovernmental Agreement (IGA) representatives from Chandler have approved of the tank replacement and associated costs and are monetarily responsible for fifty percent of the tank replacement, per the terms of the IGA.

The Town is aware of the ongoing commitment to citizens, and therefore staff has made arrangements to store the chemical in temporary tanks to ensure uninterrupted services.

FINANCIAL IMPACT

Due to the sensitive and hazardous nature of this chemical, the tank replacement is proceeding as an emergency purchase. The emergency purchase will require the approval of a Water Fund Contingency transfer in the amount of $75,357. The Town of Gilbert will receive a reimbursement of 50% of the replacement costs from the City of Chandler, per the terms of the IGA.

The financial impact was reviewed by Cris Parisot, Management and Budget Analyst.

STAFF RECOMMENDATION

It is the recommendation of Public Works staff to approve this request to replenish SVWTP O&M dollars.

Respectfully submitted,

Jason Bobko
Water Production Superintendent

Attachments and Enclosures:
Tank Quote from MMI Tank & Industrial Services

Approved By	Approval Date
Kenneth Morgan	12/30/2014 11:33 AM
Cris Parisot	1/5/2015 8:10 AM

December 16, 2014
Estimate SE14-195

3240 South 37th Avenue
Phoenix, Arizona 85009
602 272-6000 Main/602 272-6700 Fax

To: SanTan Vista WTP

Attention: Kurtis McDavid
Email: kurtis.mcdavid@gilbertaz.gov

Reference: Project: Fabrication of a new Hydrofluosilicic Acid Storage Tank same as existing

Dear Mr. McDavid,

MMI TANK AND INDUSTRIAL SERVICES submits the following proposal for the above referenced project.

Our proposal consists of this letter and the following attachments:

- Attachment 1, Proposed Pricing
- Attachment 2, Scope of Work
- Attachment 3, Exclusions from the Scope of Work
- Attachment 4, MMI TANK AND INDUSTRIAL SERVICES and Affiliated Companies Terms and Conditions

If you have any questions or require additional information, please contact me at 602 757-4596 or email Stacy at stacy@mmitank.com
Sincerely,

Stacy Pinckard
President
602.757.4596

December 16, 2014
Estimate SE14-195

ATTACHMENT 1
PROPOSED PRICING

MMI TANK AND INDUSTRIAL SERVICES Proposes: Fabrication of a new Hydrofluosilicic Acid Storage Tank same as existing

……..……$75,357.00 Plus Applicable Taxes

- Our proposal pricing is valid for 30 days from our proposal date and acceptance of this quote beyond the (30) days may require a pricing adjustment based on changes in costs.
- If this proposal is accepted, both parties expressly understand that this proposal shall be incorporated as an integral part of any contract, subcontract, purchase order, or any other agreement between General Contractor/Owner and MMI Tank.
- MMI Tank & Industrial Services and Affiliated Companies Terms & Conditions page one of two and page two of two are attached to this proposal and incorporated by Reference as Attachment 4

December 16, 2014
Estimate SE14-195

ATTACHMENT 2
SCOPE OF WORK

1. MMI to fabricate (1) 10' Ø X 11' shell height tank.
2. MMI to fabricate tank with SA516-70 carbon steel 120" O.D. 5/16 F&D Head, 5/16 shell PL and 5/16 floor plate.
3. MMI to fabricate tank with (1) 24" Davit arm shell man way, (1) 24" roof man way, (1) 8" 150# RFSO nozzle, (1) 4" 150# RFSO nozzle, (1) 3" 150# RFSO nozzle, (4) 2" 150# RFSO nozzle and (1) 6" 150# RFSO nozzle.
4. MMI to fabricate tank with lift lugs, anchor chairs and all attachment clips for ladder, landing and handrail.
5. MMI to reuse existing ladder, landing handrail and toe board.
6. MMI to hydro tank when complete.
7. MMI to line interior of tank with 516 black chlorobutyl rubber.
8. MMI to sandblast and paint exterior same as existing.
9. MMI to provide fabrication drawing for customer approval.
10. MMI to deliver tank to jobsite.
11. MMI to disconnect existing piping, remove old tank and install new tank.
12. MMI to remove ladder, landing and handrail from old tank and install on new.
13. MMI to reconnect piping to new tank.
14. MMI to remove old tank from site.

December 16, 2014
Estimate SE14-195

ATTACHMENT 3
EXCLUSIONS FROM SCOPE OF WORK

MMI Tank and Industrial Services has specifically EXCLUDED from this proposal the following;

Engineering, permits, bonds, electrical, over time, concrete footing or foundations, fabrication of any additional structure unless a cost adjustment is made, replacement of any worn or previously damaged material, insulation and roofing, hazardous materials, waste, x-rays and inspections etc.

December 16, 2014
Estimate SE14-195

ATTACHMENT 4

MMI Tank & Industrial Services and Affiliated Companies
Terms & Conditions

The following terms and conditions (these "Terms & Conditions") apply to the sale of goods, materials or products (collectively, "Products") and/or provision of services ("Services") by MMI Tank & Industrial Services, an Arizona corporation and its affiliates (collectively, "MMI"), to the customer identified on the Purchase Order to which these terms and conditions are attached (the "Customer"):

1. Prices. Except as provided herein, prices offered by MMI for Services or Products in any written quote or estimate will remain in effect for a period of thirty (30) days after the date of the quote (the "Quote Date"). After said thirty (30) day period, prices are subject to change. Prices for Products to be used in any Work (hereafter defined) which are obtained by MMI from a third party, are subject to change at any time to account for any fluctuations in the market price after the Quote Date.

2. Purchase Orders. All Services or Products to be provided by MMI to Customer shall be pursuant to a written purchase order executed by MMI and the Customer (a "Purchase Order"), referencing the scope of work described on the attached Quote, which shall, at a minimum, include a description of the Services and/or Products to be provided by MMI (collectively, the "Work"), the compensation to MMI therefor, and the time for completion of the Work. MMI shall have no obligation to proceed with any Work until such time that it has received a fully executed Purchase Order and any initial deposit required there under.
3. Change Orders. Any modifications of or additions to the Work described in the Purchase Order shall be evidenced by a written change order executed by the parties (a "Change Order"), describing in reasonable detail the modified or additional Work to be completed and any adjustments to the schedule or the compensation to MMI therefor. MMI shall have no obligation whatsoever to commence or complete any additional or modified Work unless and until Customer and MMI have executed a written Change Order with such terms and conditions as are mutually acceptable to the parties.

4. Plans and Specifications. MMI shall complete or provide all Work in substantial conformity with Customer's specifications, drawings and descriptions (collectively, "Customer Specifications"). MMI shall have no liability to Customer for any delays, damages or claims of any kind arising from defects, omissions, errors or deficiencies in the Customer Specifications and Customer shall defend, indemnify and hold MMI harmless from and against any liability, damages or claims arising there from.

5. Payment Terms. Payment terms are net thirty (30) days from the date that MMI sends an invoice to Customer for the amounts due. Any amounts not paid within such thirty (30) day period shall accrue interest thereafter until paid in full at a rate which is the lesser of eighteen percent (18%) per annum or the highest rate allowed under applicable laws, computed on a 365/360 day year basis. In addition, in the event that the Customer fails to pay the full amount due within thirty (30) days after MMI has sent Customer an invoice, MMI shall be entitled to exercise any of its available remedies under applicable law, which include, without limitation, suspension of any further work by MMI and retention of any equipment or other personal property owned by the Customer and in MMI's possession, until all past due amounts owing to MMI have been paid in full.

6. Warranty. MMI warrants that Products and Services provided by MMI to Customer are free from defects in material and workmanship. MMI's obligation under this warranty is limited to correction of defects in Products or Services which were provided by MMI. Within ten (10) calendar days after discovery of any defective Services or Products provided by MMI, Customer shall provide MMI written notice of such defect. This warranty does not cover any repairs or replacement required due to accident, abuse, misuse, natural or man-made disaster, or any unauthorized disassembly, repair, or modification, the failure of Customer to properly use, store or maintain the Products provided, or the negligence or fault of Customer or any third party. MMI shall have no liability to Customer for any: (a) consequential, special or liquidated damages arising from the breach of the warranty contained herein, including, without limitation, any costs, damages or losses attributable to loss of production or down time; or, (b) damages to or from Products or Services not furnished by MMI; or, (c) repair, replacement or other expenses incurred by Customer in correcting defective Products or Services provided by MMI.
With respect to repair Services, MMI's warranty will remain in effect for a period of twelve (12) months from the date that MMI's Work is completed. With respect to new equipment, MMI's warranty will remain in effect until the earlier of: (i) twelve (12) months from the time the new equipment is placed into service; or, (ii) eighteen (18) months from the date of delivery to the Customer. MMI's warranty for new equipment shall apply only if Customer properly stores, maintains and operates said equipment in accordance with the original equipment manufacturer's procedures and specifications.
EXCEPT FOR MMI'S EXPRESS WARRANTY CONTAINED HEREIN, MMI IS NOT MAKING AND HEREBY

EXPRESSLY DISCLAIMS ANY OTHER IMPLIED OR EXPRESS WARRANTIES WITH RESPECT TO THE SERVICES AND PRODUCTS. WITHOUT LIMITING THE FOREGOING, MMI EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. Indemnification. MMI will indemnify and hold Customer harmless from and against any claims, damages or liability, including reasonable attorney's fees and costs, resulting from MMI's negligence or willful misconduct. Customer will indemnify and hold MMI harmless from and against any claims, damages or liability, including reasonable attorney's fees and costs, resulting from Customer's negligence or willful misconduct. Under no circumstances will either party be liable to the other party for indirect, consequential, special or liquidated damages.

8. Shortages, Defects or Errors. Customer shall give prompt written notice to MMI of any shortages, defects or errors in any Products shipped, which notice shall be given to MMI no later than ten (10) business days of Customer's receipt of the Product.

9. Title. Title to Products provided by MMI shall not pass to Customer until MMI has received full payment of all amounts due for all Services performed and Products provided by MMI.

10. Cancellation. Customer may cancel a Purchase Order by providing written notice to MMI, provided, however, Customer will be obligated for all unpaid Work completed up to and including the date that MMI receives written notice of cancellation, plus MMI's reasonable profit for uncompleted Work under the Purchase Order.

11. Force Majeure. Neither MMI nor the Customer shall be liable for any damages, claims or liability of any kind arising from delay in performance caused by a "Force Majeure Event". As used herein, "Force Majeure Event" shall mean acts of God; acts of terrorism; explosion; fire; extreme weather conditions; flood; drought; epidemic; earthquake; riot; insurrection; blockade; war or other hostilities; strike, lockout or other industrial disturbance; act or restraint of governmental authority whether valid or invalid; the refusal or failure of any governmental authority to promptly issue or grant any necessary governmental authorizations, permits, licenses, certificates or approvals or the action or inaction of any governmental authority which causes the lapse or expiration of any of the foregoing; shortages of materials or Products to be incorporated in the Work, and any other cause or event which is reasonably beyond the control of the party and which the party is not able to overcome by the exercise of reasonable diligence, provided, however, that neither party shall be required to settle any strike, work stoppage or other labor dispute on terms which, in its opinion, are unsatisfactory. If any delay in MMI's performance is attributable to a Force Majeure Event, the time for performance shall be extended for a period equal to the time of the delay caused by the Force Majeure Event.

12. Access and Cooperation. Customer shall provide MMI access to the Work site at all times during MMI's normal hours of business to enable MMI to complete the Work and shall otherwise cooperate with MMI so that the Work may be completed on a timely and efficient basis. Such cooperation shall include, without limitation, providing information to MMI necessary to obtain permits or other required governmental approvals for the Work and coordination with Customer's other contractors or employees to enable MMI to complete the Work without interference or interruption.

13. Jurisdiction, Venue and Waiver of Jury Trial. These Terms & Conditions and all Purchase Orders between MMI and Customer shall be interpreted and enforced according to Arizona substantive laws, without regard to Arizona's choice of law provisions. Any disputes between the parties arising from these Terms & Conditions and any Purchase Order shall be brought and maintained in a court of competent jurisdiction in the Arizona County in which the Work under the applicable Purchase Order is being completed. MMI and Customer hereby irrevocably waive any and all rights they have to demand that any action, proceeding or counterclaim arising out of or in any way related to these Terms & Conditions or any Purchase Order be tried by jury.

14. Attorney Fees. In the event that either party hereto institutes an action or other proceeding to enforce any rights arising under these Terms & Conditions or any Purchase Order, the party prevailing in such action or other proceeding shall be paid all reasonable costs and reasonable attorney's fees by the other party.

15. Entire Agreement. Incorporation and Modification. These Terms & Conditions and the applicable Purchase Order contain the entire agreement between the parties and all prior understandings or agreements are merged into these Terms & Conditions. These Terms & Conditions and the Purchase Order have been negotiated among the parties and, if there is any ambiguity, no presumption construing these Terms & Conditions or the Purchase Order shall be imposed because the same were prepared by such party or its attorney. These Terms & Conditions are hereby incorporated in and as a part of all Purchase Orders. To the extent that there is any conflict in the terms of these Terms & Conditions and the terms of a Purchase Order, these Terms & Conditions shall control, unless the Purchase Order, by its express terms, supersedes these Terms & Conditions by specific reference to the provision of these Terms & Conditions so modified. No modification of these Terms & Conditions or any Purchase Order shall be of any force or effect unless such modification is in writing and executed by both of the parties. These Terms and Conditions shall control over all additional and/or

conflicting terms and conditions that may appear on Customer written documents, including purchase orders, delivery tickets, service order tickets, invoices or any other document and MMI's signature on any Customer written document shall not constitute MMI's consent to any terms and conditions set forth in such document.

16. Notices. All notices or other communications required or provided to be given by either party shall be in writing and shall be hand delivered, transmitted electronically, sent via facsimile or by United States first class mail, postage prepaid. Notices shall be deemed given upon hand delivery, or if sent electronically or via facsimile, upon confirmation of transmission of the communication, or if mailed, three (3) calendar days after such notice is deposited in the mail as aforesaid and addressed to the parties to the addresses set forth in the Purchase Order. Any party may change the address to which notice shall be delivered or mailed or sent electronically or via facsimile by written notice duly given.

17. Severability and Waiver. The invalidity or unenforceability of any provision hereof shall in no way effect the validity or enforceability of any other provision hereof. Any waivers must be in writing and signed by the party sought to be charged. The waiver by any party of a right provided there under shall not be deemed to be a continuing waiver of that right or a waiver of any other right.

Contractors Information:

MMI is licensed as a General Engineering Contractor

Contractor's Information:

- MMI is licensed as a General Engineering Contractor in the following areas:
- Alaska Authorized
- Arizona 281028
- California 911996
- Colorado 20091587365
- Hawaii Authorized
- Idaho PWC-C-16870-C-4
- Nevada 0070127
- New Mexico 351686
- Oregon 190749
- Texas Authorized
- Utah 9206444-5501
- Washington Authorized
- Wyoming Authorized

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Gregory B. Smith, PE, PS, Town Engineer, 503-6844

MEETING DATE: January 15, 2015

SUBJECT: Approval of a Change Order for contract number 2014-0712-0248 with Norcon Industries, increasing the compensation by $15,151.09 and modifying the contract completion date to March 31, 2015.

STRATEGIC INITIATIVE: Community Livability

This project supports the Town's Strategic Initiative of Community Livability by providing improved, safe and serviceable seating at the Elliot District Park.

RECOMMENDED MOTION

- A motion to approve Change Order No. 1 for contract number 2014-0712-0248 with Norcon Industries, increasing the compensation by $15,151.09 and modifying the contract completion date to March 31, 2015 and authorize the Mayor to execute the required documents.

- Authorize a General Fund contingency transfer in the amount of $15,152.

BACKGROUND/DISCUSSION

In 2014, the Town entered into a contract with Norcon Industries to remove and reinstall the existing seating in the eight stadiums at Elliot District Park (Big League Dreams) as part of the Phase 1 Safety Improvements. Additional new seating needed to be procured and installed along with the existing seating to correct safety deficiencies in each of the eight stadiums. A separate purchase contract via the Mohave Educational Cooperative Purchasing Agreement #09L-NOR1-1013 was entered into with Norcon Industries outside of the Construction Manager at Risk (CMAR) contract with Haydon. This was done to address the material lead time requirements and have the new seating on order before the CMAR contract with Haydon was executed.

Prior to work commencing, Norcon notified the Town that additional work was required along with a secure storage solution for the seating that was being removed and was to be reinstalled. Furthermore, after the seating had been reinstalled in the Chase and Wrigley fields, it was determined that the existing floor drains should be removed and reconstructed to improve the safety in these stadiums. The first row of seating will need to be removed, securely stored, and reinstalled a second time to allow for the completion of this work.

The Change Order was reviewed by David S. Fabiano, PE, Project Manager/Construction Manager of Stanley Consultants, Inc.

FINANCIAL IMPACT

Insufficient appropriation exists for this change order. As a result, General Fund contingency in the amount of $15,152 is requested.

Original Purchase Contract Amount	$175,079.15
This Change Order	$ 15,151.09
Adjusted Total	$190,230.24

The financial impact was reviewed by Laura Lorenzen, Office of Management and Budget.

STAFF RECOMMENDATION

Staff recommends approval of this Change Order request.

Respectfully submitted,

Gregory B. Smith, PE, PS
Town Engineer

Approved By	Approval Date
Kenneth Morgan	1/6/2015 4:46 PM
Michael Hamblin	1/7/2015 10:31 AM
Laura Lorenzen	1/7/2015 11:25 AM
Douglas Boyer	1/6/2015 5:17 PM

CHANGE ORDER NO. 1
(Norcon Industries, Inc.)

PROJECT:	Elliot District Park (Big League Dreams) Phase 1 Safety Repairs – Stadium Seating
DATE:	22 December 2014
OWNER:	Town of Gilbert
PROJECT NO:	PR114
CONTRACT NO:	2014-012-0248
CONTRACTOR:	Norcon Industries, Inc.
CONTRACT DATED:	10 March 2014
PM/CM	Stanley Consultants, Inc.

CHANGES: The CONTRACT is changed as follows: (Insert brief description)
see Change Order Request dated July 21, 2014 from Norcon Industries, Inc., and Change Order Request dated January 5th, 2015, attached

COST/TIME: Original CONTRACT SUM:	$175,079.15
Previously Authorized CHANGE ORDERS:	$
CONTRACT sum prior to this CHANGE ORDER:	$175,079.15
CHANGE ORDER # Amount:	$15,151.09
New CONTRACT SUM:	**$190,230.24**

CONTRACT TIME will be increased by:

SUBSTANTIAL COMPLETION as of this Change Order:

Approved/Accepted by:

PM/CM _____ 5 JAN 2015
(Name) (Date)

CONTRACTOR: _____ 1-5-2015
(Name) Edward B. Norris, Pres (Date)

GILBERT: _____
(Name) (Date)

Not valid until signed by both GILBERT and/or PM/CM. Signature of CONTRACTOR indicates acceptance, including CONTRACT SUM and CONTRACT TIME.

Contractor agrees that the adjustment of the Contract Price and Contract Time reflected in this Change Order represents the entire and complete adjustment of the Contract Price and Contract Time for the changes set forth in this Change Order. The adjustment of the Contract Price includes all direct costs of labor materials, services and equipment to complete such changes as well as any and all indirect costs of impacts, delays, interference or hindrances in performing, providing and completing the changes set forth in this Change Order. The adjustment of the Contract Time includes all adjustments of time necessary to perform, provide and complete the changes set forth in this Change Order and any and all impacts, delays, interference or hindrances in performing, providing and completing the changes.

INSTRUCTION TO CONTRACTOR

Elliot District Park (BLD) Phase 1 Safety Repairs
Project

Project No. PR114

Contract No. 2014-7012-0248

NORCON Industries, INC.
Contractor

Instruction No. 001

Elliot District Park (BLD) Phase 1 Safety Repairs
Contract Description

Date January 5, 2015

This instruction is issued to:

- [ ] Clarify drawings, specifications, or procedures.
- [ ] Request a proposal.
- [X] Transmit drawings or documents for incorporation into the work.
- [ ] Other

Additional seat removal and installation is required to facilitate correction of existing floor drain elevations in Wrigley and Chase stadiums. NORCON shall provide the following:

Stadium seat removal:
Chase Field- remove left, center, right seats in front row (37 seats).
Wrigley Field- remove center seats in front row (13 seats).

Seat storage:
Transport and store 50 seats in existing Conex boxes located between Yankee and Angels fields.

Seat installation:
Transport from storage and install 37 seats in front row at Chase Field.
Transport from storage and install 13 seats in front row at Wrigley Field.

IF, IN YOUR OPINION, THIS INSTRUCTION INVOLVES WORK WHICH CHANGES THE CONTRACT PRICE OR TIME, YOU MUST SUBMIT A PROPOSAL OR NOTICE AS REQUIRED IN THE CONTRACT DOCUMENTS.

STANLEY CONSULTANTS

BY: David S. Fabiano

David S. Fabiano, P.E.

Date: January 5, 2015

To: Mr. David Fabiano
Stanley Consultants/ Town of Gilbert
Cell: (602) 828-1429
Email: fabianodavid@stanleygroup.com

From: Nicolas Jauregui
Phone: (480) 839-2324 x109
Email: nickj@norconindustries.net

RE: ITC #001 - Big League Dreams Quote – Seat Removal, Storage and Reinstallation (Chase & Wrigley Field)

Mohave Contract # 14M-NOR1-1014

Scope of Work:

Per ITC #001 dated January 5, 2015, Norcon will remove currently installed seats on front row (left, center & right) in Chase Field and temporarily store seat material (37 Seats) in 40' Conex Box. Additionally, Norcon will remove currently installed seats on front row (center ONLY) in Wrigley Field and temporarily store seat material (13 Seats) in 40' Conex Box. Removed seats will be reinstalled after corrections to existing floor drain elevations (By Others) are complete in Chase & Wrigley Field.

Chase Field: 37 Seats – (Front Row 1 – Left, Center & Right) remove existing seats, temporarily store removed seats in 40' Conex Box and reinstall seats after floor drain work is complete.

Wrigley Field: 13 Seats – (Front Row 1 – Center (Only)) remove existing seats, temporarily store removed seats in 40' Conex Box and reinstall seats after floor drain work is complete.

- **Labor for removal, storage and reinstallation for $945.63 (includes sales tax 5.07%)**

***Exclusions**: Any or all permits, protection of anchors, protection of play fields where Conex boxes will be placed, any & all ball field rehab works or fees. Anything not specifically mentioned as included.

****Clarifications:** Anchors will remain in place. Any anchors damaged during floor drains repair will be replaced at an additional cost. Written notice to proceed required before work can be scheduled. 48hr. notice of project readiness required before crew can be scheduled.

Price is good for: 30 Days

Terms: As per the Mohave Contract # 14M-NOR1-1014

Big League Dreams – Seat Removal, Storage and Reinstallation
MESC Pricing – Mohave Contract #14M-NOR1-1014
1/05/2015

Price for Seat Removal, Storage & Reinstall – Chase Field (37 Seats)

7	Man Hours	Installer	$40.00/ Hr.	$280.00
7	Man Hours	Helper	$30.00/ Hr.	$210.00
7	Man Hours	Laborer	$20.00/ Hr.	$140.00
Sub-Total				**$630.00**

Price for Seat Removal, Storage & Reinstall – Wrigley Field (13 Seats)

3	Man Hours	Installer	$40.00/ Hr.	$120.00
3	Man Hours	Helper	$30.00/ Hr.	$90.00
3	Man Hours	Laborer	$20.00/ Hr.	$60.00
Sub-Total				**$270.00**

Price for Chase Field	**$630.00**
Price for Wrigley Field	**$270.00**
Sub-Total	**$900.00**
Sales Tax 5.07%	**$45.63**
Combined Total	**$945.63**

5412 E. CALLE CERRITOS GUADALUPE, AZ 85283 PHONE: (480) 839-2324 FAX: (480) 839-2281
2840 W. RUTHRAUFF RD., STE. 140P TUCSON, AZ 85705 PHONE: (520) 325-5752 FAX: (520) 325-5753
1905 VILLA PARK LANE HOLLADAY, UT 84121 PHONE: (801) 803-8766 NO FAX NUMBER
Send all Remittances & Secure Documents to: Norcon Industries, Inc. • P.O. Box 61988 • Phoenix, AZ 85082-1988

NORCON

INDUSTRIES, INC. AZ LIC.088670 / 088671 NM LIC.51909
Following a tradition of business in Arizona since 1917

Date: July 21, 2014

To: Mr. Lee Brush
Town of Gilbert
Cell: (602) 303-7697
Email: Lee.Brush@gilbertaz.gov

From: Nicolas Jauregui
Phone: (480) 839-2324 x109
Email: nickj@norconindustries.net

RE: Big League Dreams Quote – Seat Removal & Storage

Mohave Contract # 09L-NOR1-1013

Additional Scope of Work:
Norcon will remove all currently installed seats in eight (8) stadiums (rows 1-6) and temporarily store material in 40' Conex Box. There are approximately 190 existing seats for each stadium that will be removed and stored. Norcon we then unload stored material and place seating material in each respective stadium once all concrete work relating to the new aisle steps, new railing and inspections are complete.

Wrigley:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box
Fenway:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box
Chase:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box
Yankee:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box
Angels:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box
Polo:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box
Ebbets:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box
Sportsman's:	190 Seats – (Rows 1-6) removed and temporarily stored in 40' Conex Box 1 Each – 40' Connex Box

- Labor for removal, storage and restocking * for $14,205.46 (includes sales tax 5.07%)

*Exclusions: Any or all permits, protection of field where Conex box will be placed, any & all ball field rehab works or fees. Anything not specifically mentioned as included.

Price is good for: 30 Days
Terms: As per the Mohave Contract # 09L-NOR1-101

NORCON

INDUSTRIES, INC. AZ LIC.088670 / 088671 NM LIC.51909

Following a tradition of business in Arizona since 1917

BLD - Seat Removal &Storage
MESC Pricing
7/21/2014

Price per Stadium

16	Hours	Installer	$40.00	per hour	$640.00
16	Hours	Helper	$30.00	per hour	$480.00
16	Hours	Laborer	$20.00	per hour	$250.00
1	Each	Conex	$250.00	each	$250.00
					$1,690.00

Price per Stadium		$1,690.00
Number of Stadiums		8
Sub-Total		$13,520.00
Sales Tax	5.07%	$685.46
Total		$14,205.46

Note: Storage container (Conex) is not on our Mohave Contract

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Tom Condit, PE, Development Engineer, 503-6815

MEETING DATE: January 15, 2015

SUBJECT: Approval of new Street Light Improvement District No. 14-09 for Warner Groves at Morrison Ranch

STRATEGIC INITIATIVE: Community Livability

This project supports Gilbert's Community Livability Strategic Initiative as it enhances the safety and livability of the community by providing a mechanism to operate street lights within this subdivision.

RECOMMENDED MOTION

A motion to adopt a Resolution creating Street Light Improvement District No. 14-09 for Warner Groves at Morrison Ranch, and ordering the improvements.

BACKGROUND/DISCUSSION

On May 15, 2014, the Town Council approved a final plat for the Warner Groves at Morrison Ranch subdivision. As part of the final platting process and as required in the Land Development Code, Chapter III, Article 1.1, Section 1.107H., a petition was presented to the Town by the developer to form a Street Light Improvement District (SLID) for this subdivision.

A SLID is a special taxing district authorized by State statute to pay for the operation of street lights within residential subdivisions by means of a secondary tax on the properties located within the SLID boundaries. Construction costs associated with the street lights, including material and installation costs, are borne by the subdivision developer.

Town staff has reviewed the petition and has verified that it contains the signatures of all (100%) of the real property owners within the proposed SLID, exclusive of mortgages and other lien holders.

The Resolution was reviewed for form by Attorney Jack Vincent.

FINANCIAL IMPACT

The improvement district will pay for the cost of purchasing energy for street lighting using funds raised by the levy and collection of ad valorem taxes on all real and personal property within the district. The Town will be responsible for the maintenance and repair of the street lights within this improvement district as part of the Public Works Street Lights Maintenance budget. The maintenance budget is evaluated annually by the Streets Division and would reflect any increases based on anticipated maintenance needs.

The financial impact was reviewed by Cris Parisot, in the Office of Management and Budget.

STAFF RECOMMENDATION

Staff has reviewed the petition and supporting documents and recommends approval of Street Light Improvement District No. 14-09, Warner Groves at Morrison Ranch.

Respectfully submitted,

Tom Condit, PE
Development Engineer

Approved By	Approval Date
Gregory Smith	12/24/2014 12:36 PM
Kenneth Morgan	12/24/2014 2:56 PM
Cris Parisot	12/29/2014 10:12 AM

RESOLUTION NO. _____

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA, DECLARING ITS INTENTION TO ESTABLISH AN IMPROVEMENT DISTRICT TO PURCHASE ENERGY TO LIGHT THE PUBLIC STREETS AND PARKS IN THAT CERTAIN AREA WITHIN THE CORPORATE LIMITS OF THE TOWN OF GILBERT, ARIZONA, TO BE KNOWN AS **"TOWN OF GILBERT, ARIZONA, STREET LIGHT IMPROVEMENT DISTRICT NO. 14-09, WARNER GROVES AT MORRISON RANCH"** AS DESCRIBED IN EXHIBIT A, ATTACHED HERETO; DECLARING SUCH IMPROVEMENTS TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT; PROVIDING THAT THE EXPENSES THEREOF BE PAID FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES UPON THE ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT; AND ORDERING THAT SUCH IMPROVEMENTS BE PROVIDED FOR UNDER THE PROVISIONS OF SECTION 48-572, ARIZONA REVISED STATUTES, AS AMENDED; AND PROVIDING FOR REPEAL OF CONFLICTING RESOLUTIONS

WHEREAS, the owners, exclusive of mortgagees and other lienholders, of all of the real property (hereinafter referred to as "Petitioner") in the hereinafter described District, acting pursuant to the provisions of Sections 48-615 and 48-617, Arizona Revised Statues, petitioned the Mayor and Council of the TOWN OF GILBERT, Arizona (hereinafter referred to as "Town") to adopt a resolution of intention (hereinafter referred to as "Resolution") ordering the purchase of energy for lighting the public streets and parks (hereinafter referred to as "Improvements") for the real property legally described in **Exhibit A** (hereinafter referred to as "District") with such boundaries as shown in the map in **Exhibit B,** attached hereto; and

WHEREAS, the Town verified that Petitioner is the owner, exclusive of mortgagees and other lienholders, of all of the real property included within the boundaries of the District; and

WHEREAS, the Common Council of the Town hereby find and determine that it has jurisdiction to adopt this Resolution to order the Improvements pursuant to Section 48-576, Arizona Revised Statutes, and, pursuant to the provisions of Sections 48-615 and 48-617, Arizona Revised Statutes, it has immediate jurisdiction to adopt this Resolution ordering the Improvements without the necessity of publication and posting of this Resolution as provided for in Section 48-578, Arizona Revised Statutes;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA, that:

Section 1. The Town, after verifying ownership of the real property included within the boundaries of the District, hereby finds that Petitioner is the owner, exclusive of mortgagees and other lienholders, of all of the real property included within the boundaries of the District.

Section 2. The name of the District shall be "TOWN OF GILBERT, ARIZONA, STREET LIGHT IMPROVEMENT DISTRICT NO. 14-09, WARNER GROVES AT MORRISON RANCH."

Section 3. The District is formed, and shall exist, pursuant to the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, and Section 48-616, Arizona Revised Statutes.

Section 4. The public interest or convenience requires, and it is the intention of the Common Council of the Town to order the Improvement as described above.

Section 5. In the opinion of the Common Council of the Town, the Improvement is of more than local or ordinary public benefit and is of special benefit to the respective lots, pieces and parcels of real property in the District.

Section 6. The Common Council of the Town hereby make and order the expense of the Improvement payable from the levying and collection of ad valorem taxes upon the assessed value of all real and personal property in the District. Said District, is legally described on **Exhibit A** attached hereto with the boundaries as shown in the map in **Exhibit B** attached hereto. Any public street or alley within the District shall be omitted from the assessment. Any lot belonging to the United States, the State, a county, city, school district or political subdivision or institution of the state or county within the District shall be omitted from the assessment.

Section 7. Pursuant to Sections 48-615(A) and 48-617(A), Arizona Revised Statutes, the resolution ordering the improvement shall be adopted without the necessity of publication and posting of the resolution of intention provided for in Section 48-578.

Section 8. The Common Council of the Town shall make annual statements and estimates of the expenses of the District; shall publish notice thereof; shall have hearings thereon; and shall adopt them at the times and in the manner provided for incorporated cities and towns by the applicable portions of Sections 42-17101 et seq., 42-17151, 42-17152, Arizona Revised Statutes. Said expenses shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in the district. The Common Council of the Town shall, on or before the third Monday in August of each year, fix, levy and assess the amount to be raised by

ad valorem taxes upon all of the property of the district and collect, as Maricopa County, Arizona (the "County") taxes are collected, the amounts shown by the statements and estimates as adopted by the Common Council of the Town. All statutes providing for the levy and collection of State of Arizona and County taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, shall be applicable to District taxes as provided to be levied under Section 48-616, Arizona Revised Statutes.

Section 9. The District shall not be authorized to issue bonds and no assessment for District purposes against the property within the District shall exceed One Dollar and Twenty Cents ($1.20) per one hundred dollars of assessed valuation thereof in any year.

Section 10. The District shall not be authorized to engage in any activity other than as provided in Section 48-616, Arizona Revised Statutes, i.e., contracting for and purchasing energy for street and public park lighting.

Section 11. The formation of the District shall not prevent the subsequent establishment of improvement districts for any other purpose authorized by law, including improvement districts for the purpose of constructing street lighting facilities within any part or all of the same territory as the District.

Section 12. The type of lighting facilities to be installed in the District and the locations thereof shall consist of those lighting facilities and locations described in the petition submitted by Petitioner, or as may be approved by the Town.

Section 13. The rate to be paid for purchasing energy for the District shall be the rate described in the petition submitted by Petitioner, or as may be approved by Salt River Project, Arizona Public Service Company, or other energy provider.

Section 14. Any resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

PASSED, ADOPTED, AND APPROVED by the Mayor and Council, of the TOWN OF GILBERT, Arizona, this 15th day of January, 2015.

_____
John W. Lewis, Mayor
TOWN OF GILBERT, Arizona

ATTEST:

_____
Catherine A. Templeton, CMC, Town Clerk
TOWN OF GILBERT, Arizona

REVIEWED BY:

_____
Gregory Smith, PE/PS, Town Engineer
TOWN OF GILBERT, Arizona

APPROVED AS TO FORM:

_____
L. Michael Hamblin, Town Attorney
TOWN OF GILBERT, Arizona

The following exhibits are attached hereto and incorporated herein:
A. Legal description
B. Map of the boundaries of the District

CERTIFICATION

I hereby certify that the foregoing Resolution No. _____ was duly passed and adopted by the Mayor and Council of the TOWN OF GILBERT, Arizona, at a meeting held on January 15, 2015, that the vote thereon was _____ ayes, _____ nays, and that the Mayor and _____ Council members were present thereat.

_____
Catherine A. Templeton, CMC, Town Clerk
TOWN OF GILBERT, Arizona

I, CATHERINE A. TEMPLETON, DO HEREBY CERTIFY THAT A TRUE AND CORRECT COPY OF RESOLUTION NO. _____, ADOPTED BY THE TOWN OF GILBERT COMMON COUNCIL ON THE 15TH DAY OF JANUARY, 2015, WAS POSTED IN FOUR PLACES ON THE _____DAY OF _____ 20___.

_____
Catherine A. Templeton, CMC, Town Clerk

EXHIBIT "A"

Legal Description
Street Light District
Warner Groves at Morrison Ranch

Job No. 13-012 October 24, 2014

A portion of the Southeast Quarter of Section 15, Township 1 South, Range 6 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at a brass cap in a hand hole, at the southeast corner of said Section 15, from which a brass cap in a hand hole, at the south quarter corner of said Section 15 bears S89°23'36"W (an assumed bearing) at a distance of 2605.14 feet; thence S89°23'36"W, along the south line of the Southeast Quarter of said Section 15, for a distance of 84.85 feet; thence N00°36'24"W for a distance of 70.00 feet to a point on the north line of the south 70 feet of the Southeast Quarter of said Section 15, said point being the POINT OF BEGINNING

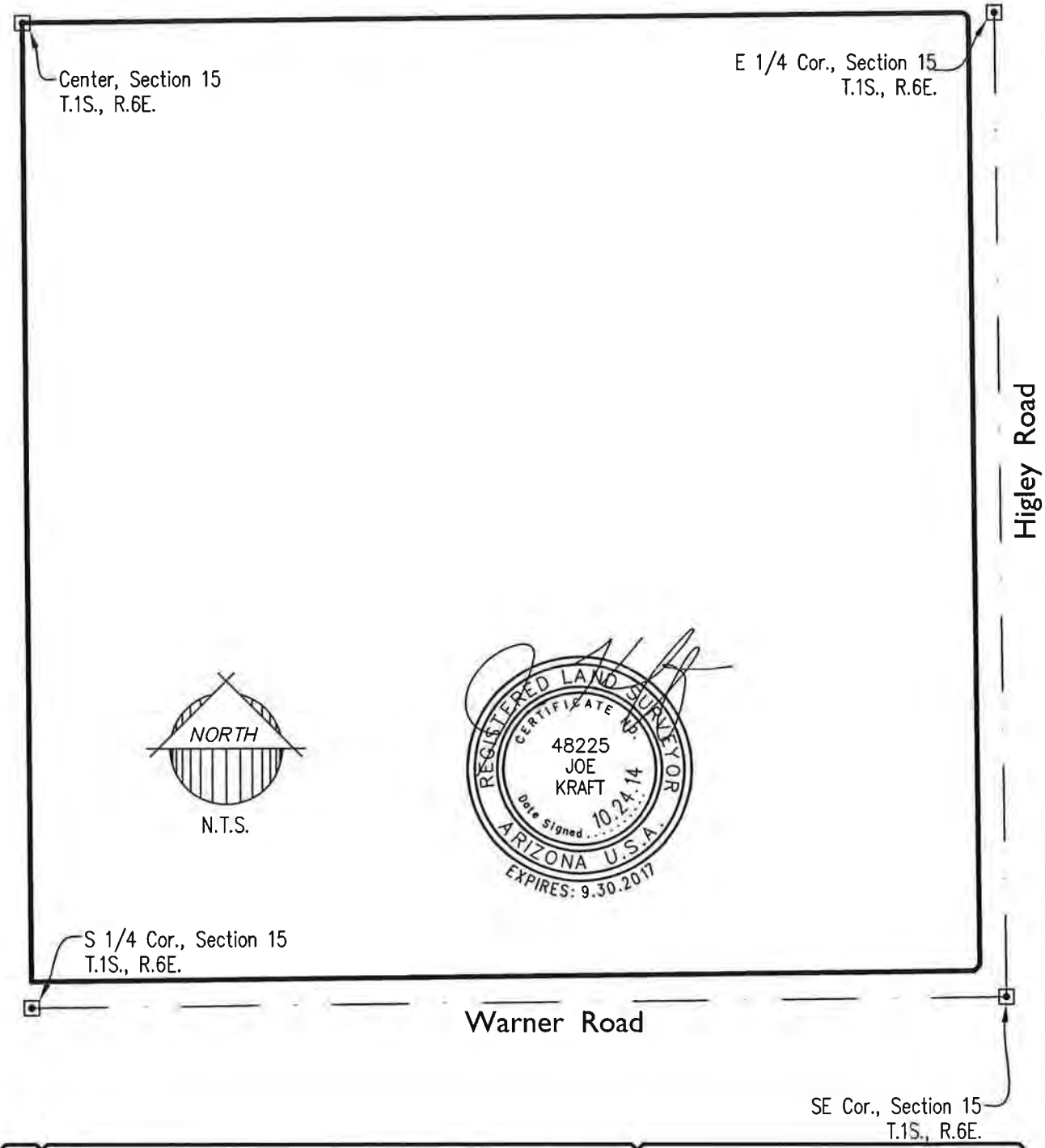
Thence S89°23'36"W, along said north line, for a distance of 2,520.00 feet to a point on the west line of the Southeast Quarter of said Section 15; thence N00°21'55"W, along said west line,, for a distance of 2,565.11 feet to a ¾" pipe at the center of said Section 15; thence N89°26'42"E, along the north line of the Southeast Quarter of said Section 15, for a distance of 2509.68 feet to the beginning of a curve, concave to the southwest, the center of which bears S00°33'18"E at a distance of 20.01 feet; thence southeasterly, along the arc of said curve, through a central angle of 90°04'21" for a distance of 31.46 feet to a point on the west line of the east 70.00 feet of the Southeast Quarter of said Section 15; thence S00°28'59"E, along said west line, for a distance of 2,527.78 feet; thence S44°27'19"W for a distance of 21.24 feet to the POINT OF BEGINNING;

An area containing 6,492,645 square feet or 149.0506 acres, more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
48225
JOE
KRAFT
Date Signed 10.24.14
ARIZONA U.S.A.

Ex: 9.30.17

EPS Group, Inc. • 2045 S. Vineyard, Suite 101 • Mesa, AZ 85210
Tel (480) 503-2250 • Fax (480) 503-2258
S:\Projects\2013\13-012\Legal Survey\Legals\13-012 LD WG sld.docx



13-012

Project: Warner Groves at Morrison Ranch

Exhibit "B"

EPS GROUP

2045 S. Vineyard Ave, Suite 101
Mesa, AZ 85210
T:480.503.2250 | F:480.503.2258
www.epsgroupinc.com

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Tom Condit, PE, Development Engineer, 503-6815

MEETING DATE: January 15, 2015

SUBJECT: Approval of new Street Light Improvement District No. 14-10 for Fincher Fields at Cooley Station

STRATEGIC INITIATIVE: Community Livability

This project supports Gilbert's Community Livability Strategic Initiative as it enhances the safety and livability of the community by providing a mechanism to operate the street lights within this subdivision.

RECOMMENDED MOTION

A motion to adopt a Resolution creating Street Light Improvement District No. 14-10 for Fincher Fields at Cooley Station, and ordering the improvements.

BACKGROUND/DISCUSSION

On August 18, 2014, the Town Council approved an amended final plat for the Fincher Fields at Cooley Station subdivision. As part of the final platting process and as required in the Land Development Code, Chapter III, Article 1.1, Section 1.107H., a petition was presented to the Town by the developer to form a Street Light Improvement District (SLID) for this subdivision.

A SLID is a special taxing district authorized by State statute to pay for the operation of street lights within residential subdivisions by means of a secondary tax on the properties located within the SLID boundaries. Construction costs associated with the street lights, including material and installation costs, are borne by the subdivision developer.

Town staff has reviewed the petition and has verified that it contains the signatures of all (100%) of the real property owners within the proposed SLID, exclusive of mortgages and other lien holders.

The Resolution was reviewed for form by Attorney Jack Vincent.

FINANCIAL IMPACT

The improvement district will pay for the cost of purchasing energy for street lighting using funds raised by the levy and collection of ad valorem taxes on all real and personal property within the district. The Town will be responsible for the maintenance and repair of the street lights within this improvement district as part of the Public Works Street Lights Maintenance budget. The maintenance budget is evaluated annually by the Streets Division and would reflect any increases based on anticipated maintenance needs.

The financial impact was reviewed by Cris Parisot, in the Office of Management and Budget.

STAFF RECOMMENDATION

Staff has reviewed the petition and supporting documents and recommends approval of Street Light Improvement District No. 14-10, Fincher Fields at Cooley Station.

Respectfully submitted,

Tom Condit, PE
Development Engineer

Approved By	Approval Date
Gregory Smith	12/24/2014 12:38 PM
Kenneth Morgan	12/24/2014 3:01 PM
Cris Parisot	12/29/2014 10:15 AM

RESOLUTION NO. _____

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA, DECLARING ITS INTENTION TO ESTABLISH AN IMPROVEMENT DISTRICT TO PURCHASE ENERGY TO LIGHT THE PUBLIC STREETS AND PARKS IN THAT CERTAIN AREA WITHIN THE CORPORATE LIMITS OF THE TOWN OF GILBERT, ARIZONA, TO BE KNOWN AS **"TOWN OF GILBERT, ARIZONA, STREET LIGHT IMPROVEMENT DISTRICT NO. 14-10, FINCHER FIELDS AT COOLEY STATION"** AS DESCRIBED IN EXHIBIT A, ATTACHED HERETO; DECLARING SUCH IMPROVEMENTS TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT; PROVIDING THAT THE EXPENSES THEREOF BE PAID FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES UPON THE ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT; AND ORDERING THAT SUCH IMPROVEMENTS BE PROVIDED FOR UNDER THE PROVISIONS OF SECTION 48-572, ARIZONA REVISED STATUTES, AS AMENDED; AND PROVIDING FOR REPEAL OF CONFLICTING RESOLUTIONS

WHEREAS, the owners, exclusive of mortgagees and other lienholders, of all of the real property (hereinafter referred to as "Petitioner") in the hereinafter described District, acting pursuant to the provisions of Sections 48-615 and 48-617, Arizona Revised Statues, petitioned the Mayor and Council of the TOWN OF GILBERT, Arizona (hereinafter referred to as "Town") to adopt a resolution of intention (hereinafter referred to as "Resolution") ordering the purchase of energy for lighting the public streets and parks (hereinafter referred to as "Improvements") for the real property legally described in **Exhibit A** (hereinafter referred to as "District") with such boundaries as shown in the map in **Exhibit B,** attached hereto; and

WHEREAS, the Town verified that Petitioner is the owner, exclusive of mortgagees and other lienholders, of all of the real property included within the boundaries of the District; and

WHEREAS, the Common Council of the Town hereby find and determine that it has jurisdiction to adopt this Resolution to order the Improvements pursuant to Section 48-576, Arizona Revised Statutes, and, pursuant to the provisions of Sections 48-615 and 48-617, Arizona Revised Statutes, it has immediate jurisdiction to adopt this Resolution ordering the Improvements without the necessity of publication and posting of this Resolution as provided for in Section 48-578, Arizona Revised Statutes;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA, that:

Section 1. The Town, after verifying ownership of the real property included within the boundaries of the District, hereby finds that Petitioner is the owner, exclusive of mortgagees and other lienholders, of all of the real property included within the boundaries of the District.

Section 2. The name of the District shall be "TOWN OF GILBERT, ARIZONA, STREET LIGHT IMPROVEMENT DISTRICT NO. 14-10, FINCHER FIELDS AT COOLEY STATION."

Section 3. The District is formed, and shall exist, pursuant to the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, and Section 48-616, Arizona Revised Statutes.

Section 4. The public interest or convenience requires, and it is the intention of the Common Council of the Town to order the Improvement as described above.

Section 5. In the opinion of the Common Council of the Town, the Improvement is of more than local or ordinary public benefit and is of special benefit to the respective lots, pieces and parcels of real property in the District.

Section 6. The Common Council of the Town hereby make and order the expense of the Improvement payable from the levying and collection of ad valorem taxes upon the assessed value of all real and personal property in the District. Said District, is legally described on **Exhibit A** attached hereto with the boundaries as shown in the map in **Exhibit B** attached hereto. Any public street or alley within the District shall be omitted from the assessment. Any lot belonging to the United States, the State, a county, city, school district or political subdivision or institution of the state or county within the District shall be omitted from the assessment.

Section 7. Pursuant to Sections 48-615(A) and 48-617(A), Arizona Revised Statutes, the resolution ordering the improvement shall be adopted without the necessity of publication and posting of the resolution of intention provided for in Section 48-578.

Section 8. The Common Council of the Town shall make annual statements and estimates of the expenses of the District; shall publish notice thereof; shall have hearings thereon; and shall adopt them at the times and in the manner provided for incorporated cities and towns by the applicable portions of Sections 42-17101 et seq., 42-17151, 42-17152, Arizona Revised Statutes. Said expenses shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in the district. The Common Council of the Town shall, on or before the third Monday in August of each year, fix, levy and assess the amount to be raised by

ad valorem taxes upon all of the property of the district and collect, as Maricopa County, Arizona (the "County") taxes are collected, the amounts shown by the statements and estimates as adopted by the Common Council of the Town. All statutes providing for the levy and collection of State of Arizona and County taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, shall be applicable to District taxes as provided to be levied under Section 48-616, Arizona Revised Statutes.

Section 9. The District shall not be authorized to issue bonds and no assessment for District purposes against the property within the District shall exceed One Dollar and Twenty Cents ($1.20) per one hundred dollars of assessed valuation thereof in any year.

Section 10. The District shall not be authorized to engage in any activity other than as provided in Section 48-616, Arizona Revised Statutes, i.e., contracting for and purchasing energy for street and public park lighting.

Section 11. The formation of the District shall not prevent the subsequent establishment of improvement districts for any other purpose authorized by law, including improvement districts for the purpose of constructing street lighting facilities within any part or all of the same territory as the District.

Section 12. The type of lighting facilities to be installed in the District and the locations thereof shall consist of those lighting facilities and locations described in the petition submitted by Petitioner, or as may be approved by the Town.

Section 13. The rate to be paid for purchasing energy for the District shall be the rate described in the petition submitted by Petitioner, or as may be approved by Salt River Project, Arizona Public Service Company, or other energy provider.

Section 14. Any resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

PASSED, ADOPTED, AND APPROVED by the Mayor and Council, of the TOWN OF GILBERT, Arizona, this 15th day of January, 2015.

_____
John W. Lewis, Mayor
TOWN OF GILBERT, Arizona

ATTEST:

_____
Catherine A. Templeton, CMC, Town Clerk
TOWN OF GILBERT, Arizona

REVIEWED BY:

_____
Gregory Smith, PE/PS, Town Engineer
TOWN OF GILBERT, Arizona

APPROVED AS TO FORM:

_____
L. Michael Hamblin, Town Attorney
TOWN OF GILBERT, Arizona

The following exhibits are attached hereto and incorporated herein:
A. Legal description
B. Map of the boundaries of the District

CERTIFICATION

I hereby certify that the foregoing Resolution No. _____ was duly passed and adopted by the Mayor and Council of the TOWN OF GILBERT, Arizona, at a meeting held on January 15, 2015, that the vote thereon was _____ ayes, _____ nays, and that the Mayor and _____ Council members were present thereat.

_____
Catherine A. Templeton, CMC, Town Clerk
TOWN OF GILBERT, Arizona

I, CATHERINE A. TEMPLETON, DO HEREBY CERTIFY THAT A TRUE AND CORRECT COPY OF RESOLUTION NO. _____, ADOPTED BY THE TOWN OF GILBERT COMMON COUNCIL ON THE 15TH DAY OF JANUARY, 2015, WAS POSTED IN FOUR PLACES ON THE _____DAY OF _____ 20___.

_____
Catherine A. Templeton, CMC, Town Clerk

EXHIBIT "A"

Legal Description
Fincher Fields
S.L.I.D.

Job No. 12-148 May 14, 2013

A portion of the Southwest Quarter of Section 25, Township 1 South, Range 6 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at a brass cap at the southwest corner of said Section 25, from which a brass cap at the West Quarter corner of said Section 25 bears N00°47'52"W (an assumed bearing) at a distance of 2628.27 feet; thence N00°47'52"W, along the west line of the Southwest Quarter of said Section 25, for a distance of 660.01 feet to a point on the north line of the south 660 feet of the Southwest Quarter of said Section 25; thence N89°27'02"E, along said north line, for a distance of 65.00 feet to a point on the east line of the west 65 feet of the Southwest Quarter of said Section 25 and the POINT OF BEGINNING;

Thence N00°47'52"W, along said east line, for a distance of 50.00 feet to a point on the north line of the south 710 feet of the Southwest Quarter of said Section 25; thence N89°27'02"E, along said north line, for a distance of 532.74 feet to the beginning of a curve, concave to the northwest, the center of which bears N00°32'58"W at a distance of 4.00 feet; thence northeasterly, along the arc of said curve, through a central angle of 90°24'19" for a distance of 6.31 feet; thence N00°57'17"W, tangent to said curve, for a distance of 92.54 feet to the beginning of a curve, concave to the east, the center of which bears N89°02'43"E at a distance of 1,031.00 feet; thence northerly, along the arc of said curve, through a central angle of 00°22'07" for a distance of 6.64 feet; thence N00°35'10"W, tangent to said curve, for a distance of 385.44 feet to a point on the south line of The Willows, as defined in Book 743, Page 25, records of Maricopa County, Arizona; thence N89°24'50"E, along said south line, for a distance of 1,076.01 feet; thence N75°33'04"E, along said south line, for a distance of 352.31 feet to a point on a non-tangent curve, concave to the north, the center of which bears N02°28'34"W, at a distance of 758.50 feet; thence easterly along said south line and the arc of said curve, through a central angle of 06°46'24" for a distance of 89.67 feet to the beginning of a reverse curve, concave to the south, the center of which bears S09°14'58"E at a distance of 26.50 feet; thence easterly along said south line and the arc of said curve, through a central angle of 55°35'35" for a distance of 25.71 feet to the beginning of a reverse curve, concave to the northeast, the center of which bears N46°20'37"E at a distance of 55.00 feet; thence southeasterly along said south line and the arc of said curve, through a central angle of 28°56'54" for a distance of 27.79 feet to the beginning of a reverse curve, concave to the southwest, the center of which bears S17°23'42"W at a distance of 26.50 feet; thence southeasterly along said south line and the arc of said curve, through a central angle of 58°09'22" for a distance of 26.90 feet; thence N75°33'04"E, radial to said curve and along said south line for a distance of 33.00 feet to a point on a non-tangent curve, concave to the east, the center of which bears N75°33'04"E, at a distance of 26.50 feet; thence northerly along said south line and the arc of said curve, through a central angle of 58°09'22" for a distance of 26.90 feet to the beginning of a reverse curve, concave to the northwest, the center of which bears N46°17'34"W at a distance of 55.00 feet; thence northeasterly along said south line and the arc of said curve, through a central angle of 26°18'44" for a distance of 25.26 feet to the beginning of a reverse curve, concave to the southeast, the center of which bears S72°36'18"E at a distance of

26.50 feet; thence northeasterly along said south line and the arc of said curve, through a central angle of 58°09'22" for a distance of 26.90 feet; thence N75°33'04"E, tangent to said curve and along said south line, for a distance of 295.77 feet to the beginning of a curve, concave to the northwest, the center of which bears N14°26'56"W at a distance of 52.50 feet; thence northeasterly, along said south line and the arc of said curve, through a central angle of 46°42'30" for a distance of 42.80 feet; thence N75°33'04"E, not tangent to said curve and along said south line, for a distance of 57.61 feet to a point on the east line of the Southwest Quarter of said Section 25; thence S00°52'34"E, along said east line, for a distance of 772.46 feet to a point on the north line of the south 660 feet of the Southwest Quarter of said Section 25; thence S89°27'02"W, along said north line, for a distance of 2,558.07 feet to the POINT OF BEGINNING.

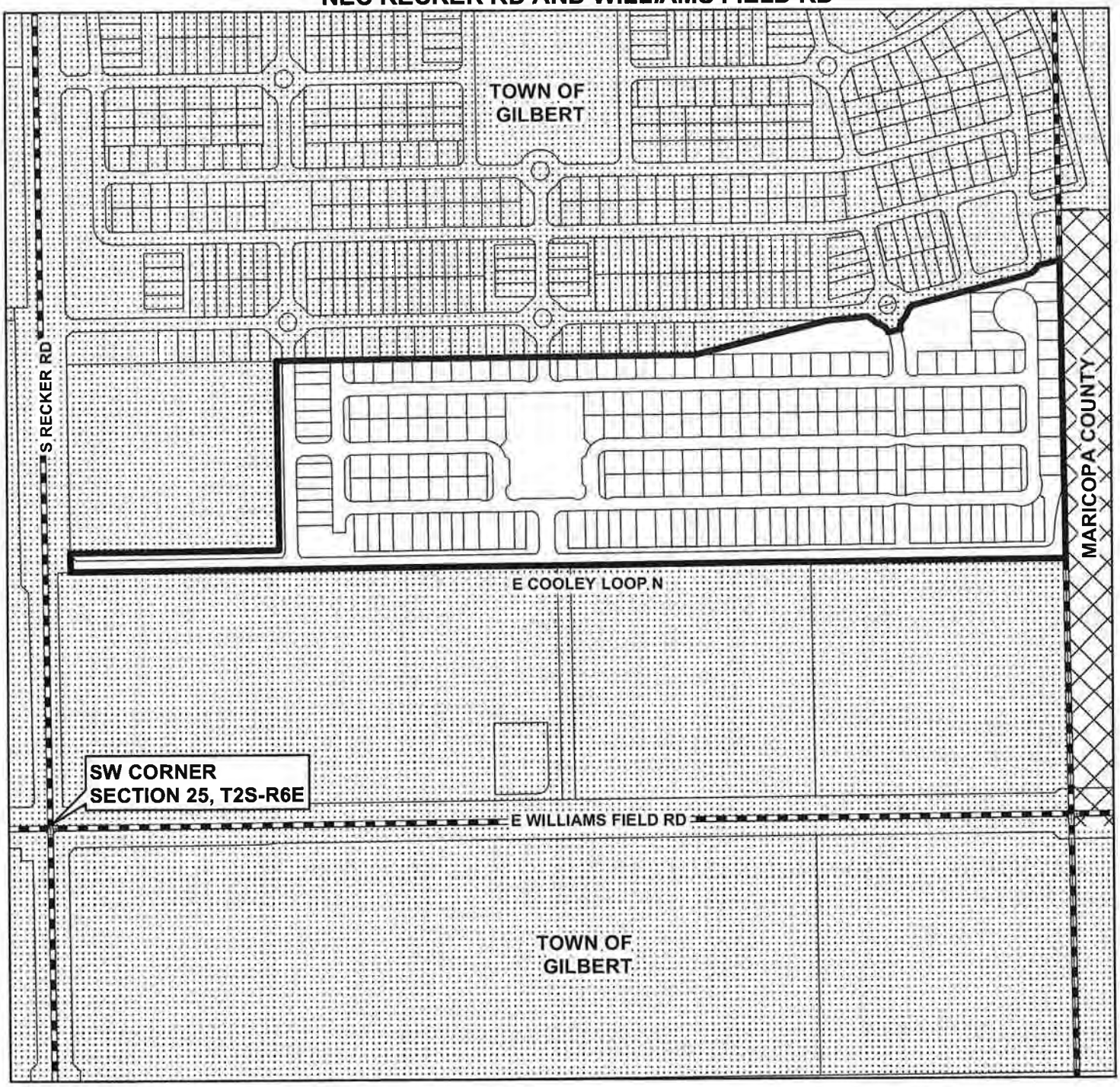
An area containing 1,214,358 square feet or 27.8777 acres, more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
31601
GAIL A.
MORGAN
Date Signed 7.18.13
ARIZONA U.S.A.
Exp. 9.30.15

SLID 14-10

EXHIBIT "B"

STREET LIGHT IMPROVEMENT DISTRICT 14-10: NEC RECKER RD AND WILLIAMS FIELD RD



A portion of the SW quarter of Section 25, T2S, R6E of the Gila and Salt River Base and Meridian Maricopa County, Arizona.

A Map showing the individual Assessment numbers and parcels cannot be produced which fits the size and margin requirements for recording with the Maricopa County Recorder's Office. Thus, a copy of said map is on file with the Town of Gilbert, 90 E. Civic Center Drive, Gilbert, Arizona, Engineering Department. File #2-1281A and Maricopa County Recorder at Book 1200, Page19. Maricopa County Recording Number 1200-19.

GILBERT ARIZONA

N

0 250 500
Feet

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Cathy Templeton, Town Clerk, 503-6861

MEETING DATE: January 15, 2015

SUBJECT: Permanent Extension - Texas Roadhouse

STRATEGIC INITIATIVE: N/A

RECOMMENDED MOTION

A motion to recommend approval of a Permanent Extension of Premises for Texas Roadhouse located at 5086 South Power Road.

BACKGROUND/DISCUSSION

Lauren Merrett is requesting a Permanent Extension of Premises for Texas Roadhouse located at 5086 South Power Road. The extension of premises is required due to an addition to the existing building which was approved.

The Permanent Extension of Premises has been reviewed by Town staff and no adverse information has been received.

FINANCIAL IMPACT

The permanent extension of premises license fee is $50.

STAFF RECOMMENDATION

Staff feels such requests are solely Council's prerogative and offers no recommendation on this request.

Respectfully submitted,

Cathy Templeton
Town Clerk

Attachments and Enclosures:
Attachment 1 – Application for Extension of Premises/Patio Permit

Approved By	Approval Date
Cathy Templeton	12/24/2014 1:40 PM

1-15-14

35D

RECEIVED

DEC 03 2014

TOWN OF GILBERT
CUSTOMER SERVICE CENTER

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLLC USE ONLY
Date payment received:
____/____/____
CSR initials: _____

APPLICATION FOR EXTENSION OF PREMISES/PATIO PERMIT

This application must be returned to the Department of Liquor
(Notice: Allow 30-45 days to process permanent change of premises)

☒ Permanent change of area of service. **A NON-REFUNDABLE $50 FEE WILL APPLY**. Specific purpose for change:

☐ Temporary change for date(s) of: ___/___/___ through ___/___/___ List specific purpose for change:

1. Licensee's Name: Merrett (Last) Lauren (First) Kay (Middle)
2. Mailing Address: 6040 Dutchmans Ln #400 (Street) Louisville (City) KY (State) 40205 (Zip)
3. Business Name: Texas Roadhouse License # 12077618
4. Business Address: ~~5068~~ 5086 S Power Rd (Street) Gilbert (City) AZ (State) 85212 (Zip)
5. Contact phone: (602) 738-1421 Business phone: (480) 988-1414
6. Email: n/a
7. Is extension of premises/patio complete?
   ☐N/A ☐Yes ☒No If no, what is your estimated completion date? 12 / 26 / 2014
8. Do you understand Arizona Liquor Laws and Regulations?
   ☒Yes ☐No
9. Does this extension bring your premises within 300 feet of a church or school?
   ☐Yes ☒No
10. Have you received approved Liquor Law Training?
    ☒Yes ☐No If yes, when does your Certificate expire? Date: ___/___/___
11. What security precautions will be taken to prevent liquor violations in the extended area?
    patio will be monitored by staff
12. **IMPORTANT**: ATTACH THE REVISED FLOOR PLAN CLEARLY DEPICTING YOUR LICENSED PREMISES AND WHAT YOU PROPOSE TO ADD.

☐ Barrier Exemption: an exception to the requirement of barriers surrounding a patio/outdoor serving area may be requested. Barrier exemptions are granted based on public safety, pedestrian traffic, and other factors unique to a licensed premise. List specific reasons for exemption:

_____

_____

Investigation Recommendation: ☐Approval ☐Disapproval by:_____ Date: ___/___/___

➲OBTAIN APPROVAL FROM LOCAL GOVERNING BODY BEFORE SUBMITTING TO THE DEPARTMENT➲

➲ After completing the application, please take this application to your local Board of Supervisors, City Council or Designate for their recommendation. This recommendation is not binding on the Department of Liquor.

This change in premises is RECOMMENDED by the local Board of Supervisors, City Council or Designate:

_____

(Authorized Signature) (Title) (Agency) Date

I, Lauren Kay Merrett (Print full name), declare that I am the APPLICANT and, under penalty of perjury, making the foregoing application. I have read this application and the contents and all statements are true, correct and complete.

x Lauren Kay Merrett (Signature) _____ Title/ Position _____ Date _____ Phone #

The foregoing instrument was acknowledged before me this 3rd (Day) December (Month) 2014 (Year)

State Arizona County of Maricopa

My Commission Expires on: 9-8-15 (Date) Michelle Stearns (Signature of Notary Public)

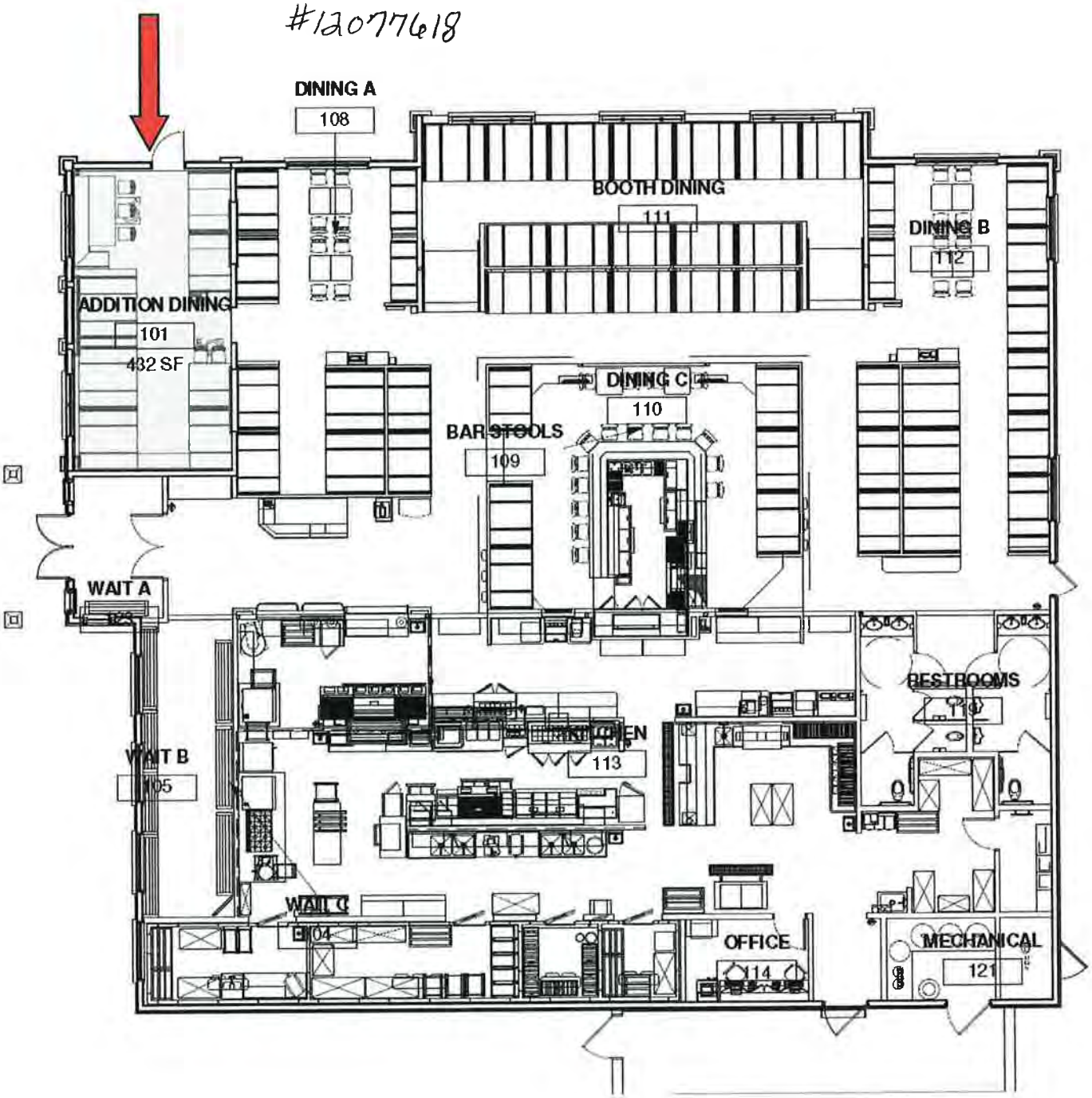
Michelle Stearns
Notary Public
Maricopa County, Arizona
My Comm. Expires 09-8-15

Investigation Recommendation: ☐Approval ☐Disapproval by:_____ Date: ___/___/___

Director Signature required for Disapprovals _____ Date: ___/___/___

Patio Extension

#12077618



Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Cathy Templeton, Town Clerk, 503-6861

MEETING DATE: January 15, 2015

SUBJECT: Special Event Liquor License - Gilbert Chamber of Commerce

STRATEGIC INITIATIVE: N/A

RECOMMENDED MOTION

A motion to approve a Special Event Liquor License for the Gilbert Chamber of Commerce for a private event on February 26, 2015 from 6:00 pm to 9:30 pm at Villa Sienna, 890 West Elliot Road, Suite 104.

BACKGROUND/DISCUSSION

A Special Event Liquor License is required to authorize the sale of alcohol to the public at special events. The organization applying for the license must receive a minimum of 25% of the proceeds from the gross revenues of alcoholic beverage sales.

The Town has received an application for the following Special Event Liquor License:

Event:	Gilbert Chamber of Commerce private event
Event Location:	Villa Sienna, 890 West Elliot Road, Suite 104
Non-Profit Applicant:	(1) Gilbert Chamber of Commerce (2) Chandler Christian Community Center- Gilbert Cap
Date(s)/Time(s) of Event:	February 26, 2015; 6 pm – 9:30 pm

Percent of Proceeds to Non-Profit Applicant: (1) 75%; (2) 25%

The estimated attendance at the special event is 250 people. This event is a private event. The Special Event liquor license has been reviewed by Town staff, including Code Compliance and the Police Department and no adverse information has been received. *The Police Department reviewed the security plan and the proposed security measures are adequate for this type of event.*

The applicant is required to comply with the Arizona Revised Statutes and Arizona Administrative Rules (Attachment 1).

Special Event liquor license applications may be approved or denied by Council. The application was reviewed by the Police Department. The recommendation of the Council will be forwarded to the Arizona Department of Liquor License & Control. The Arizona Department of Liquor License & Control honors the Council's recommendation.

FINANCIAL IMPACT

The special event liquor license fee is $50.

STAFF RECOMMENDATION

Staff feels such requests are solely Council’s prerogative and offers no recommendation on this request.

Respectfully submitted,

Cathy Templeton
Town Clerk

Attachment 2

Special Event Liquor Licenses are subject to the provisions of A.R.S. §4-203.02, §4-244, and §4-261 and Administrative Rules R19-1-228, R19-1-235, and R19-1-309. The Arizona Department of Liquor Licenses and Control Special Event Liquor License application packet states that these laws and rules are applicable to a Special Event Liquor License.

Some of the key provisions include:

- Authorizes issuance of Special Event Liquor Licenses subject to approval of the governing body of a city or town for events to be held in a city or town and establish qualifying organizations.
- Sets forth requirements for the purchase/sale of liquor to be served at the event.
- Prohibits the sale, disposal, delivery or consumption of spirituous liquor to a person between the hours of 2:00 a.m. and 6:00 a.m. on weekdays, and 2:00 a.m. and 10:00 a.m. on Sunday.
- Prohibits a licensee or other person to sell, furnish, dispose of or give, or cause to be sold, furnished, disposed of or given, to a person under the legal drinking age or for a person under the legal drinking age to buy, receive, have in the person's possession or consume spirituous liquor; established when an underage person can be on premises. Prohibits a person under the age of twenty-one years to have in the person's body any spirituous liquor.
- Prohibits a person who is obviously intoxicated to buy or attempt to buy spirituous liquor from a licensee or employee of a licensee or to consume spirituous liquor on licensed premises.
- Requires warning signs related to consumption of spirituous liquor during pregnancy and requires posting of signage.
- Prohibits licensee and unpaid volunteers from consuming liquor when waiting on or serving customers.
- Prohibits serving, selling, or furnished spirituous liquor to a disorderly or obviously intoxicated person, or for a licensee or employee of the licensee to allow or permit a disorderly or obviously intoxicated person to come into or remain on or about the premises, except that a licensee or an employee of the licensee may allow an obviously intoxicated person to remain on the premises for a period of time of not to exceed thirty minutes to allow for transportation.
- Prohibits a licensee or employee to knowingly permit the unlawful possession, use, sale or offer for sale of narcotics, dangerous drugs or marijuana on the premises; knowingly permit prostitution or the solicitation of prostitution on the premises; permit unlawful gambling on the premises; permit trafficking or attempted trafficking in stolen property on the premises.
- Prohibits person other than a peace officer, the licensee or an employee of the licensee acting with the permission of the licensee to be in possession of a firearm while on the licensed premises of an on-sale retailer knowing such possession is prohibited.
- Prohibits a licensee or employee to knowingly permit a person in possession of a firearm other than a peace officer, the licensee or an employee of the licensee acting with the permission of the licensee to remain on the licensed premises or to serve, sell or furnish spirituous liquor to a person in possession of a firearm while on the licensed premises of an on-sale retailer.

Approved By	Approval Date
Cathy Templeton	12/24/2014 1:46 PM

Approx. 250

13C

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLLC USE ONLY

Event date(s): _____

Event time start/end: _____

APPLICATION FOR SPECIAL EVENT LICENSE

Fee= $25.00 per day for 1-10 days (consecutive)

A service fee of $25.00 will be charged for all dishonored checks (A.R.S. §44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: Gilbert Chamber of Commerce

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0453767

SECTION 3 The organization is a: (check one box only)

■ Charitable (501.C) ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)
☐ Religious ☐ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises?
☐ Yes ■ No

Name of Business	License Number	Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
■ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? ■ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: Villa Siena

Address of Location: 890 W. Elliot Road, Ste. 104 | Gilbert | AZ | 85233
Street | City | County/State | Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ■ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Watts (Last) Sarah (First) N. (Middle) [redacted] (Date of Birth)

2. Applicant's mailing address: PO Box 527 (Street) Gilbert (City) AZ (State) 85299 (Zip)

3. Applicant's home/cell phone: [redacted] Applicant's business phone: (480) 941-6322

4. Applicant's email address: sarah@gilbertchamber.com

Individuals requiring ADA accommodations call (602)542-9027.

50026

000855

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
   ☐ Yes ■ No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 1
   (The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? ☐ Yes ■ No
   (If yes, attach a copy of the agreement.)

4. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

   Name Gilbert Chamber of Commerce Percentage 75%
   Address 119 N. Gilbert Road, Ste. 101 Gilbert AZ 85234
   Street City State Zip

   Name Chandler Christian Community Center - Gilbert CAP Percentage 25%
   Address 345 S. California Street Chandler AZ 85225
   Street City State Zip

5. Please read A.R.S. §4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.
   Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
   "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

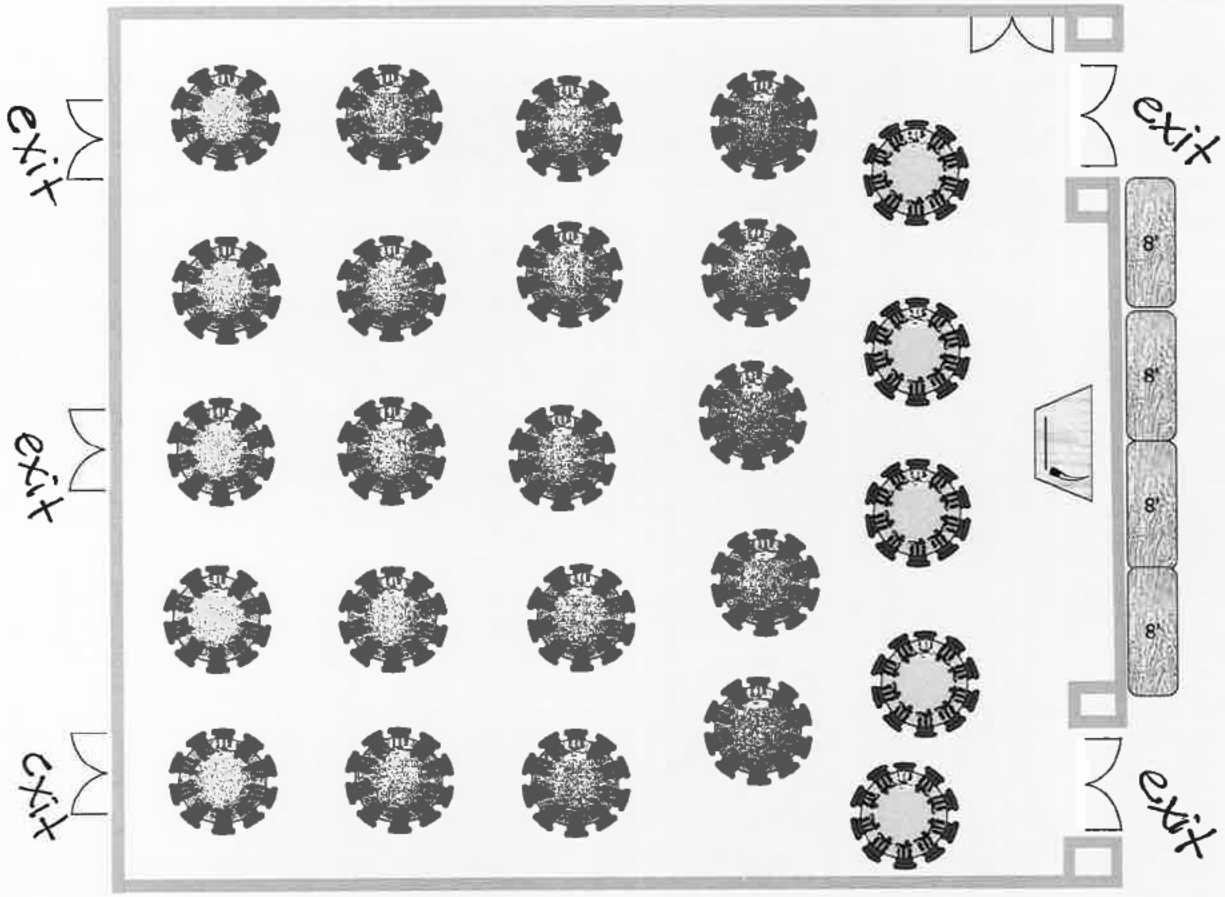
6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
   (List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

   _____ Number of Police _____ Number of Security Personnel ☐ Fencing ☐ Barriers

   Explanation: Private event. Hiring Pour Masters to dispense drinks. Event staff will be at exits to ensure no alcohol leaves premises.

SECTION 11 Date(s) and Hours of Event. May not exceed 10 consecutive days.
See A.R.S. §4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	2/26/2015	Thurs.	6 PM	9:30 PM
DAY 2:				
DAY 3:				
DAY 4:				
DAY 5:				
DAY 6:				
DAY 7:				
DAY 8:				
DAY 9:				
DAY 10:				



Chamber event
VS Black linens
25 tables - 10 guest per table
VS Ivory linens and napkins

SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.

N↑

room layout
w/exits marked

SECTION 13 This section is to be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, Kathlene A Tilgner (Print full name) declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event Liquor License.

x Kathlene A Tilgner (Signature) | Pres/CEO (Title/ Position) | 12-16-14 (Date) | 480-892-1103 (Phone #)

The foregoing instrument was acknowledged before me this 16 (Day) December (Month) 2014 (Year)

State Arizona County of Maricopa

My Commission Expires on: 2-27-18 (Date) Joseph R Chappell (Signature of Notary Public)

Joseph R Chappell Notary Public Maricopa County, Arizona My Comm. Expires 02-27-18

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, Sarah Watts (Print full name) declare that I am the APPLICANT filing this application listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

x Sarah Watts (Signature) | Special Events (Title/ Position) | 12/16/14 (Date) | 480-941-6322 (Phone #)

The foregoing instrument was acknowledged before me this 16 (Day) December (Month) 2014 (Year)

State Arizona County of Maricopa

My Commission Expires on: 2-27-18 (Date) Joseph R Chappell (Signature of Notary Public)

Joseph R Chappell Notary Public Maricopa County, Arizona My Comm. Expires 02-27-18

The local governing body may require additional applications to be completed and submitted. Please check with local government as to how far in advance they require these applications to be submitted. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ (government official) _____ (Title) recommend ☐ APPROVAL ☐ DISAPPROVAL

on behalf of _____ (City, Town, County), _____ (Signature), _____ (Date), _____ (Phone)

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: _____

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Robin Stoneman, Management Support Specialist, 503-6866

MEETING DATE: January 15, 2015

SUBJECT: Boards and Commissions - Appointments to the Gilbert Educational Cable Access Governing Board

STRATEGIC INITIATIVE: Community Livability

This item supports the strategic initiative Community Livability by encouraging public involvement in the decision-making process to assure Gilbert remains "Clean, Safe and Vibrant."

RECOMMENDED MOTION

A motion to the Gilbert Educational Cable Access Governing Board:

a) Cathy Chlarson as the Chandler-Gilbert Community College representative to complete the remainder of the term ending March 19, 2015 plus an additional term beginning March 20, 2015 and ending March 19, 2018; and

b) Irene Mahoney Paige as the Gilbert Public Schools representative to complete the remainder of the term ending March 19, 2016.

BACKGROUND/DISCUSSION

The Gilbert Educational Cable Access Governing Board is comprised of one person knowledgeable about cable television technical services, one educator (or designee) from the Gilbert Unified School District, one educator (or designee) from the Chandler Unified School District, one representative of the Chandler-Gilbert Community college, one representative of Arizona State University, and one representative of the Town of Gilbert. All members serve three year terms in accordance with the Code of Gilbert, Section 1-202(d); Membership; terms of office.

Two vacancies were created on the Board due to a retirement and resignation. Staff contacted Chandler Gilbert Community College and Gilbert Public Schools to request designation of their new representatives.

FINANCIAL IMPACT

The Clerk serves on the Board as Gilbert's representative. The Clerk's Office provides support to the Board in preparing and posting agendas, and taking minutes. The Board typically meets one or two times each year. The support provided is nominal and estimated to take less than four hours of staff time per year.

STAFF RECOMMENDATION

Staff recommends approval.

Respectfully submitted,

Robin Stoneman
Management Support Specialist

Approved By	Approval Date
Cathy Templeton	12/30/2014 7:55 AM

MINUTES OF THE GILBERT TOWN COUNCIL IN SPECIAL MEETING OF DECEMBER 18, 2014 AT 6:00 PM, MUNICIPAL CENTER, CONFERENCE ROOM 300, 50 EAST CIVIC CENTER DRIVE, GILBERT, ARIZONA

COUNCIL PRESENT: Mayor Lewis, Vice Mayor Cook, Councilmembers Cooper, Daniels, Petersen, Ray and Taylor

COUNCIL ABSENT: none

STAFF PRESENT: Manager Banger, Deputy Clerk Maxwell, Attorney Hamblin

AGENDA ITEM

The meeting began at 6:12 p.m.

1. COUNCIL ADMINISTRATION – presentation by Dr. Kishimoto, Superintendent of Gilbert Public Schools, on the Superintendent's Strategic Operating Plan and possible discussion.

Dr. Kishimoto gave an overview of the responsibilities of the Gilbert Public Schools Board and the Superintendent and how they work together. Dr. Kishimoto met with community and business leaders to get an idea of the skills they were looking for in graduates from the schools. A Strategic Operating Plan based on the goals of the Gilbert Public Schools Board was created. The Theory of Action adopted by Gilbert Public Schools is Managed Performance Empowerment. This is how Gilbert Public Schools will work towards their goal of creating a nationally-competitive academic system that engages and supports diverse learners through scholarship, innovation, and technology.

Dr. Kishimoto explained the Strategic Operating Plan and the five strategies. Strategy 1 - Policy and Leadership: implement a Managed Performance Empowerment governance structure. Strategy 2 - Teaching and Learning: Maintain fidelity to standards implementation through investment in teacher capacity, student access, and positive learning environment. Strategy 3 - School Design and Innovation: create a diverse portfolio of school, academy and learning options. Strategy 4 - Community Engagement: engage families and strategic partners with diverse portfolio options. Strategy 5 - Systems Alignment: create a state of the art district infrastructure in finance, technology, talent management, and communications.

On February 5, 2015, Dr. Kishimoto will give a State of the District address in Council Chambers.

Councilmember Cooper asked about the makeup of the various committees of the Gilbert Public Schools. Dr. Kishimoto responded the committees were composed of district employees, community leaders, business members and school staff.

Councilmember Daniels thanked Dr. Kishimoto for the work she has done in creating exciting programs in the short time she has been with Gilbert Public Schools. Dr. Kishimoto said committed staff and strong teachers helped make that possible.

ADJOURN

Mayor Lewis adjourned the meeting at 6:33 p.m.

ATTEST:

_____	_____
John W. Lewis, Mayor	Lisa Maxwell, CMC, Deputy Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the Town Council of the Town of Gilbert held on the 18th day of December 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____.

_____
Lisa Maxwell, CMC, Deputy Clerk

DRAFT

MINUTES OF THE GILBERT TOWN COUNCIL IN REGULAR MEETING OF DECEMBER 18, 2014 AT 6:30 PM, MUNICIPAL CENTER, COUNCIL CHAMBERS, 50 EAST CIVIC CENTER DRIVE, GILBERT, ARIZONA

COUNCIL PRESENT: Mayor Lewis, Vice Mayor Cook, Councilmembers Cooper, Daniels, Petersen, Ray and Taylor

COUNCIL ABSENT: none

STAFF PRESENT: Manager Banger, Deputy Manager Skocypec, Deputy Clerk Maxwell, Attorney Hamblin, Management Support Analyst Dykstra, Chief Dorn, Lieutenant Angstrom, and Attorney Meng

AGENDA ITEM

CALL TO ORDER

The meeting began at 6:39 p.m.

PRESENTATION OF STUDENT CITIZEN OF THE MONTH AWARD

Mayor Lewis and the Council presented Student Citizen of the Month Awards for November to:

Austin Ban, Devon Freelan, Ethan Kingsford, Jill Hansen, Corben Cecil, Ruth Parkes, Demya Tate, Michael Rivas, Cash Gunnel, Emily Culley, Taylor West, Ashtyn Stanley, Brandt Larson, Troy Kempton, Liam Ethan Palos, Aidan McClaughrey, Wesley Willford, Marie Stevenson, Sasha Ly, Zoe Kopp, Alondra Hatch, Andrei Carrillo, Connor Norman, Kirstyn Brimhall, Kaelin Cassler, Emma Brown, Katia Duarte, Justin Pack, Connor McGettigan, Daniel Wollert, Hannah Mathis, Kathryn Juilfs, Nicole Ward, Riley Waechter, Zahraa Al Basrawi, Noah Self, Joe Dominguez, Taylor Haller, Baylee Nelson, Bryson Yamamoto, Kennedi Lurry; September/October: Mohin Patel, Farah Attia, and Brady Campbell.

INVOCATION AND PLEDGE OF ALLEGIANCE

Councilmember Taylor had the Scouts introduce themselves. The Desert Ridge High School ROTC posted the colors and the Scouts led the Pledge of Allegiance.

Clyde Reed, Good News Presbyterian Bible Church, gave the invocation.

ROLL CALL

PRESENTATIONS; PROCLAMATIONS

1. Recognition of the Mesquite High School Wildcat Marching Band for winning the First Place trophy at the Arizona State Division III Marching Band Championship.

Councilmember Cooper recognized the Mesquite High School Wildcat Marching Band for winning the First Place trophy at the Arizona State Division III Marching Band Championship.

Mesquite High School was the only school in their category to receive a Superior with Distinction rating in their category at the Arizona State Marching Band Festival. They advanced to the State Division III Marching Band Championship where they won the First Place trophy.

2. Recognition of participants and sponsors in the "Discover Delicious Gilbert" event.

Vice Mayor Cook recognized participants and sponsors in the "Discover Delicious Gilbert" event which was held to recognize the opening of the Vaughn Avenue Parking Structure.

COMMUNICATIONS FROM CITIZENS

Kathy Inman, Gilbert resident, stated over prescribing drugs is taking the lives of children. Marijuana has never taken the life of anyone and it can be used as a substitute for the opiates that are found in many prescription drugs. She would like to see a new approach to drug education.

CONSENT CALENDAR

A MOTION was made by Vice Mayor Cook, seconded by Councilmember Petersen, to approve Consent Items 6, 7, 8, 9, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, and 23; remove Items 3, 4, 5, and 11 from the Consent Calendar; remove Consent Items 10 and 17 from the agenda; and add Items 33, 34, and 35 to the Consent Calendar appointing Mary Black and Bryan Scienza to the Town of Gilbert, Arizona Water Resources Municipal Property Corporation with terms beginning January 12, 2015 and ending January 11, 2018; appointing Ryan Ernsberger to the Fire and Police Public Safety Retirement System Local Pension Board with a term beginning December 19, 2014 and ending November 30, 2018; and appointing Jacquelin Bolton and Patrick Moir to the Town of Gilbert, Arizona Public Facilities Municipal Property Corporation as regular members with terms beginning January 2, 2015 and ending January 1, 2018. *Motion carried 7-0.*

3. AGREEMENT – consider approval of amendment to Joint Powers Airport Authority Agreement No. 2001-1003-0327 for the Phoenix-Mesa Gateway Airport authorizing the Mayor to sign proposed amendment to Joint Powers Airport Authority Agreement for the Phoenix-Mesa Gateway Airport, converting all existing promissory notes held by the Town, totaling $7,874,250.00 plus interest into an equity interest in the airport, when approved by all other members of the authority.

Councilmember Ray asked why this item was coming before Council now since he is unaware of any impending plans where additional capital is needed by the Phoenix-Mesa Gateway Airport. Town Attorney Hamblin replied this debt, which is not considered a debt by the Town of Gilbert, hinders the airport from expanding. If this change does not happen soon it could affect their credit rating if they attempt to secure additional financing for airport expansion. Jane Morris, Executive Director of the Phoenix-Mesa Gateway Airport, stated their auditor advised this would be an issue at their next audit. This is also a concern for private investors. The Airport hopes to issue bonds in the next calendar year to be used for development.

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Councilmember Peterson asked if it was possible to continue this item to a later date until there is a more specific need. Town Attorney Hamblin said while it was possible to do that, this study has been underway for nine months and an audit is approaching.

Councilmember Daniels said it in important that residents realize this is not seen as debt owed to the Town but as in investment in the Town. The Town stands to benefit from the growth of the Airport. She does not see waiting on this issue since it does not impact the Town directly.

Mayor Lewis said studies presented to Council to show how the Airport has had a financial impact on the Town. There are future plans for the Airport to expand and this expansion will have a positive effect on the Town. Ms. Morris stated that four of the six affected communities have already approved this amendment with the Mesa City Council considering it in January 2015.

Councilmember Cooper said this is an investment in the future of the community. He would like this approved now.

Councilmember Petersen would like more specifics. He would like to see less taxpayer subsidies. He is ready to move forward, but he does have concerns.

A MOTION was made by Councilmember Cooper, seconded by Councilmember Daniels, to approve the amendment to Joint Powers Airport Authority Agreement No. 2001-1003-0327 for the Phoenix-Mesa Gateway Airport and authorize the Mayor to sign proposed amendment to Joint Powers Airport Authority Agreement for the Phoenix-Mesa Gateway Airport, converting all existing promissory notes held by the Town, totaling $7,874,250.00 plus interest into an equity interest in the airport, when approved by all other members of the authority. *Motion carried 7-0.*

4. INTERGOVERNMENTAL AGREEMENT – consider approval of Addendum No. 1 to Intergovernmental Agreement No. 2011-4501-0357 with the Arizona Department of Transportation for the time extension for the Safe Routes to School Non-Infrastructure Project and authorize the Mayor to execute the required documents.

A MOTION was made by Councilmember Cooper, seconded by Vice Mayor Cook, to approve Addendum No. 1 to Intergovernmental Agreement No. 2011-4501-0357 with the Arizona Department of Transportation for the time extension for the Safe Routes to School Non-Infrastructure Project and authorize the Mayor to execute the required documents. *Motion carried 5-2 with Councilmembers Petersen and Taylor casting dissenting votes.*

5. DEVELOPMENT AGREEMENT - consider adoption of a Resolution approving the Fourth Amendment and Restatement of the Development and Disposition Agreement with LGE Corporation, an Arizona Corporation, as successors in interest to Heritage Marketplace L.L.C., related to the development of the Heritage Marketplace at the northwest corner of Gilbert Road and Vaughn Avenue, and authorize the Mayor to execute the required documents.

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Councilmember Petersen believes making this change to the agreement is trading sure money for speculative money.

Vice Mayor Cook does not believe this proposal fits in the vision of what is wanted for the Heritage District. The property owners are not going to meet the minimums set for this area. He would like the Council to wait a little longer as more of the area is developed. There is a lot of activity happening in the area and a need may arise where a project that is more vertical may come up. Vice Mayor Cook would like to wait 12 months and consider this item then.

Councilmember Daniels believes LGE has been a great community partner. She would like staff to have more discussions with them but to allow this to move forward.

Town Manager Banger said this is a modification to the original agreement. While the Town has been very happy with the quality of establishments, technically LGE missed the deadlines in the agreement and this has resulted in penalties. Staff has gone back to the developer to look for an opportunity to accelerate the next phase of the project in an attempt to get more businesses into the Heritage District. There was discussion about adding more density downtown with retail or residence space. The lack of dedicated parking space limits having more residences in the area.

Lynn McIve has represented LGE in the past and worked on this project. LGE is working to complete the second phase of this project, most of which is speculative. Imposing a penalty of $200,000 for opening the restaurant four to six weeks late is not appropriate when this money could be used on the project. LGE would like to do more projects in the Town after this is completed. If this is not approved Ms. McIve would like this continued so LGE can bring something else to the Council for approval.

A MOTION was made by Councilmember Daniels, seconded by Councilmember Ray, to continue this item to January 29, 2015.

6. AGREEMENT – consider approval of Agreement No. 2015-5002-0535 with Desert Fly Casters for the purposes of educational and recreational programming in Town facilities and lakes and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote.

7. AGREEMENT – consider approval of Amendment to Emergency Base Station Agreement No. 2011-3002-0140 with Dignity Health/Gilbert Mercy Medical Center for administrative medical control and on-line supervision of the Gilbert Fire & Rescue Department's emergency medical technicians through December 31, 2017, and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote.

8. AGREEMENT – consider approval of Site Lease Agreement No. 2014-1105-0273 with Verizon Wireless LLC for the lease of a light pole at Freestone Park to be used as a wireless

communication facility for a term of five years with five automatic renewals of five years each at $1,700 per month and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote.

9. AGREEMENT – consider adoption of a Resolution approving extension of Cable License Agreement No. 2001-1003-0331 with Cox Communications Arizona, LLC extending the cable license agreement through January 31, 2015, and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote. Resolution No. 3773 was adopted.

10. CAPITAL IMPROVEMENT PROJECTS / BUDGET - consider approval of a Contingency Request in the amount of $1,336,017 for Elliot District Park related litigation expenses, Project No. PR114.

This item was removed from the agenda.

11. AGREEMENT – consider approval of Agreement No. 2014-2105-0042 with the Greater Phoenix Economic Council in an amount not to exceed $100,077 for FY2014-15 for participation in and support of regional economic development, and authorize the Mayor to execute the required documents.

Councilmember Taylor is not supportive because it is a large amount of money and the Town has other needs. This could pay for a public safety officer to keep our streets safe.

Councilmember Cooper is supportive of this agreement because the service that is received from GPEC far outweighs the amount of money the agreement costs the Town.

Mayor Lewis said he talked with Chief Dorn about the best way to keep crime down in Gilbert. Chief Dorn's response was to build the business community. The best way to do that is with the Town staff and GPEC.

A MOTION was made by Councilmember Cooper, seconded by Councilmember Daniels, to approve Agreement No. 2014-2105-0042 with the Greater Phoenix Economic Council in an amount not to exceed $100,077 for FY2014-15 for participation in and support of regional economic development, and authorize the Mayor to execute the required documents. *Motion carried 5-2 with Councilmembers Petersen and Taylor casting dissenting votes.*

12. CONTRACT – consider approval of Construction Services Contract No. 2015-7009-0503 with Stanley Consultants in an amount not to exceed $344,878 for the Reservoir No. 7 Replacement, Project No. WA074, and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote.

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13. CONTRACT – consider approval of Construction Contract No. 2014-7009-0387 with MGC Contractors, Inc. in an amount not to exceed $5,089,200 for the Reservoir No. 7 Replacement, Project No. WA074, and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote.

14. CONTRACT – consider approval of the First Amendment to Contract No. 2014-1105-0211 with Zayo Group LLC for the use of public rights-of-way and town street light poles to increase the initial term of the license from five years to 10 years and extend termination notice from 30 days to 365 days, and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote.

15. CONTRACT – consider approval of a one year renewal of Contract No. 2014-1105-0140 with Tyler in an amount not to exceed $181,337 for the software maintenance for the EDEN suite of products for FY2015 and a one-time expenditure of $61,902 to replace the interactive voice response (IVR) system and authorize the Mayor to execute the required documents.

This item was approved with the Consent Calendar vote.

16. CHANGE ORDER – consider approval of Change Order No. 1 for a one year renewal of Contract No. 2014-1105-0241 with Databank increasing the contract amount by $150,800 for OnBase document management system to provide software support and maintenance, hardware support and maintenance.

This item was approved with the Consent Calendar vote.

17. CHANGE ORDER – consider approval of Change Order No. 1 for a one year renewal of Contract No. 2014-1105-0256 with Taser International increasing the contract amount by $231,101 for the purchase of police officer wearable cameras.

This item was removed from the agenda.

18. CHANGE ORDER – consider approval of Change Order No. 2 to Contract No. 2014-7003-0170 with Sunland Inc. Asphalt and Sealcoating increasing the contract amount by $160,000 for the Higley Groves West Pavement Rehabilitation Project, Project No. ST150.

This item was approved with the Consent Calendar vote.

19. SPECIAL EVENT LIQUOR LICENSE – consider approval of a Special Event Liquor License for Gilbert Historical Society, Inc. for a fundraising gala on March 21, 2015 from 6:00 pm to 11:00 pm located at 10 South Gilbert Road; and authorize the Mayor to issue a letter authorizing an alternate location at San Tan Mall Food Court, 2218 East Williams Field Road, #235 in the event of inclement weather.

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This item was approved with the Consent Calendar vote.

20. TEMPORARY EXTENSION OF PREMISES – consider approval of a temporary extension of premises for Desert Babes Sports Grill located at 1686 North Higley Road #101 for an event to be held on January 4, 11, 18 and 25, 2015.

This item was approved with the Consent Calendar vote.

21. TEMPORARY EXTENSION OF PREMISES – consider approval of a temporary extension of premises for Desert Babes Sports Grill located at 1686 North Higley Road #101 for an event to be held on February 1, 8, 15 and 22, 2015.

This item was approved with the Consent Calendar vote.

22. FINAL PLAT S11-02 - consider approval of the final plat for Santanilla located at the southwest corner of Higley Road and Watford Court.

This item was approved with the Consent Calendar vote.

23. MINUTES - consider approval of Special Meeting December 2, 2014 (4pm), Special Meeting December 2, 2014 (5pm) and Special Meeting December 9, 2014.

This item was approved with the Consent Calendar vote.

PUBLIC HEARING

Mayor Lewis opened the public hearing for items 24, 25, 26, and 28. No one wished to speak and Mayor Lewis closed the public hearing.

A MOTION was made by Vice Mayor Cook, seconded by Councilmember Petersen, to approve public hearing items 24, 25, 25, and 28. *Motion carried 7-0.*

24. LIQUOR LICENSE – conduct hearing and consider approval of acquisition of control for Fox Tobacco & Liquor #3 located at 1464 East Williams Field Road #105.

This item was approved with the Public Hearing vote.

25. ZONING Z14-24 - conduct hearing and consider approval of the findings and adoption of an Ordinance amending the zoning classification of approximately 12.4 acres of real property generally located north of the northwest corner of Val Vista Drive and Elliot Road from Single Family-35 (SF-35) to Single Family-7 (SF-7) zoning district with a Planned Area Development Overlay zoning district to modify the minimum lot width, minimum front yard building setback, maximum lot coverage, staggering of the front yard building setback and minimum side yard building setback. The effect of the rezoning will be to increase residential density.

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This item was approved with the Public Hearing vote. Ordinance No. 2511 was adopted.

26. GENERAL PLAN GP14-08/ZONING Z14-18 – conduct hearing and consider:

a) adoption of a Resolution approving a Minor General Plan amendment to change the land use classification of approximately 3.3 acres of real property generally located north of the northwest corner of Guadalupe Road and Cooper Road from Residential >0-1du/ac land use classification to General Commercial land use classification. The effect of this amendment will be to change the plan of development for the property to allow continued commercial use; and

b) approval of the findings and adoption of an Ordinance rezoning approximately 3.3 acres of real property generally located north of the northwest corner of Guadalupe Road and Cooper Road from Single Family-35 (SF-35) zoning district to General Commercial (GC) zoning district with a Planned Area Development Overlay zoning district to modify requirements related to minimum building and landscape setbacks from non-residential property. The effect of the rezoning will be to allow continued commercial use.

This item was approved with the Public Hearing vote. Resolution No. 3774 and Ordinance No. 2512 were adopted.

27. CODE OF GILBERT - consider adoption of an Ordinance amending the Code of Gilbert, Chapter 46 Parks and Recreation, Article I In General, by amending Sections 46-1 Definitions, and 46-2 Reservation permit; issuing authority; amending Article II Park and Recreational Facility Rules, by amending Sections 46 38 Alcoholic beverages, 46-41 Sale of goods (concessions), 46-46 Protection of animals and wildlife, 46-49 Enforcement by park rangers, and 46-50 Temporary suspension from use; amending Article III Town lakes, by amending Sections 46-61 General, 46-63 Town lakes where fishing is permitted, 46-65 Hours of fishing, and 46-66 Boating; related to use of town of Gilbert Parks and Recreation Facilities, Town Lakes and Town Riparian Preserves.

Mayor Lewis opened the Public Hearing on item 27.

Mayor Lewis did some research on this item. There were discussions in the late 1980's and 1990's about allowing alcohol in public parks. Gilbert was recognized as the ninth best place for families. Since there are other options for drinking alcohol and he would not support that portion of this Code amendment.

There was discussion about what is currently allowed in Town Parks. There are special event sites where there can be alcohol in Town Parks during that event. Alcohol is also allowed in the Recreation Centers at the Parks. This amendment to the Code would add four open air ramadas as locations where alcohol can be consumed when a permit is acquired.

Councilmember Cooper does not see the need to expand where alcohol can be served at Town Parks.

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Vice Mayor Cook asked if someone could bring a cooler of beer to a park. Management Support Analyst Dykstra said they are prohibited from doing that. Only the Recreation Centers can have alcohol when there is an event with a permit. If this item passes, alcohol could be consumed at a ramada if there was a permit issued. Several times a week there are requests to have alcohol at a ramada. Queen Creek is the only local community that does not allow alcohol at ramadas in their Town Parks.

Councilmember Taylor said this item was approved unanimously by the Parks, Recreation and Library Services Board. There was little discussion on this portion of the Code amendment.

Vice Mayor Cook would like a one-year trial at one location to see the demand.

No one else wished to speak and Mayor Lewis closed the Public Hearing on item 27.

A MOTION was made by Councilmember Taylor, seconded by Councilmember Cooper, to adopt Ordinance No. 2513 amending the Code of Gilbert, Arizona, Chapter 46 Parks and Recreation, Article I In General, by amending Sections 46-1 Definitions, and 46-2 Reservation permit; issuing authority; amending Article II Park and Recreational Facility Rules, by amending 46-41 Sale of goods (concessions), 46-46 Protection of animals and wildlife, 46-49 Enforcement by park rangers, and 46-50 Temporary suspension from use; amending Article III Town lakes, by amending Sections 46-61 General, 46-63 Town lakes where fishing is permitted, 46-65 Hours of fishing, and 46-66 Boating; related to use of town of Gilbert Parks and Recreation Facilities, Town Lakes and Town Riparian Preserves and removing amendments to 46-38 Alcoholic Beverages.

A MOTION was made by Vice Mayor Cook, seconded by Councilmember Petersen, to have a one year pilot program at McQueen Park.

Councilmember Daniels asked what would be gained from a trial program. Councilmember Petersen said this would allow for more information and feedback from the public and staff. Councilmember Ray would like to vote on everything except 46-38 and look at that item with staff to get a better understanding.

Vice Mayor Cook withdrew his motion.

A MOTION was made by Councilmember Taylor, seconded by Councilmember Petersen to amend his original motion to remove section 46-38 and direct staff to come back with recommendations for a trial program as discussed. *Motion carried 7-0.*

28. CODE OF GILBERT - conduct hearing and consider adoption of an Ordinance amending the Code of Gilbert, Arizona, by amending Chapter 42 Offenses and Abatement of Public Nuisances, Article VII Offenses Involving Public Health and Sanitation, by adopting Division 6 Urban Camping.

This item was approved with the Public Hearing vote. Ordinance No. 2514 was adopted.

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29. CODE OF GILBERT - conduct hearing and consider:

a) adoption of an Ordinance amending the Code of Gilbert, Arizona, by amending Chapter 42 Offenses and Abatement of Public Nuisances, Article IV Offenses Involving Public Safety, by repealing Section 42-114 Carrying Deadly Weapons in Town Buildings; Storage of Deadly Weapons related to carrying deadly weapons in Town buildings so the Code conforms to State law; and

b) approving Policy Statement No. 2014-09, Weapons in Gilbert Public Buildings.

Mayor Lewis opened the Public Hearing on Item 29a.

Attorney Hamblin gave an overview on this Code amendment. This item was approved by Council in 2013. It was and later reconsidered and thus voided. This has resulted in Town Code that does not comply with State Statute. Item 29a would delete that section of the Code and the Town would then follow State Statute.

Gordon Ray, Gilbert resident, believes in freedom and the Constitution. The Second Amendment states the rights of the people to bear arms should not be infringed upon by the government. The State Statutes allows a Town to comply with the law by not doing anything. Installing gun lockers was a violation of people's rights.

Nielson Ray, not a Gilbert resident, said it is misleading to say the Town would not be following State Statute if this item is not passed. Some people will follow the law and not bring guns into the building. A dishonorable person would bring a weapon and no one would have a

No one else wished to speak and Mayor Lewis closed the Public Hearing on Item 29a.

A MOTION was made by Vice Mayor Cook, seconded by Councilmember Petersen, to adopt Ordinance No. 2515 amending the Code of Gilbert, Arizona, by amending Chapter 42 Offenses and Abatement of Public Nuisances, Article IV Offenses Involving Public Safety, by repealing Section 42-114 Carrying Deadly Weapons in Town Buildings; Storage of Deadly Weapons related to carrying deadly weapons in Town buildings so the Code conforms to State law. *Motion carried 7-0.*

Mayor Lewis opened the public hearing on item 29b.

Councilmember Petersen believes the current proposal is a violation the Constitution. He has a proposal that is a compromise. It allows armed police officers to ask citizens to store their firearms unless that person has a CCW Permit.

Vice Mayor Cook had many discussions with staff about this item. The State Statute that does allow Towns to prohibit guns in public buildings offers the installation of lockers as a solution for people that bring guns into public buildings. The problem is enforcement. It is possible to

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have metal detectors, but those are very expensive. Vice Mayor Cook looked at the City of Mesa's policy on firearms where people with a CCW Permit can carry a weapon in a public building. People with CCW permits have been trained and they have had background checks. There are other things in the Mesa policy that might lead to other discussions so continuing this item for further research could lead to a more developed policy. Tonight Vice Mayor Cook would like item 29b continued in order to allow for more study of Mesa's policy.

Councilmember Petersen sees two essential differences between his proposal and Vice Mayor Cook's proposal. First, Vice Mayor Cook's proposal would be broader and would cover more than just firearms. Second, the proposal could be more restrictive. Town Manager Banger said there currently protocol in place for staff to call police when they see a suspicious person. There was discussion on what situations would result in a call to police.

Councilmember Ray thinks Councilmember Petersen's proposal is well-done and he would support it. Councilmember Taylor likes where this proposal is going. He questioned why it states an armed police officer instead of a sworn police officer. Councilmember Petersen thinks it is important to have a person with a gun when you are asking someone with a gun to give up their weapon. Town Attorney Hamblin confirmed this policy does not include Taser or stun guns since they are not deadly weapons.

Councilmember Daniels believes it is a Constitutional right to carry a gun and not a God given right. She is more inclined to allow guns if it was just Town Hall. She is not as comfortable when discussing Freestone Recreation Center or a fire station. Since Police Officers are not generally at those locations she questions how would this policy be enforced. There are legislators that do not believe lockers are Constitutional. Councilmember Daniels would like further exploration on how this would be enforced.

Councilmember Cooper was fine with the policy statement the way it was written. Adding the section on people with a CCW permit makes sense. He believes there is good information in the Mesa policy.

Mayor Lewis talked with people in this building and they would be uncomfortable with people they do not know carrying guns in the building. He does not have an answer to that.

Town Manager Banger believes there is consensus that CCW holders should be allowed to keep their weapon. Police Officers could be called if there was a need. One option is to direct the Town Manager to develop a policy that follows direction given by Council.

Town Attorney Hamblin said since item 29a passed we do need something in place so staff will know what to do. Under Councilmember Petersen's proposal staff members could not ask a person to put their weapon in a locker. If there was a situation with a suspicious person at Freestone Park it could take some time for police to arrive.

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Councilmember Daniels asked about laws concerning a person displaying a weapon in an inappropriate manner. Chief Dorn said disorderly conduct and weapon misconduct statutes would apply in this case.

Vice Mayor Cook would still like more research on this subject.

Mayor Lewis closed the public hearing on Item 29b.

A MOTION was made by Councilmember Petersen, seconded by Councilmember Taylor, to amend the proposed Policy Statement No. 2014-09 as set forth in agenda item 29b to strike paragraph no. 1 and amend paragraph no. 2 to read "Any armed police officer may direct a visitor to weapons storage lockers and ask them to store their deadly weapons therein, unless the visitor is in possession of a current, valid concealed weapons permit pursuant to A.R.S. Sec. 13-3112. Add an additional provision requiring visitors that are openly carrying a deadly weapon and possess a current, valid concealed weapons permit to conceal it. Additionally, directing staff to review the Mesa weapons policy supplied by Vice Mayor Cook and return with additional suggestions. Finally clarifying that secured areas where armed visitors are not allowed includes employee only areas, the courts and prosecutor's offices. *Motion carried 6-1 with Councilmember Cooper casting the dissenting vote.*

30. CODE OF GILBERT - conduct hearing and consider adoption of an Ordinance amending the Code of Gilbert, Arizona, by amending Chapter 14, Businesses, Article II Business Licenses, Section 14-38 Application and Fee; Issuance related to fingerprint criminal history authorization for the Police Department.

Mayor Lewis opened the Public Hearing on items 30, 31 and 32.

Lieutenant Angstead gave an overview of the current Town Codes in regards to escort services, massage establishments and business licensing. Town Code does require escorts to get a permit but no one has ever applied for a permit. Attorney Meng went over the proposed changes to the Town Code.

Councilmember Daniels asked what if the Town did not want escorts to operate in the Town. Attorney Meng said with this policy in place there would be background checks. To ban escort services would require a larger review of the Town Code. Town Attorney Hamblin said there are needs to be addressed now and Council can direct staff to look at making additional changes at a later date. Chief Dorn said best practices of surrounding communities were considered. The problem now is Town Code is not enforceable. Other communities are cracking down on escort services and the Town needs to amend its Code so that it will be enforcable.

Councilmember Taylor said the Human Relations Commission is very supportive of this item.

No one else wished to speak and Mayor Lewis closed the Public Hearing on items 30, 31 and 32.

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A MOTION was made by Councilmember Taylor, seconded by Councilmember Petersen, to approve items 30, 31 and 32. *Motion carried 7-0.*

31. CODE OF GILBERT - conduct hearing and consider adoption of an Ordinance amending the Code of Gilbert, Arizona, by amending Chapter Chapter 14, Businesses, Article XIII, Escorts and Escort Services, Division 1 Generally, Section 14-431 Definitions, Section 14-432 Prohibited Acts, and Division 2 Licenses and Permits, Section 14-451 Escort Bureau or an Introductory Service License – Required; contents; Section 14-452 Same-Application; contents; required fees; Section 14-453 Escort License - required; Section 14-454 Same – Application requirements; Section 14-455 Denial, Revocation, or Suspension of License; Appeal; Interim License; Section 14-456 Applicability of Regulations to Existing Businesses; Section 14-457 Advertising without a license; Section 14-458 Nontransferability of license; Section 14-459 Information Update; Section 14-460 Renewal of Licenses.

This item was approved with the Item 30 vote. Ordinance No. 2517 was adopted.

32. CODE OF GILBERT - conduct hearing and consider adoption of an Ordinance amending the Code of Gilbert, Arizona, by amending Chapter 14, Businesses, Article XI, Massage, Division 1 Generally, Section 14-326 Definitions, Section 14-329 Prohibited Hours of Operation, Section 14-330 Prohibited Acts, Division 2 Licenses, Section 14-352 Application; contents; Section 14-354 Massage Therapy Establishment License; Special Requirements; Section 14-355 Massage Therapist License; State License required; Section 14-359 Denial or revocation or suspension of license; appeal; interim license.

This item was approved with the item 30 vote. Ordinance No. 2518 was adopted.

ADMINISTRATIVE ITEMS

33. BOARDS AND COMMISSIONS – consider appointment of two regular members to the Town of Gilbert, Arizona Water Resources Municipal Property Corporation with terms beginning January 12, 2015 and ending January 11, 2018.

This item was approved with the Consent Calendar. Mary Black and Bryan Scienza were appointed to the Town of Gilbert, Arizona Water Resources Municipal Property Corporation as regular members with terms ending January 11, 2018.

34. BOARDS AND COMMISSIONS – consider appointment of one regular member to the Fire and Police Public Safety Retirement System Local Pension Board with a term beginning December 19, 2014 and ending November 30, 2018.

This item was approved with the Consent Calendar. Ryan Ernsberger was appointed to the Fire and Police Public Safety Retirement System Local Pension Board as a regular member with a term ending November 30, 2018.

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35. BOARDS AND COMMISSIONS – consider appointment to the Town of Gilbert, Arizona Public Facilities Municipal Property Corporation of two regular members with terms beginning January 2, 2015 and ending January 1, 2018.

This item was approved with the Consent Calendar. Jacquelin Bolton and Patrick Moir were appointed to the Town of Gilbert, Arizona Public Facilities Municipal Property Corporation as regular members with terms beginning January 2, 2015 and ending January 1, 2018.

36. COUNCIL ADMINISTRATION - presentation and discussion of the Innovations and Efficiencies Annual Report for Fiscal Year 2014.

Manager Banger gave highlights of innovations and efficiencies from various departments in the Town in Fiscal Year 2014.

37. BOARDS, COMMISSIONS, AND COMMITTEES - reports from Council Liaisons for the:
a) Subcommittee on Board and Commission Application Screening, Interview, and Selection
b) Other Council Subcommittees
c) Congress of Neighborhoods Committee
d) Design Review Board
e) Environmental and Energy Conservation Advisory Board
f) Gilbert Educational Cable Access Governing Board
g) Arts, Culture and Tourism Board
h) Human Relations Commission
i) Industrial Development Authority
j) Mayor's Youth Advisory Committee
k) Parks, Recreation and Library Services Advisory Board
l) Planning Commission
m) Redevelopment Commission
n) Special Events Commission
o) Gilbert Public Facilities MPC
p) Gilbert Water Resources MPC
q) Gilbert Self-Insured Trust Fund
r) Regional Meetings
s) Utility Board

None.

POLICY ITEMS

38. POLICY NO. 2015-01 - consider approval of Council Policy No. 2015-01 regarding purchasing from members of the Town Council.

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A MOTION was made by Councilmember Cooper, seconded by Vice Mayor Cook, to approve Council Policy No. 2015-01 regarding purchasing from members of the Town Council. *Motion carried 7-0.*

FUTURE MEETINGS

No discussion.

COMMUNICATIONS

Report from the TOWN MANAGER on current events.

Manager Banger had Town Engineer Smith introduce Eliana Hayes, the new Assistant Town Engineer and CIP Manager.

Manager Banger had Economic Development Director Henderson introduce Jennifer Graves, the new Economic Development Manager.

Manager Banger went to a monthly staff meeting at the Parks and Recreation Department. He was impressed with what he learned and as a result he is going to have departments share with him things to pass on to Council so they can have a better idea what is going on in the Town. Development Services has new permitting software which should provide for enhanced customer service. Thanks to Town staff for Adopt a Family program – adopted 35 families this year. The Parks and Recreation Department served 1.2 million people in facilities with 10,289 participating in over 1,200 classes. Water features in Heritage District are beginning to come back on-line. Sixth grade students changed out faucets in restrooms in Civic Center facilities and this will result in a water saving. The Detention Center is up and running. Average turnaround time is 20 minutes, down from 1 hour and 40 minutes. Finally, Manager Banger shared that Joselyn Marty, Recycling Outreach Coordinator, passed away on December 9, 2014.

The last piece of steel put in at St. Xavier building. It is a day to thank workers for what they have done

Report from the COUNCIL on current events.

Councilmember Petersen said water saving event was great event. The faucets costs $13 each and with the water savings they will pay for themselves in two weeks.

Councilmember Daniels said some citizens had issues with the lights at the Top Golf facility. Development Services Director Mieras and his staff worked to make sure everyone was satisfied.

Report from the MAYOR on current events.

Mayor Lewis reported that Arizona is School Tax Credit Awareness Month. Forms are available for interested citizens.

DRAFT

On December 19 and 20 there will be Riparian after Dark programs at the Riparian Reserve

Mayor Lewis invited Jim Torgeson, Chairman of the Redevelopment Commission to say a few words about Councilmember Cooper. Mr. Torgeson thanked Councilmember Cooper for his work on the Commission as Council Liasion. The Redevelopment Commission is having much success in the invigoration of the Heritage District. Mr. Torgeson presented Councilmember Cooper with a painting of the Gilbert water tower.

ADJOURN

Councilmember Cooper adjourned the meeting at 9:57 p.m.

ATTEST:

_____ _____

John W. Lewis, Mayor Lisa Maxwell, CMC, Deputy Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the Town Council of the Town of Gilbert held on the 18th day of December 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____.

_____

Lisa Maxwell, CMC, Deputy Clerk

DRAFT

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Cathy Templeton, Town Clerk, 503-6861

MEETING DATE: January 15, 2015

SUBJECT: Liquor License - Barrio Queen

STRATEGIC INITIATIVE: N/A

RECOMMENDED MOTION

A motion to issue an order to recommend approval of a Series 12 Restaurant Liquor License for Barrio Queen located at 388 North Gilbert Road.

or

A motion to issue an order to recommend denial of a Series 12 Restaurant Liquor License for Barrio Queen located at 388 North Gilbert Road for the following reasons (specific reasons for denial must be included).

or

A motion to make no recommendation on a Series 12 Restaurant Liquor License for Barrio Queen located at 388 North Gilbert Road (*a "no recommendation" may result in a hearing; the hearing may be cancelled if the board or an aggrieved party does not request a hearing*).

BACKGROUND/DISCUSSION

Camila Alarcon is requesting approval of a Series 12 Restaurant Liquor License for Barrio Queen located at 388 North Gilbert Road. *This is a new license.*

A Series 12 Restaurant Liquor License allows the holder of a restaurant license to sell and serve all types of spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food. *Series 12 licenses*

are exempt from the 300 foot distance requirement from a church, a school building with any grades K-12 or a fenced recreational area adjacent to a school building.

Public notice was posted for the required 20-day period in accordance with the Arizona Department of Liquor License and Control posting requirement. No adverse information to justify a denial of this application was received from Planning and Zoning, Building and Code Compliance, Police Department, or from Maricopa County Environmental Services Department. There were no liquor related conditions in the zoning ordinance for this site.

Council's recommendation will be forwarded to the Arizona Department of Liquor License & Control. If Council recommends denial of an application, the minutes must reflect specific reasons, testimony, and other evidence that supports the motion to deny the license applications as required by A.R.S. 4-201.E further defined by Rule R19-1-102 (Attachment 1).

FINANCIAL IMPACT

The license fee is $750 per year.

STAFF RECOMMENDATION

Staff feels such requests are solely Council's prerogative and offers no recommendation on this request.

Respectfully submitted,

Cathy Templeton
Town Clerk

Attachments/Enclosures:

Attachment 1 – Arizona Department of Liquor Licenses & Control,
Rule R19-1-102

Attachment 2 – Liquor License Application

Attachment 1

R19-1-102. Granting a License for a Certain Location

Local governing authorities and the Department may consider the following criteria in determining whether public convenience requires, and that the best interest of the community will be substantially served by the issuance or transfer of a liquor license at a particular unlicensed location:

1. Petitions and testimony from persons in favor or opposed to the issuance of a license who reside in, own or lease property in close proximity.
2. The number and series of licenses in close proximity.
3. Evidence that all necessary licenses and permits have been obtained from the state and all governing bodies.
4. The residential and commercial population of the community and its likelihood of increasing, decreasing or remaining static.
5. Residential and commercial population density in close proximity.
6. Evidence concerning the nature of the proposed business, its potential market and its likely customers.
7. Effect on vehicular traffic in close proximity.
8. The compatibility of the proposed business with other activity in close proximity.
9. The effect or impact of the proposed premises on businesses or the residential neighborhood whose activities might be affected by granting the license.
10. The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report(s) of such activity at least 20 days before the hearing by the board.
11. Comparison of hours of operation of the proposed premises to the existing businesses in close proximity.

Approved By	Approval Date
Cathy Templeton	12/30/2014 9:30 AM

RECEIVED
12D
DEC 10 2014
TOWN OF GILBERT
CUSTOMER SERVICE CENTER

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

'14 DEC 4 Liq. Lic. PM 3:34

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- ☐ MORE THAN ONE LICENSE
- ☐ INTERIM PERMIT ***Complete Section 5***
- ☒ NEW LICENSE ***Complete Sections 2, 3, 4, 13, 14, 15, 16***
- ☐ PERSON TRANSFER (Bars & Liquor Stores ONLY) ***Complete Sections 2, 3, 4, 11, 13, 15, 16***
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) ***Complete Sections 2, 3, 4, 12, 13, 15, 16***
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE ***Complete Sections 2, 3, 4, 9, 13, 16*** (fee not required)
- ☐ GOVERNMENT ***Complete Sections 2, 3, 4, 10, 13, 15, 16***

SECTION 2 Type of ownership:

- ☐ J.T.W.R.O.S. ***Complete Section 6***
- ☐ INDIVIDUAL ***Complete Section 6***
- ☐ PARTNERSHIP ***Complete Section 6***
- ☐ CORPORATION ***Complete Section 7***
- ☒ LIMITED LIABILITY CO. ***Complete Section 7***
- ☐ CLUB ***Complete Section 8***
- ☐ GOVERNMENT ***Complete Section 10***
- ☐ TRUST ***Complete Section 6***
- ☐ OTHER (Explain) _____

SECTION 3 Type of license and fees LICENSE #(s): 1207A113

1. Type of License(s): Restaurant License

2. Total fees attached: $ 194.00 (Department Use Only)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: ☐ Mr. ☒ Ms. Alarcon (Last) Camila (First) _____ (Middle)
(Insert one name ONLY to appear on license)

2. Corp./Partnership/L.L.C.: BCC Heritage Marketplace, LLC
(Exactly as it appears on Articles of Inc. or Articles of Org.)

3. Business Name: Barrio Queen
(Exactly as it appears on the exterior of premises)

4. Principal Street Location: 388 N. Gilbert Road (Do not use PO Box Number) Gilbert (City) Maricopa (County) 85234 (Zip)

5. Business Phone: Pending Daytime Phone: (602) 230-0600 Email: camila@witheymorris.com

6. Is the business located within the incorporated limits of the above city or town? ☒YES ☐NO

7. Mailing Address: 2525 E. Arizona Biltmore Circle, Suite A-212, Phoenix, AZ 85016
City State Zip

8. Price paid for license only bar, beer and wine, or liquor store: Type _____ $_____ Type _____ $_____

DEPARTMENT USE ONLY

Fees:	Application	Interim Permit	Site Inspection	Finger Prints	$ TOTAL OF ALL FEES
	100.00		50.00	44.00	194.00

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: EU Date: 12.4.14 Lic. # 1207A113

1/7/2013 ***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

49999 418949

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.

2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location._____
4. Is the license currently in use? ☐ YES ☐ NO If no, how long has it been out of use?_____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, _____, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER,
(Print full name)
MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

State of _____ County of_____

X_____
(Signature)

The foregoing instrument was acknowledged before me this

My commission expires on: _____

_____day of _____, _____
Day Month Year

_____
(Signature of NOTARY PUBLIC)

'14 DEC 4 LIQ. LIC. PM 3:34

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☐ CORPORATION ***Complete questions 1, 2, 3, 5, 6, 7, and 8.***

☒ L.L.C. ***Complete 1, 2, 4, 5, 6, 7, and 8.***

1. Name of Corporation/L.L.C.: BCC Heritage Marketplace, LLC
   (Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: 5/30/2014 State where Incorporated/Organized: Arizona
3. AZ Corporation Commission File No.: _____ Date authorized to do business in AZ: _____
4. AZ L.L.C. File No: L-1929685-3 Date authorized to do business in AZ: 05/30/2014
5. Is Corp./L.L.C. Non-profit? ☐ YES ☒NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last First Middle	Title	Mailing Address City State Zip
Barrio Culinary Concepts, LLC	Manager/ Member	7114 East Stetson Drive, Scottsdale, AZ 85251

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last First Middle	% Owned	Mailing Address City State Zip
Barrio Culinary Concepts, LLC	100%	7114 East Stetson Drive, Scottsdale, AZ 85251

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

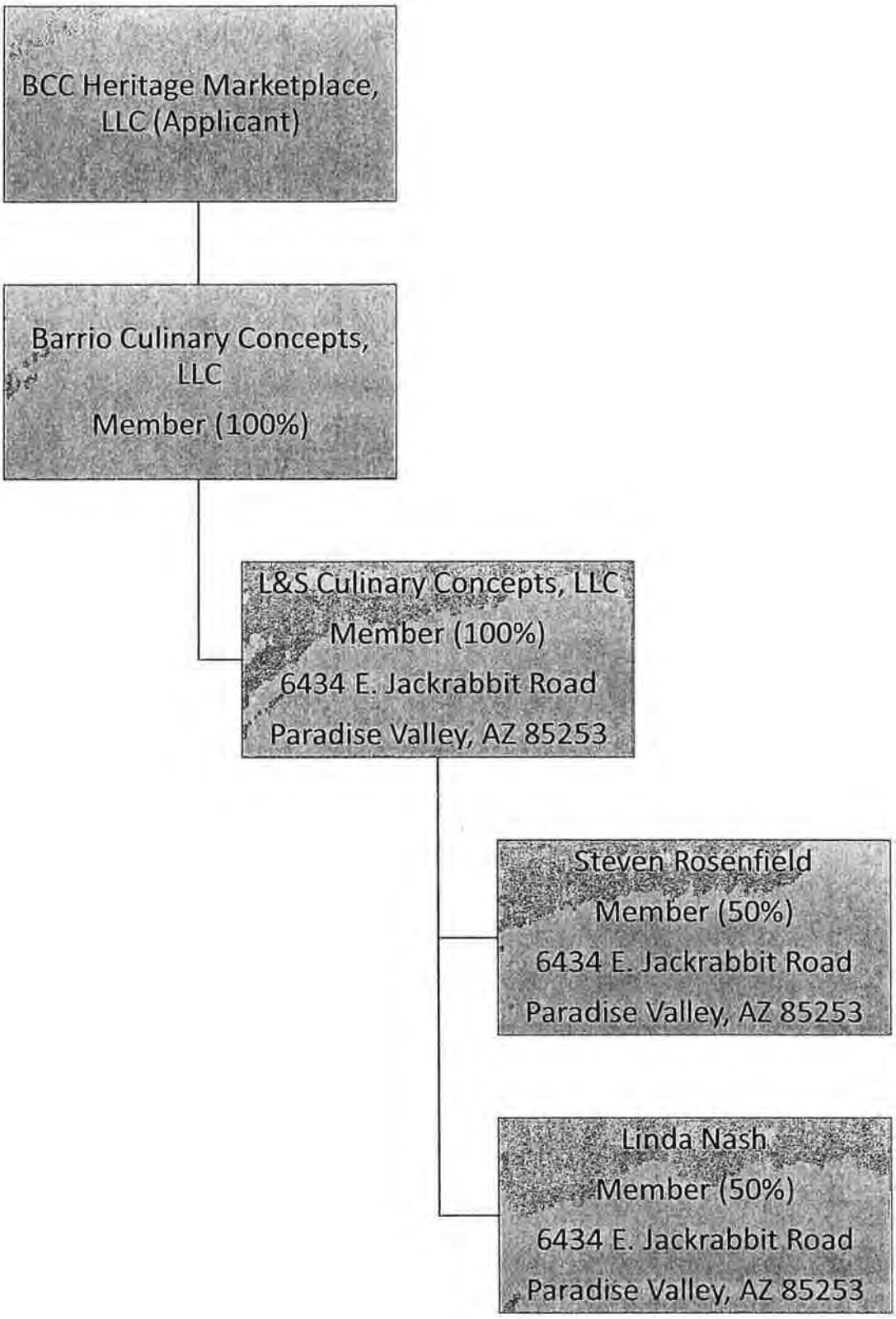
SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: _____ Date Chartered: _____
   (Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? ☐ YES ☐ NO
3. List officer and directors:

Last First Middle	Title	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)



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SECTION 9 **Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:**

1. Current Licensee's Name: _____
(Exactly as it appears on license) Last First Middle

2. Assignee's Name: _____
Last First Middle

3. License Type: _____ License Number: _____ Date of Last Renewal: _____

4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 **Government: (for cities, towns, or counties only)**

1. Governmental Entity: _____

2. Person/designee: _____ _____
Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 **Person to Person Transfer:**

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: _____ Entity: _____
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)

2. Corporation/L.L.C. Name: _____
(Exactly as it appears on license)

3. Current Business Name: _____
(Exactly as it appears on license)

4. Physical Street Location of Business: Street _____
City, State, Zip _____

5. License Type: _____ License Number: _____

6. If more than one license to be transfered: License Type: _____ License Number: _____

7. Current Mailing Address: Street _____
(Other than business)
City, State, Zip _____

8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO

9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, _____, hereby authorize the department to process this application to transfer the
(print full name)
privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, _____, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER
(print full name)
STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

_____
(Signature of CURRENT LICENSEE)

State of _____ County of _____
The foregoing instrument was acknowledged before me this

_____ _____
Day Month Year

My commission expires on: _____

_____
(Signature of NOTARY PUBLIC)

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SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: (Exactly as it appears on license) Name _____
   Address _____
2. New Business: (Physical Street Location) Name _____
   Address _____
3. License Type: _____ License Number: _____
4. If more than one license to be transferred: License Type: _____ License Number: _____
5. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: _____ ft. Name of school _____
   Address _____
   City, State, Zip
2. Distance to nearest church: _____ ft. Name of church _____
   Address _____
   City, State, Zip
3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)
4. If the premises is leased give lessors: Name MD Heritage, LLC
   Address 8700 Executive Woods Drive, #600, Lincoln, NE, 68512
   City, State, Zip

4a. Monthly rental/lease rate $ 12,000 What is the remaining length of the lease 10 yrs. 0 mos.

4b. What is the penalty if the lease is not fulfilled? $_____ or other Termination and payment for remaining rent under lease
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? $ 0
   Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Restaurant

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SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?

☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☐ YES ☒ NO If yes, give license number and licensee's name:

License #_____(exactly as it appears on license) Name _____

'14 DEC 4 Liq. Lic. PM 3:35

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☒ NO
   If yes, give the name of licensee, Agent or a company name:

   _____ and license #: _____
   Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☒ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

   _____
   applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

_____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

   ☒ Entrances/Exits ☒ Liquor storage areas Patio: ☒ Contiguous
   ☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☒ YES ☐ NO
   If yes, what is your estimated opening date? 02/01/2015
   month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

_____
applicants initials

SECTION 15 **Diagram of Premises**

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

See attached

'14 DEC 4 Liq. Lic. 2M 3:35

SECTION 16 **Signature Block**

I, Camila Alarcon, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)

application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

x Camila Alarcon
(signature of applicant listed in Section 4, Question 1)

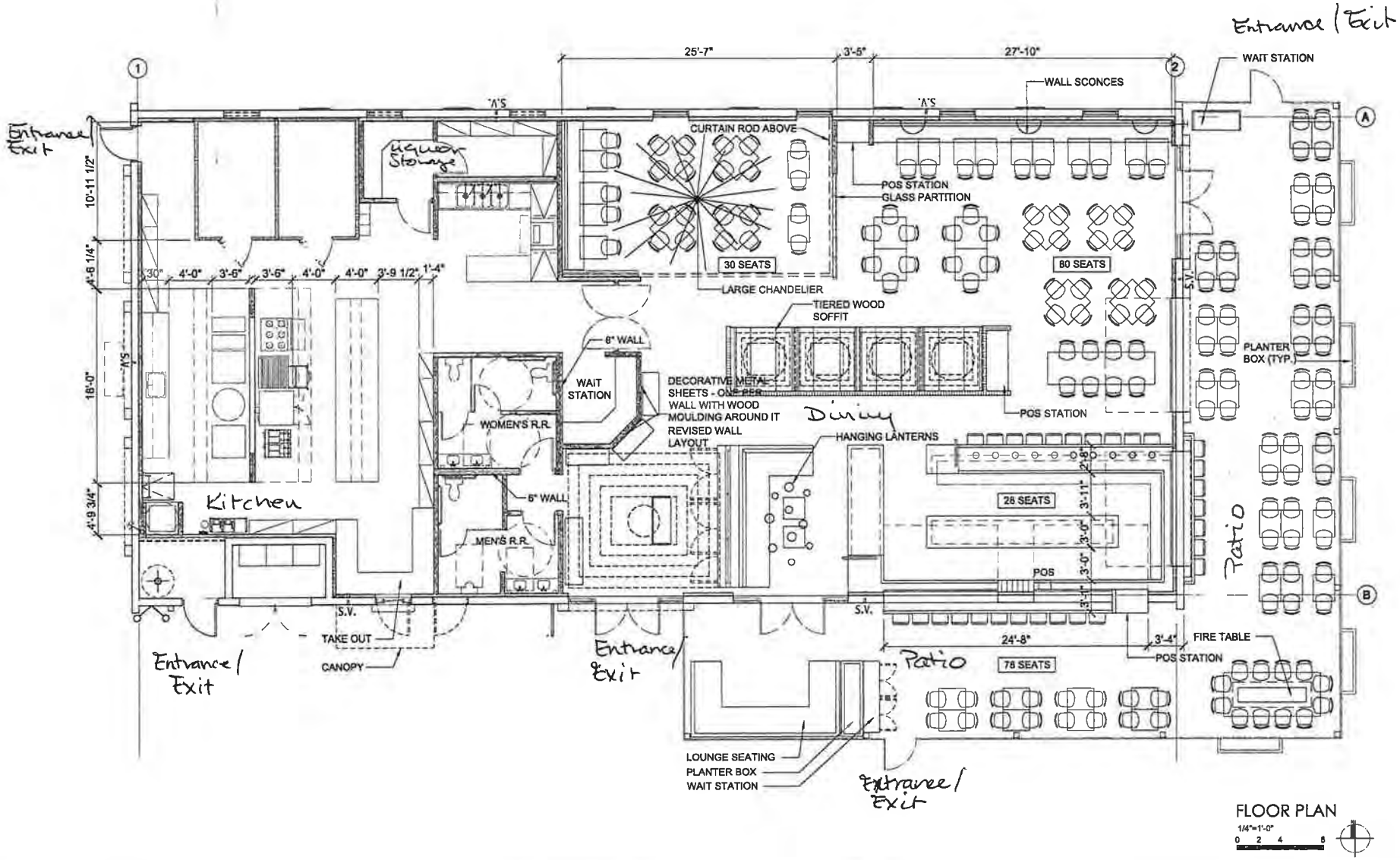
State of Arizona County of Maricopa

OFFICIAL SEAL
JUANITA A. ESPARZA
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires September 10, 2018

The foregoing instrument was acknowledged before me this 13 of November 2014
Day Month Year

My commission expires on : _____
Day Month Year

signature of NOTARY PUBLIC



Barrio Queen

Gilbert, Arizona
2014 . 06 . 11

LGE | DESIGNGROUP

PRELIMINARY FLOOR PLAN

This artist rendering is for conceptual design only and should not be referred to as a construction document

LGE DESIGN BUILD

'14 DEC 4 LGE, LLC PM 3:35

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Jack Gierak, Sr. Project Manager, 503-6176

MEETING DATE: January 15, 2015

SUBJECT: Acquisition of required Right of Way and Easement for the Cooper and Guadalupe Intersection Project, CIP Project No. ST094.

STRATEGIC INITIATIVE: Infrastructure

This project supports Gilbert's strategic initiative for Infrastructure as it expands the transportation system to meet the needs of Gilbert's citizens

RECOMMENDED MOTION

Approve the acquisition of the required right-of-way, temporary construction easement, incidental and settlement costs for parcel No. 310-10-095 for the Cooper and Guadalupe Intersection Project, Project No. ST094, in the amount not to exceed $42,727, and authorize the Mayor to execute the required documents.

BACKGROUND/DISCUSSION

This project is included in the 2015-19 Capital Improvement Program (CIP) and provides for the design and construction of the Cooper and Guadalupe intersection in accordance with the MAG Regional Transportation Plan approved by the voters as Proposition 400 in 2004, including additional through lanes in each direction, as justified by traffic studies. Additional improvements include new curb, sidewalks, retaining walls, utility relocations, street lights, landscaping, bike lanes in all directions, one bus bay, drainage improvements and upgrades to two existing Union Pacific Railroad crossings.

The appraisal for the subject parcel was completed and an offer was presented to the owner per timeline below. The initial offer presented was for the appraised amount of $26,400. The offer covered the right-of-way, incidentals and a temporary construction easement necessary for proposed roadway improvements. The property owners did not accept the offer because they believe: (i) the proposed improvements showed raised median which would eliminate the full movement condition, (ii) the reimbursement for incidentals and for the value of the property was

not adequate, (iii) that there will be negative impacts on prospective tenants, and (iv) they disputed the appraisal related to traffic counts. As a result, Gilbert proceeded with an eminent domain process. During that process, staff (with legal support) worked with the property owners to resolve disputed issues. At the conclusion, the appraisal report was revised, which resulted in a higher cost per square foot. Eventually, both parties reached a proposed settlement, which is being recommended for approval.

Parcel 310-10-095

Initial Offer based on the initial appraisal ($7.00 sf):

1.	Right of Way	$ 20,000.00
2.	Incidentals	$ 2,800.00
3.	Temporary Construction Easement (8 months)	$ 3,600.00
	Total Proposed Value:	$ 26,400.00

Final Offer based on the revised appraisal ($8.5 sf):

1.	Right of Way	$ 25,000.00
2.	Incidentals	$ 2,800.00
3.	Temporary Construction Easement (12 months)	$ 4,368.00
4.	Proposed Settlement:	$ 10,559.00
	Total Proposed Value:	$ 42,727.00

Acquisition Process Milestones:

1.	Council Adoption of Resolution (#3235):	03/06/14
2.	Preliminary Title Report:	2’13
3.	Preparation of ALTA Survey:	N/A
4.	Preparation of Appraisals:	01/15/14
5.	Preparation and Presentation of Offer to Purchase:	04/17/14
6.	Filed for Condemnation:	8’14
7.	Order of Immediate Possession granted:	09/02/14
8	Settlement Reached:	12/02/14
9.	Settlement Approval (Pending):	01/15/15
10.	Preparation of Real Estate Purchase Contract:	To Be Determined
11.	Negotiated settlement reached with Owner:	To Be Determined
12.	Escrow:	To Be Determined
13.	Receipt of Title Policy/Preparation of Town File:	To Be Determined

Staff is in support of the settlement offer as it represents fair market value of the acquisition plus a settlement. The alternative to this is to not approve the offer and request to proceed with condemnation. Legal and Town Staff estimates that the condemnation for this parcel will cost approximately a minimum $15,000 in process and court costs, plus the cost of the property being acquired and to obtain final order possession.

FINANCIAL IMPACT

This roadway project is included in the 2015-19 CIP as Project No. ST094 and is funded through MAG RTP Arterial Fund, 2006 GO Bond 08, 2007 GO Bonds 08 and Water Fund. The proposed acquisition value in the amount of $42,727 is within the projects land budget of $1,000,000.

Project Accounting Codes: st094-7530-8022

The financial impact has been reviewed by Cris Parisot, Management and Budget Analyst.

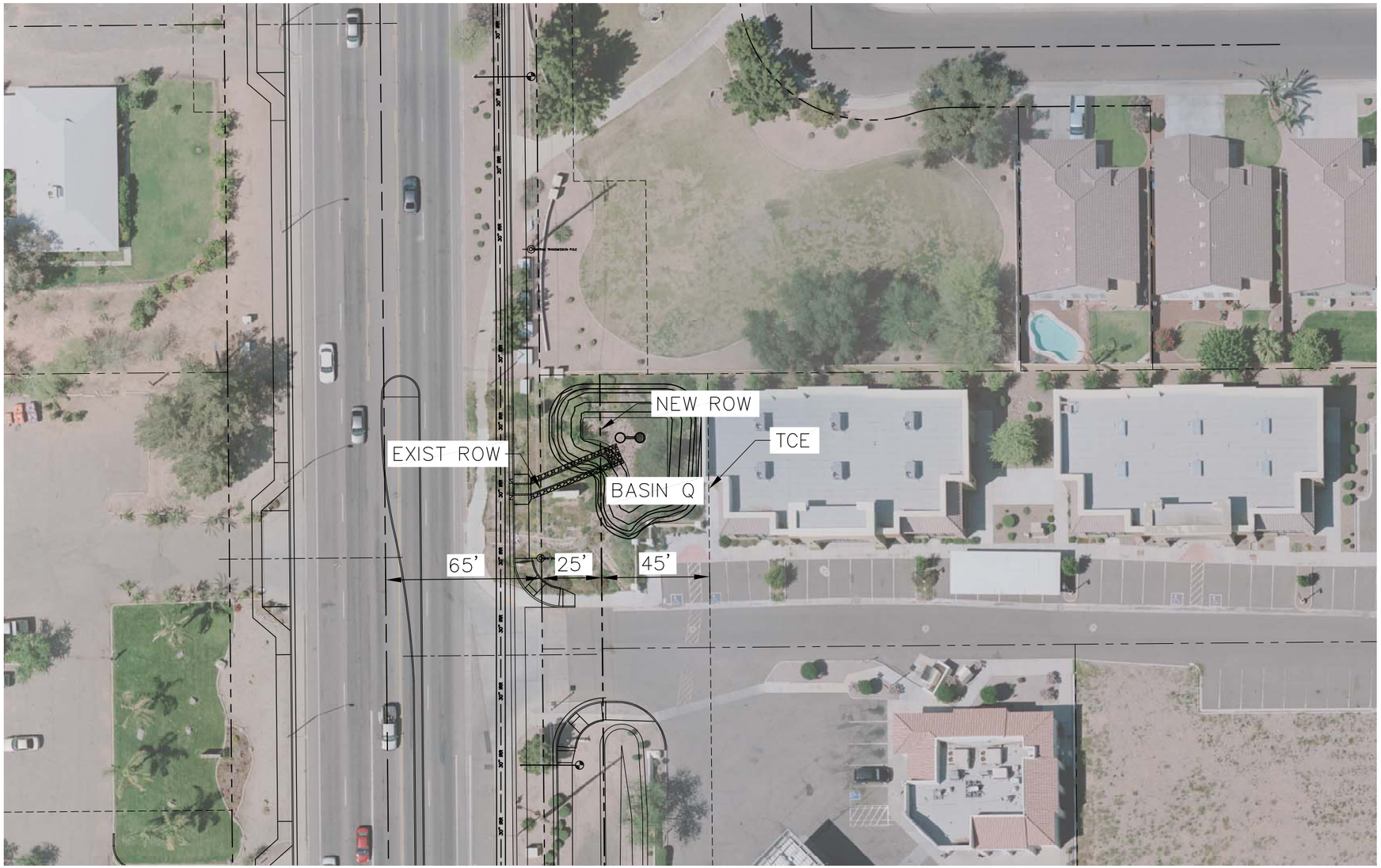
STAFF RECOMMENDATION

Staff recommends the approval of the acquisition.

Respectfully submitted,

Jack Gierak
Sr. Project Manager

Approved By	Approval Date
Gregory Smith	12/24/2014 12:10 PM
Gregory Smith	12/24/2014 12:10 PM
Kenneth Morgan	12/24/2014 3:02 PM
Jack Vincent	12/31/2014 11:26 AM
Cris Parisot	12/29/2014 10:57 AM



N

0 50 100

SCALE: 1" = 50'

APN 310-10-095	
NEW ROW	2,852 SF
NEW PERMANENT DE	0 SF
NEW TEMPORARY DE	0 SF
NEW TCE	5,133 SF
ABANDON DE	0 SF

RITOCH-POWELL & ASSOCIATES
Civil Engineering and Survey Consultants
3838 N. CENTRAL AVE.
SUITE 1250
PHOENIX, AZ 85012
(602) 263-1177
(602) 277-6286

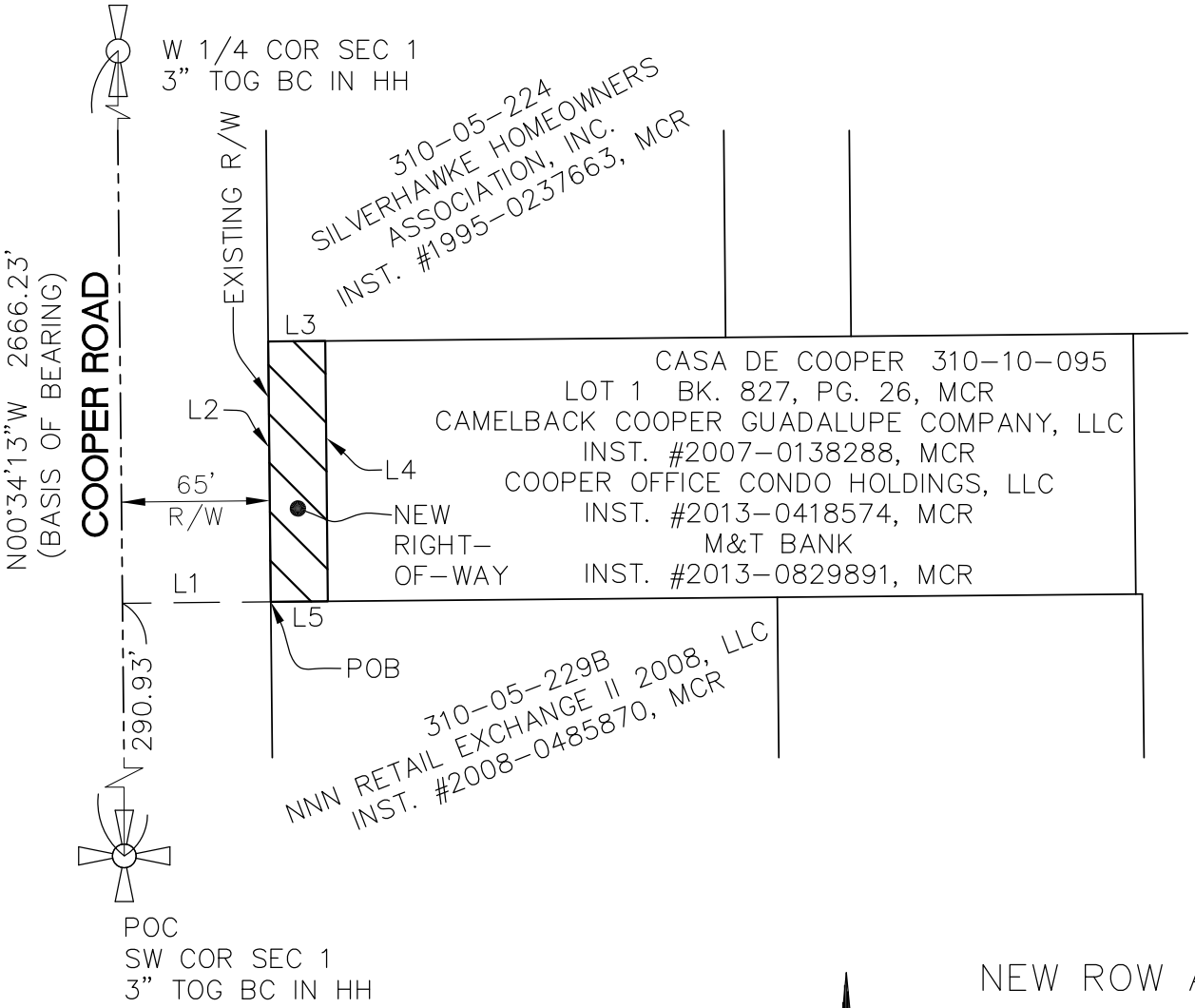
RIGHT OF WAY
APN 310-10-095
MARICOPA COUNTY ARIZONA

DRAWN BY: SJ
DATE: 10/13
SCALE: 1" = 50'
JOB NO: XXXXXX

SHEET 1 OF 1

DATE: Oct 16, 2013 FILE: P:\Projects\2013\213010 - Cooper - Guadalupe Intersection Improvements\CAD Files\Exhibits\Drainage ROW Exhibits\7 APN 310-10-095.dwg

EXHIBIT A



NEW ROW AREA
2,852 S.F.
(0.0655 ACRE)

LINE TABLE					
LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
L1	N89°25'47"E	65.00'	L4	S00°34'13"E	114.08'
L2	N00°34'13"W	114.08'	L5	S89°29'36"W	25.00'
L3	N89°29'36"E	25.00'			

SCALE:
1"=80'
SW 1/4
SEC 1
T 1 S
R 5 E

Professional Land Surveyor AZ No. 33868
Digitally signed by Troy A. Ray RLS
Date: 2013.11.20 07:47:51 -07'00'
(Expires 6/30/14)
ELECTRONIC SEAL
http://www.btr.state.az.us/

RITOCH-POWELL & ASSOCIATES, INC.
5727 N. 7th Street, Suite 120
Phoenix, AZ 85014
Ph: 602-263-1177
Fax: 602-277-6286

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT-OF-WAY
ASSESSOR PARCEL 310-10-095

GILBERT
ARIZONA

DATE:	11/19/13
DSN:	MRS
DRN:	PHK
CHK:	TAR

PROJECT NUMBER
ST094

SHEET 1 OF 3

EXHIBIT A

A PARCEL OF LAND BEING A PORTION OF LOT 1 AS SHOWN ON THE FINAL PLAT OF CASA DE COOPER RECORDED IN BOOK 827, PAGE 26, MARICOPA COUNTY RECORDS (MCR) AND BEING A PART OF THE DECLARATIONS AS SHOWN ON CASA DE COOPER OFFICE CONDOMINIUMS RECORDED IN BOOK 887, PAGE 25, MCR AS CONVEYED TO THE FOLLOWING: CAMELBACK COOPER GUADALUPE COMPANY, LLC BY THAT DECLARATION OF CONDOMINIUM AND EASEMENTS, COVENANTS, CONDITIONS, AND RESTRICTIONS IN INSTRUMENT #2007-0138288, MCR AND COOPER OFFICE CONDO HOLDINGS, LLC BY DEED OF RECORD IN INSTRUMENT #2013-0418574, MCR AND M&T BANK BY DEED OF RECORD IN INSTRUMENT #2013-0829891, MCR AND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA & SALT RIVER MERIDIAN, TOWN OF GILBERT, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER (3" TOG BRASS CAP IN HANDHOLE) OF SAID SECTION 1 FROM WHICH POINT THE WEST QUARTER CORNER (3" TOG BRASS CAP IN HANDHOLE) THEREOF BEARS N00°34'13"W A DISTANCE OF 2666.23 FEET;

THENCE N00°34'13"W, ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 290.93 FEET;

THENCE N89°25'47"E, ACROSS THE RIGHT-OF-WAY OF COOPER ROAD, A DISTANCE OF 65.00 FEET TO A POINT ON THE EAST LINE THEREOF, SAID POINT BEING THE SOUTHWEST CORNER OF SAID LOT 1, THE POINT OF BEGINNING;

THENCE N00°34'13"W, ALONG SAID EAST RIGHT-OF-WAY LINE BEING 65.00 FEET EAST OF AND PARALLEL TO SAID WEST LINE OF THE SOUTHWEST QUARTER, A DISTANCE OF 114.08 FEET TO THE NORTHWEST CORNER OF SAID LOT 1;

THENCE N89°29'36"E, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 25.00 FEET;

THENCE S00°34'13"E, ACROSS SAID LOT 1 AND ALONG A LINE 90.00 FEET EAST OF AND PARALLEL TO SAID WEST LINE OF THE SOUTHWEST QUARTER, A DISTANCE OF 114.08 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 1;

THENCE S89°29'36"W, ALONG SAID SOUTH LINE, A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING;

THE ABOVE DESCRIBED PARCEL CONTAINS 2,852 SQUARE FEET (0.0655 ACRE) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

Professional Land Surveyor AZ No. 33868

Digitally signed by Troy A. Ray RLS
Date: 2013.11.20 07:48:05 -07'00'

(Expires 6/30/14)
ELECTRONIC SEAL
http://www.btr.state.az.us/

RITOCH-POWELL & ASSOCIATES, INC.
5727 N. 7th Street, Suite 120
Phoenix, AZ 85014
Ph: 602-263-1177
Fax: 602-277-6286

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT-OF-WAY
ASSESSOR PARCEL 310-10-095

GILBERT
ARIZONA

DATE:	11/19/13
DSN:	MRS
DRN:	PHK
CHK:	TAR

PROJECT NUMBER
ST094

SHEET 2 OF 3

EXHIBIT A

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS N00°34'13"W FOR THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA & SALT RIVER MERIDIAN, TOWN OF GILBERT, MARICOPA COUNTY, ARIZONA AS SHOWN ON THE PLSS SUBDIVISION RECORD OF SURVEY–MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 669, PAGE 47, MARICOPA COUNTY RECORDS.

Professional Land Surveyor AZ No. 33868

Digitally signed by Troy A. Ray RLS
Date: 2013.11.20 07:48:18 -07'00'

(Expires 6/30/14)
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Phoenix, AZ 85014
Ph: 602-263-1177
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EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR RIGHT-OF-WAY
ASSESSOR PARCEL 310-10-095

GILBERT
ARIZONA

DATE:	11/19/13
DSN:	MRS
DRN:	PHK
CHK:	TAR

PROJECT NUMBER
ST094

SHEET 3 OF 3

310-10-095 CAMELBACK COOPER GUADALUPE CO. LLC NEW ROW

NORTH: 860540.8334' EAST: 733634.7333'

SEGMENT #1 : LINE

COURSE: N00°34'13"W LENGTH: 114.08'
NORTH: 860654.9078' EAST: 733633.5979'

SEGMENT #2 : LINE

COURSE: N89°29'36"E LENGTH: 25.00'
NORTH: 860655.1288' EAST: 733658.5969'

SEGMENT #3 : LINE

COURSE: S00°34'13"E LENGTH: 114.08'
NORTH: 860541.0545' EAST: 733659.7323'

SEGMENT #4 : LINE

COURSE: S89°29'36"W LENGTH: 25.00'
NORTH: 860540.8334' EAST: 733634.7333'

PERIMETER: 278.15' AREA: 2,851.91 SQ. FT.
(0.0655 ACRE)

ERROR CLOSURE: 0.0000' COURSE: N00°00'00"E
ERROR NORTH: 0.00000' EAST: 0.00000'

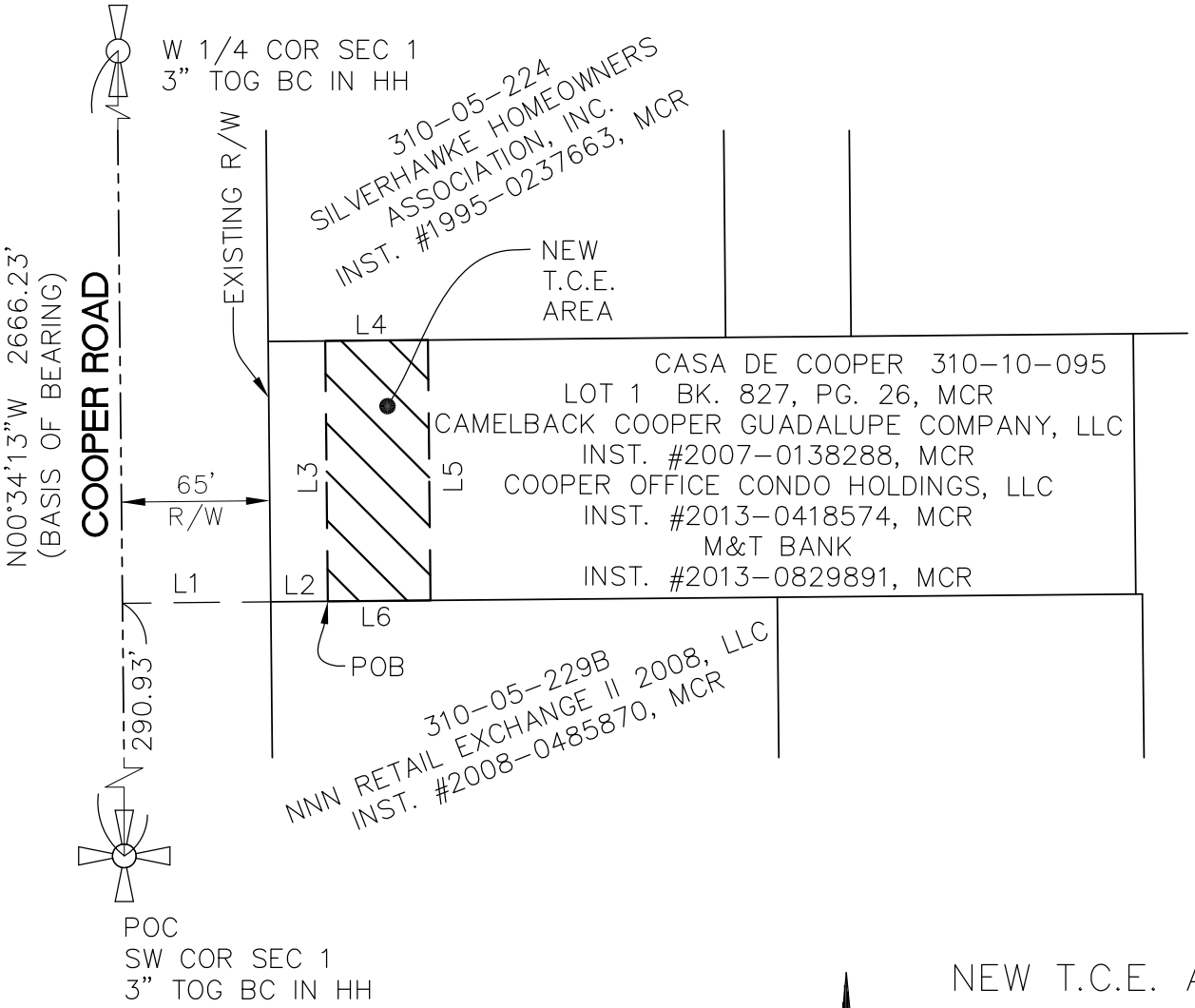
PRECISION 1: 278,160,000.00

Professional Land Surveyor AZ No. 33868

Digitally signed by Troy A. Ray RLS
Date: 2013.11.20 07:48:36 -07'00'

(Expires 6/30/14)
ELECTRONIC SEAL
http://www.btr.state.az.us/

EXHIBIT A



NEW T.C.E. AREA
5,133 S.F.
(0.1178 ACRE)

LINE TABLE					
LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
L1	N89°25'47"E	65.00'	L4	N89°29'36"E	45.00'
L2	N89°29'36"E	25.00'	L5	S00°34'13"E	114.08'
L3	N00°34'13"W	114.08'	L6	S89°29'36"W	45.00'

SCALE:
1"=80'
SW 1/4
SEC 1
T 1 S
R 5 E

Professional Land Surveyor AZ No. 33868

Digitally signed by Troy A. Ray RLS
Date: 2013.11.20 07:47:51 -07'00'

(Expires 6/30/14)
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RITOCH-POWELL & ASSOCIATES, INC.
5727 N. 7th Street, Suite 120
Phoenix, AZ 85014
Ph: 602-263-1177
Fax: 602-277-6286

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR TEMPORARY CONSTRUCTION EASEMENT
ASSESSOR PARCEL 310-10-095

GILBERT ARIZONA

DATE:	11/19/13
DSN:	MRS
DRN:	PHK
CHK:	TAR

PROJECT NUMBER
ST094

SHEET 1 OF 3

EXHIBIT A

A TEMPORARY CONSTRUCTION EASEMENT OVER LOT 1 AS SHOWN ON THE FINAL PLAT OF CASA DE COOPER RECORDED IN BOOK 827, PAGE 26, MARICOPA COUNTY RECORDS (MCR) AND AND BEING A PART OF THE DECLARATIONS AS SHOWN ON CASA DE COOPER OFFICE CONDOMINIUMS RECORDED IN BOOK 887, PAGE 25, MCR AS CONVEYED TO THE FOLLOWING: CAMELBACK COOPER GUADALUPE COMPANY, LLC BY THAT DECLARATION OF CONDOMINIUM AND EASEMENTS, COVENANTS, CONDITIONS, AND RESTRICTIONS IN INSTRUMENT #2007-0138288, MCR AND COOPER OFFICE CONDO HOLDINGS, LLC BY DEED OF RECORD IN INSTRUMENT #2013-0418574, MCR AND M&T BANK BY DEED OF RECORD IN INSTRUMENT #2013-0829891, MCR AND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA & SALT RIVER MERIDIAN, TOWN OF GILBERT, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER (3" TOG BRASS CAP IN HANDHOLE) OF SAID SECTION 1 FROM WHICH POINT THE WEST QUARTER CORNER (3" TOG BRASS CAP IN HANDHOLE) THEREOF BEARS N00°34'13"W A DISTANCE OF 2666.23 FEET;

THENCE N00°34'13"W, ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 290.93 FEET;

THENCE N89°25'47"E, ACROSS THE RIGHT-OF-WAY OF COOPER ROAD, A DISTANCE OF 65.00 FEET TO A POINT ON THE EAST LINE THEREOF, SAID POINT BEING THE SOUTHWEST CORNER OF LOT 1, THE POINT OF BEGINNING;

THENCE N89°29'36"E, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING;

THENCE N00°34'13"W, ACROSS SAID LOT 1 ALONG A LINE 90.00 FEET EAST OF AND PARALLEL TO SAID WEST LINE OF THE SOUTHWEST QUARTER, A DISTANCE OF 114.08 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 1;

THENCE N89°29'36"E, ALONG SAID NORTH LINE, DISTANCE OF 45.00 FEET;

THENCE S00°34'13"E, ACROSS SAID LOT 1 ALONG A LINE 135.00 FEET EAST OF AND PARALLEL TO SAID WEST LINE OF THE SOUTHWEST QUARTER, A DISTANCE OF 114.08 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 1;

THENCE S89°29'36"W, ALONG SAID SOUTH LINE, A DISTANCE OF 45.00 FEET TO THE POINT OF BEGINNING;

THE ABOVE DESCRIBED EASEMENT CONTAINS 5,133 SQUARE FEET (0.1178 ACRE) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

Professional Land Surveyor AZ No. 33868

Digitally signed by Troy A. Ray RLS
Date: 2013.11.20 07:48:05 -07'00'

(Expires 6/30/14)
ELECTRONIC SEAL
http://www.btr.state.az.us/

RITOCH-POWELL & ASSOCIATES, INC.
5727 N. 7th Street, Suite 120
Phoenix, AZ 85014
Ph: 602-263-1177
Fax: 602-277-6286

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION FOR TEMPORARY CONSTRUCTION EASEMENT ASSESSOR PARCEL 310-10-095

GILBERT ARIZONA

DATE:	11/19/13
DSN:	MRS
DRN:	PHK
CHK:	TAR

PROJECT NUMBER
ST094

SHEET 2 OF 3

EXHIBIT A

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS N00°34'13"W FOR THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA & SALT RIVER MERIDIAN, TOWN OF GILBERT, MARICOPA COUNTY, ARIZONA AS SHOWN ON THE PLSS SUBDIVISION RECORD OF SURVEY–MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 669, PAGE 47, MARICOPA COUNTY RECORDS.

Professional Land Surveyor AZ No. 33868

Digitally signed by Troy A. Ray RLS
Date: 2013.11.20 07:48:18 -07'00'

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Ph: 602-263-1177
Fax: 602-277-6286

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
FOR TEMPORARY CONSTRUCTION EASEMENT
ASSESSOR PARCEL 310-10-095

GILBERT ARIZONA

DATE:	11/19/13
DSN:	MRS
DRN:	PHK
CHK:	TAR

PROJECT NUMBER
ST094

SHEET 3 OF 3

310-10-095 CAMELBACK COOPER GUADALUPE CO. LLC NEW TCE

NORTH: 860541.0545' EAST: 733659.7323'

SEGMENT #1 : LINE

COURSE: N00°34'13"W LENGTH: 114.08'
NORTH: 860655.1288' EAST: 733658.5969'

SEGMENT #2 : LINE

COURSE: N89°29'36"E LENGTH: 45.00'
NORTH: 860655.5268' EAST: 733703.5952'

SEGMENT #3 : LINE

COURSE: S00°34'13"E LENGTH: 114.08'
NORTH: 860541.4524' EAST: 733704.7306'

SEGMENT #4 : LINE

COURSE: S89°29'36"W LENGTH: 45.00'
NORTH: 860541.0545' EAST: 733659.7323'

PERIMETER: 318.15' AREA: 5,133.44 SQ. FT.
(0.1178 ACRES)

ERROR CLOSURE: 0.0000' COURSE: N00°00'00"E
ERROR NORTH: 0.00000' EAST: 0.00000'

PRECISION 1: 318,160,000.00

Professional Land Surveyor AZ No. 33868

Digitally signed by
Troy A. Ray RLS
Date: 2013.11.20
07:48:36 -07'00'

(Expires 6/30/14)
ELECTRONIC SEAL
http://www.btr.state.az.us/

GILBERT
ARIZONA

Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Jordan Feld, AICP, Senior Planner, (480) 503-6748

MEETING DATE: January 15, 2015

SUBJECT: Z14-15-C – Single Family Development Guest Parking

STRATEGIC INITIATIVE: Community Livability
This text amendment seeks to ensure that future compact single family residential development provides adequate guest parking capacity; safe and efficient mobility is imperative to the Strategic Initiative of Community Livability.

RECOMMENDED MOTION

Move to adopt the attached ordinance approving Z14-15-C.

BACKGROUND/DISCUSSION

Overview
The purpose of this text amendment is to address concerns with guest parking in higher density single family residential development. The Town Council has specifically identified this issue as a priority item to address in the overall Land Development Code (LDC) clean-up currently underway. In recent years, the Town has observed a trend, through complaints from residents of higher density single family (SF) residential development, that adequate guest parking is not being provided. This issue is not unique to the Town, nor is the outcome (complaints regarding lack of parking) necessarily unanticipated; more compact, higher density SF development is characterized by design that is less auto-oriented than conventional larger-lot SF development.

Conventional Development Parking Capacity
In general, parking capacity is made up of on-lot, on-street and off-street parking spaces. Parking provided on the lot typically includes two enclosed spaces and may include driveway spaces or additional enclosed and unenclosed spaces to serve either resident or guest parking demands. Additional guest parking may be provided on streets, in alleys or parking lots located off a street or alley. The parking capacity of a conventional residential development often results in a total supply of parking approaching 7 parking spaces per dwelling unit as each unit provides 2 enclosed spaces, 2 driveway spaces, at least 2 parking spaces on-street adjacent to the unit and

approximately 1 parking space per unit elsewhere throughout the development, such as additional on-street parking provide by a single-loaded street or additional parking at mailbox clusters and common activity areas. This level of parking capacity provides redundancy (so that capacity is maintained as certain parking spaces become limited from temporary trash pick-up or other reoccurring operational impact) and ensures a high-level of parking capacity at or near each dwelling unit (with two private enclosed parking spaces available to residents, two driveway spaces available to both residents and guests, and two adjacent on-street spaces available to residents and guests).

Compact Development, Policy
Compact urban form, diversity of housing opportunities and choices, and walkable neighborhoods are key principles of Smart Growth identified in state law. The Town of Gilbert General Plan embraces these concepts and seeks their implementation through several goals and policies. The LDC provides regulations that enable these concepts through allowances for increased density and intensity, and reductions of certain development standards if a unique housing or environmental benefit is provided.

Compact Development, In Practice
Higher density SF development generally occurs in the SF-6, SF-D, and SF-A zoning districts and can be characterized by any of the following:

- Compact site design that efficiently uses resources and relies on shared open spaces and parking to meet resident needs.
- Auto-courts and narrower lots, resulting in fewer opportunities for on-street parking adjacent to the dwelling unit.
- Alley-loaded garages without a full length driveway and less opportunities for on-lot parking.
- Restricted on-street parking resulting in limited opportunities for guest parking adjacent to the dwelling unit or activity areas (such as common area play stations).

Operational Impacts on Parking Capacity
The design characterization noted above speaks to the inherent reduced parking capacity of higher density SF relative to conventional SF. This reduced capacity is also more likely to be affected, relative to conventional development, by operational impacts that reduce the functionality of parking capacity; this compounding effect occurs because there is simply less curb-length and fewer transitional areas within a compact, higher density SF development than in a conventional development. Operational impacts that negatively affect parking capacity functionality are services like trash collection, commercial vehicle demand, landscaping maintenance and special events. As development becomes more dense and compact, the need for planning parking and operational systems in concert to minimize operational impacts becomes critical.

Planning Commission Study Session
The Planning Commission reviewed an initial text amendment recommendation by staff at its November 5, 2014 Study Session. The Planning Commission concurred with staff's analysis of guest parking issues and generally supported the need to increase the minimum requirements for guest parking in compact single family development. The Planning Commission further directed

staff to consider spillover effects on guest parking from lack of garage storage capacity as well as a specific maximum distance between a dwelling and its required guest parking.

Planning Commission Public Hearing

The Planning Commission held a public hearing December 3, 2014, to consider and make a recommendation to the Town Council, on the proposed text amendment. At the public hearing, the Planning Commission discussed alternative regulations for addressing storage capacity spillover impacts on guest parking as well as alternatives for addressing dwelling unit to guest parking proximity. After considerable discussion on these issues, the Planning Commission made a recommendation to the Town Council (vote 6-1, Blaser dissenting), as provided below.

Proposed Zoning Code Amendment

Chapter 1 Zoning Regulations, Division 4 General Regulations, Article 4.2 Off-Street Parking and Loading Regulations, Section 4.204 Number of Parking Spaces Required, Table 4.204: Off-Street Parking Requirements (additions in ALL CAPS BOLD UNDERLINE; deletions in strikeout):

4.204 Number of Parking Spaces Required

* * *

Table 4.204: Off-Street Parking Requirements

Use Classification	*Requirement (Gross Floor Area)*
* * *	
Residential, Permanent	
Single Family (on-street parking permitted)	2 enclosed spaces per unit. Residential uses in the Heritage District may provide 2 unenclosed spaces on-site.
Single Family (no on-street parking)	2 enclosed spaces per unit; plus .25 guest spaces per unit~~.~~**; PLUS 6 GUEST SPACES AT THE PRIMARY ACTIVE OPEN SPACE AND 3 GUEST SPACES AT EACH SECONDARY ACTIVE OPEN SPACE.** Residential uses in the Heritage District may provide 2 unenclosed spaces on-site.
SINGLE FAMILY, LOT WIDTH IS LESS THAN 65' ***OR*** ***SINGLE FAMILY, LOT DRIVEWAY LENGTH IS LESS THAN 20'***	**2 ENCLOSED SPACES PER UNIT; PLUS 0.5 GUEST PARKING SPACES PER UNIT; PLUS 0.5 GUEST PARKING SPACES PER UNIT THAT DOES NOT PROVIDE A MINIMUM OF 80 SQUARE FEET OF ADDITIONAL ENCLOSED PARKING AREA; PLUS 6 GUEST SPACES AT THE PRIMARY ACTIVE OPEN SPACE AND 3 GUEST SPACES AT EACH SECONDARY ACTIVE OPEN SPACE. ALL REQUIRED GUEST PARKING SPACES MUST BE STRIPED AND EQUALLY DISTRIBUTED THROUGHOUT THE DEVELOPMENT; REQUIRED DWELLING UNIT GUEST PARKING SPACES SHALL BE LOCATED WITHIN 250' OF THE DWELLING UNIT'S**

	FRONT LOT LINE, AS MEASURED BY THE PEDESTRIAN ROUTE. PARKING PLAN DESIGN REVIEW APPROVAL REQUIRED.
Multi-Family	1 space per 1-bedroom/studio unit; 2 spaces per 2 or more bedroom units; all plus .25 guest spaces per unit 1 space per unit shall be covered, of which 25% shall be enclosed.

* * *

PUBLIC NOTIFICATION AND INPUT

A notice of public hearing was published in a newspaper of general circulation in the Town, and an official notice was posted in all the required public places within the Town.

The proposed text amendment has been formally reviewed and endorsed (as recommended by the Planning Commission) by the Gilbert Chamber of Commerce Policy Committee. The South East Valley Association of Realtors (SEVAR) and Homebuilders Association of Central Arizona (HBACA) are also reviewing the text amendment. SEVAR has informally endorsed the text amendment (as recommended by the Planning Commission). HBACA has indicated an ongoing concern with any regulation that might directly inhibit development yield; staff continues to work with HBACA on this issue, but generally feels the text amendment provides the least restrictive or inhibiting set of regulations necessary to address guest parking concerns. HBACA is specifically concerned with:

- The additional expense/time necessary to develop a parking plan
  Staff feels the inclusion of a parking plan with the already required design review package does not represent a significant cost or delay.
- Minimum requirement for guest parking at active open spaces
  Staff feels the minimum level of parking being required for these areas (3 to 6 spaces) should always easily be met by assigning adjacent on-street parking.
- Additional guest parking requirements for dwelling units that do not provide a garage with additional storage capacity
  Staff feels that this regulation is also easily met through assigning adjacent on-street parking (when the storage capacity isn't provided). Noting that the cumulative guest parking requirement for dwelling units without additional storage capacity would be 1 guest parking space per dwelling unit; this 1 to 1 ratio remains well below what the vast majority of recent development willingly (without regulation) allocates. Almost all of the projects meeting the compact development criteria addressed here provide a dwelling unit to guest parking ratio no less that 1:1.5 (DU/guest space) and more typically approach 1:2 (DU/guest space).

A Citizen Review was held for the proposed LDC clean-ups at the Planning Commission Study Session on July 2, 2014. No citizens attended the meeting for this item.

LEGAL REVIEW

The Ordinance was reviewed for form by Attorney Jack Vincent.

FINANCIAL IMPACT

There are no increases to the annual budget expected as a result of this text amendment.

WATER IMPACT

This text amendment is not expected to impact the Town's forecasted demand for water resources.

STAFF RECOMMENDATION

Adopt an ordinance for Z14-15-C, amending the Land Development Code.

Respectfully submitted,

Jordan Feld, AICP
Senior Planner

Attachments:
1) Notice of Public Hearing
2) Ordinance
3) Draft Minutes, Planning Commission 12-3-14

Approved By	Approval Date
Catherine Lorbeer	12/29/2014 4:18 PM
Jack Vincent	1/5/2015 10:29 AM
Cris Parisot	12/30/2014 10:13 AM

NOTICE OF PUBLIC HEARING

PURSUANT TO ARS Sections 39-204 & 9-462.04, NOTICE IS HEREBY GIVEN OF PUBLIC HEARING in the Town of Gilbert, Arizona, relating to the following requests for changes in land use regulations:

Z14-15-C - Request to amend the Town of Gilbert Land Development Code, Chapter I Zoning Regulations, Division 4 General Regulations, Article 4.2 Off-Street Parking and Loading Regulations, Table 4.204 Off-Street Parking Requirements, to modify guest parking requirements. The effect of this amendment will be to increase the required guest parking in compact single family development.

The applications and project files may be viewed by the public Monday through Thursday, 7:00 am to 6:00 pm at the Town of Gilbert, Planning and Development Services office located at 90 East Civic Center Drive, Gilbert, AZ. Written comments may be sent to Town of Gilbert, Planning and Development Services, 90 East Civic Center Drive, Gilbert, AZ 85296. Written comments may also be submitted at the public hearing. Any interested person may appear and be heard at the following public hearing:

The Town Council will hold a public hearing and discussion on Zoning matters set forth above, and may vote to approve, approve with conditions, or deny the requests set forth above at its meeting on:

Town Council: Thursday, January 15, 2015 at 7:00 p.m.
Gilbert Municipal Center, Council Chambers, 50 East Civic Center Drive, Gilbert, AZ

_____
Catherine A. Templeton, Town Clerk

ORDINANCE NO. _____

AN ORDINANCE OF THE COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA, AMENDING THE LAND DEVELOPMENT CODE OF GILBERT, ARIZONA, CHAPTER I ZONING REGULATIONS, DIVISION 4 GENERAL REGULATIONS, ARTICLE 4.2 OFF-STREET PARKING AND LOADING REGULATIONS, SECTION 4.204 NUMBER OF PARKING SPACES REQUIRED, TABLE 4.204: OFF-STREET PARKING REQUIREMENTS, RELATED TO SINGLE FAMILY DEVELOPMENT GUEST PARKING; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING PENALTIES.

WHEREAS, Gilbert strives to foster and maintain the qualities of a safe, healthy, clean, attractive and family-oriented community; and

WHEREAS, the primary mode of transportation in the region is personal vehicle and the adequacy and effectiveness of facilities for personal vehicles, such as parking areas, significantly influences the overall efficiency and safety of the Gilbert's transportation systems; and

WHEREAS, the Council has determined that subdivision design issues unique to compact single family residential development warrant additional guest parking regulation and design review so as to ensure a safe and efficient minimum level of guest parking; and

WHEREAS, the Council has determined that the proposed Land Development Code text amendment will provide for the efficient regulation of single family development guest parking, and it is in the best interest of the public health, safety and general welfare of the Town to adopt the proposed text amendment; and

WHEREAS, all required public notice was provided and all required public meetings and hearings were held in accordance with applicable state and local laws;

NOW THEREFORE, BE IT ORDAINED by the Common Council of the Town of Gilbert, Arizona, as follows:

Section I. In General.

The Land Development Code of Gilbert, Arizona, Chapter 1 Zoning Regulations, Division 4 General Regulations, Article 4.2 Off-Street Parking and Loading Regulations, Section

4.204 Number of Parking Spaces Required, Table 4.204: Off-Street Parking Requirements, is hereby amended to read as follows (additions in ALL CAPS; deletions in ~~strikeout~~):

4.204 Number of Parking Spaces Required

* * *

Table 4.204: Off-Street Parking Requirements

Use Classification	*Requirement (Gross Floor Area)*
* * *	
Residential, Permanent	
Single Family (on-street parking permitted)	2 enclosed spaces per unit. Residential uses in the Heritage District may provide 2 unenclosed spaces on-site.
Single Family (no on-street parking)	2 enclosed spaces per unit; plus .25 guest spaces per unit~~.~~**; PLUS 6 GUEST SPACES AT THE PRIMARY ACTIVE OPEN SPACE AND 3 GUEST SPACES AT EACH SECONDARY ACTIVE OPEN SPACE.** Residential uses in the Heritage District may provide 2 unenclosed spaces on-site.
SINGLE FAMILY, LOT WIDTH IS LESS THAN 65' ***OR*** ***SINGLE FAMILY, LOT DRIVEWAY LENGTH IS LESS THAN 20'***	**2 ENCLOSED SPACES PER UNIT; PLUS 0.5 GUEST PARKING SPACES PER UNIT; PLUS 0.5 GUEST PARKING SPACES PER UNIT THAT DOES NOT PROVIDE A MINIMUM OF 80 SQUARE FEET OF ADDITIONAL ENCLOSED PARKING AREA; PLUS 6 GUEST SPACES AT THE PRIMARY ACTIVE OPEN SPACE AND 3 GUEST SPACES AT EACH SECONDARY ACTIVE OPEN SPACE. ALL REQUIRED GUEST PARKING SPACES MUST BE STRIPED AND EQUALLY DISTRIBUTED THROUGHOUT THE DEVELOPMENT; REQUIRED DWELLING UNIT GUEST PARKING SPACES SHALL BE LOCATED WITHIN 250' OF THE DWELLING UNIT'S FRONT LOT LINE, AS MEASURED BY THE PEDESTRIAN ROUTE. PARKING PLAN DESIGN REVIEW APPROVAL REQUIRED.**
Multi-Family	1 space per 1-bedroom/studio unit; 2 spaces per 2 or more bedroom units; all plus .25 guest spaces per unit 1 space per unit shall be covered, of which 25% shall be enclosed.
* * *	

Section II. Providing for Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section III. Providing for Severability.

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

Section IV. Providing for Penalties

Any person found responsible for violating the provisions set forth in this ordinance shall be subject to the civil sanctions and habitual offender provisions set forth in Sections 5.1205 and 5.1206 of the Town of Gilbert Land Development Code. Each day a violation continues, or the failure to perform any act or duty required by this zoning ordinance, the Zoning Code or by the Town of Gilbert Municipal Court continues, shall constitute a separate civil offense.

PASSED AND ADOPTED by the Common Council of the Town of Gilbert, Arizona, this _____ day of _____, 20__, by the following vote:

AYES: _____

NAYES: _____ ABSENT: _____

EXCUSED: _____ ABSTAINED: _____

APPROVED this ____ day of _____, 20__.

_____
John W. Lewis, Mayor

ATTEST:

_____
Catherine A. Templeton, Town Clerk

APPROVED AS TO FORM:

_____
L. Michael Hamblin, Town Attorney

I, CATHERINE A. TEMPLETON, TOWN CLERK, DO HEREBY CERTIFY THAT A TRUE AND CORRECT COPY OF THE ORDINANCE NO. _____ ADOPTED BY THE COMMON COUNCIL OF THE TOWN OF GILBERT ON THE ____ DAY OF _____, 20__, WAS POSTED IN FOUR PLACES ON THE _____ DAY OF _____, 20__.

_____
Catherine A. Templeton, Town Clerk

A motion was made by Commissioner David Cavenee and seconded by Commissioner Brent Mutti that for the reasons set forth in the staff report move to recommend approval to the Town Council for Z13–11 with the following additional conditions: 4) A Conditional Use Permit to be required on all hospital uses 5) A 500'separation measured parcel to parcel to be implemented in all non-growth areas 6) A 250'separation to be implemented in all growth areas 7) An increase in the notification radius to 1000' 8) Existing hospitals to be excluded from the separation requirements for expansions.

Motion carried 4 – 3

Aye - Commissioner David Cavenee
Aye - Commissioner Carl Bloomfield
Aye - Commissioner Jennifer Wittmann
Aye - Commissioner Brent Mutti
Nay - Chairman Joshua Oehler
Nay - Commissioner David Blaser
Nay - Alternate Todd Hall

For the following reasons: the proposed amendments 1) will clearly identify inpatient behavioral health care as a type of hospital, thus ensuring that Gilbert provides locations for this type of health care facility; 2) will address issues of compatibility of hospital uses through a conditional use permit and flexibility in General Plan Growth Areas; and 3) will separate hospital uses from the sensitive uses of schools and day care centers; **4) A Conditional Use Permit to be required on all hospital uses; 5) A 500'separation measured parcel to parcel to be implemented in all non-growth areas; 6) A 250'separation to be implemented in all growth areas; 7) An increase in the notification radius to 1000'; 8) Existing hospitals to be excluded from the separation requirements for expansions.** The Planning Commission moves to recommend approval to the Town Council for Z13-11, a request to amend the Land Development Code:

Commissioner Bloomfield asked Alternate Hall what his opposition was in terms of his vote.

Alternate Hall responded that he would not go to zero on the growth areas but would go less than 250'.

Chairman Oehler said that he was in agreement.

Alternate Hall stated that for the record he was all over the place during the entire discussion.

Z14-15(C): REQUEST TO AMEND THE TOWN OF GILBERT LAND DEVELOPMENT CODE, CHAPTER I ZONING REGULATIONS, DIVISION 4 GENERAL REGULATIONS, ARTICLE 4.2 OFF-STREET PARKING AND LOADING REGULATIONS, SECTION 4.204 NUMBER OF PARKING SPACES REQUIRED, TABLE 4.204: OFF-STREET PARKING REQUIREMENTS, TO INCREASE THE REQUIRED PARKING FOR COMPACT SINGLE FAMILY DEVELOPMENT.

Senior planner Jordan Feld said that Z14 –15- C was designed to address the visitor parking issue in the more compact single family development in the town. Staff was asked by the Town Council begin to analyze the issue. The minimum requirements for single-family guest parking are not consistently effective because there are different types of single family development that can occur within the single-family districts. Where they have compact lot widths they lose curb parking capacity and where they have garages without full driveways in front of them they lose guest parking capacity on the lot. The code allows both of those but does not escalate the guest parking requirement in either of those 2 conditions currently. Guest parking in single family is not subject to formal Design Review like it is in multifamily. Because there's no parking plan requirement they are not effectively able to look at operational issues within the subdivision like trash pickup, fire apparatus issues, etc. When the initial staff recommendation was presented in the rationale behind it the Planning Commission did seem fairly supportive

focusing on the compact lots that they have had in SF – 6, SF – A and SF – D. The Commission also seemed supportive of increasing the minimum guest parking ratio, recognizing the unique parking demand that comes from active open spaces and the requirements a more formal DR review. The concern seem to be the parking ratio that staff is recommending may not be enough of an increase and that they should be focusing in addition to what was previously discussed on what impacts unusually large livable areas create in terms of parking demand and can they be more specific about some criteria for minimums separation between a dwelling unit and that dwelling units required guest space and whether it's a half space or full space. Planner Feld referred to the informational graph on page 3 and 4 of the staff report which follows:

Table 4.204: Off-Street Parking Requirements

Use Classification	***Requirement (Gross Floor Area)***
* * *	
Residential, Permanent	
Single Family (on-street parking permitted)	2 enclosed spaces per unit. Residential uses in the Heritage District may provide 2 unenclosed spaces on-site.
Single Family (no on-street parking)	2 enclosed spaces per unit~~.~~**; PLUS 6 GUEST SPACES AT THE PRIMARY ACTIVE OPEN SPACE AND 3 GUEST SPACES AT EACH SECONDARY ACTIVE OPEN SPACE.** Residential uses in the Heritage District may provide 2 unenclosed spaces on-site.
SINGLE FAMILY, LOT WIDTH IS LESS THAN 65' ***OR*** ***SINGLE FAMILY, LOT DRIVEWAY LENGTH IS LESS THAN 20'***	**2 ENCLOSED SPACES PER UNIT; PLUS 0.5 GUEST PARKING SPACES PER UNIT; PLUS 0.5 GUEST PARKING SPACES PER UNIT THAT PROVIDES LESS THAN 3 ENCLOSED SPACES AND HAS A LIVABLE AREA GREATER THAN 2500 SQUARE FEET; PLUS 6 GUEST SPACES AT THE PRIMARY ACTIVE OPEN SPACE AND 3 GUEST SPACES AT EACH SECONDARY ACTIVE OPEN SPACE. ALL GUEST SPACES MUST BE STRIPED AND EQUALLY DISTRIBUTED THROUGHOUT THE DEVELOPMENT; REQUIRED GUEST PARKING SHALL BE LOCATED WITHIN 200' OF THE DWELLING UNIT ENTRY. PARKING PLAN DESIGN REVIEW APPROVAL REQUIRED.**
Multi-Family	1 space per 1-bedroom/studio unit; 2 spaces per 2 or more bedroom units; all plus .25 guest spaces per unit 1 space per unit shall be covered, of which 25% shall be enclosed.

Planner Feld said that one of the reasons that they chose a square footage as opposed to a bedroom count as the escalator was that with a semi-custom production projects they end up with few options for any lot and it seems that it would be a lot easier upfront for the developer to identify that these are the lots that could have a square footage above 2500 ft.² as opposed to a lot of the options are they going to turn one room from a large living area and carve out a 4th bedroom from it. They are trying to balance out what is feasible for the developer to identify upfront before a specific model is chosen. Another notable reason is that the code today in multifamily does have an escalator for bedroom count but it stops at 2. If you are providing two or 7 bedrooms for multifamily units the parking requirement is 2.25. That does not compare to the amount of complaints they get at 5 or 6 SF – D developments that went through in the early 2000's. It seems as though the better corollary is the square footage not be bedroom count. In the worst-case scenario the cumulative guest parking impact would be one guest space per unit. What that really looks like is two enclosed spaces for the owner/occupant and one space for every guest. Everyone agrees that there should be some criteria for how far away a required guest space should be. Planner Feld displayed graphics which depicted different distances between the routes from the front door to a possible guest parking space. Planner Feld said that they had itemized the staff recommendation so that the Planning Commission can pick or choose, if it sees fit, from the staff recommendation. In terms of public involvement staff has presented the draft recommendation to the Chamber of Commerce and the Small Business Alliance and they seemed very supportive. Southeast Valley Realtors Association was present to support the amendment as drafted and a representative from the Homebuilders Association of Arizona was currently reviewing the amendment and staff was working with them as well.

Commissioner Mutti said that if a developer comes in with a plan they don't know how many 2550 ft.² plans are going to be sold and how many 1800 ft.² plans or going to be sold and all of the salable lots are the same size so how do they plan for that. Also, it would be very complicated to try and diagrammatically prove in a site plan from a developer this fraction of this parking space that is this distance from the door way on a plan that hasn't yet been determined meets the code. Commissioner Mutti said that he appreciated the creativity and language that staff provided to try and address what they heard at the last meeting but felt that this created more of a tangled web to try and get through for developer.

Planner Feld said that the new terminology is saying that if it is 2500 ft.² or larger then they can either provide additional guest parking or provide it in the garage. There are many ways to try to predict this through the process because you do not necessarily know each lot in square footage at that point in the development when they are designing the parking plan. They are not requiring so much parking that it would reach the point of cumbersome. The Cooley Station project overall is providing close to 4 spaces per unit and they are only talking about 3 spaces per unit with only one of those being the guest parking requirement. The developer would need to specify which lots could have 2500 ft.² or more and provide the additional guest parking and show it on the street or show it with the units with the ability to do 3rd car garages. There would need to be some preplanning. It may be that an absolute difference distance would be more workable over time.

Commissioner Wittmann asked how they arrived at the 2500 ft.² base. She said that in her opinion she didn't necessarily think it was the function of the size of the home as it is how the garage is designed. Some developers provide enough area for people to store their trash cans within and if they don't some of the homeowners put them inside and park elsewhere and take up some of the guest parking spaces. She said she didn't think it was the size of home as it was the type of use that warranted the additional space and that would take away some of the ambiguity between how many additional parking spaces they need to calculate for that if it was just a straight-line basis.

Planner Feld said that he was in agreement but how do they implement that. Another option would be to provide a bigger garage or equivalent to ¼ spaces for storage within the garage or attached to the garage. Perhaps that's a 3rd option to put in. It is just difficult to regulate how people use their garage.

Commissioner Wittmann said that they could provide some small mechanism for the developer to take a look at and consider versus providing an additional space perhaps that would be something they be interested in.

Chairman Oehler said that if they don't do a per pedestrian route or per front door then they will have issues with tight sites and it could be 1000'to get to a guest parking spot.

Planner Feld said that he understood the Chairman's focus is really making sure that the measurement occurs between the front door pedestrian routes to the space.

Chairman Oehler said that was correct.

Planner Feld said that they could clarify the language and note that it is the front entry of the dwelling unit as measured by pedestrian route. If they make it a pedestrian route and not an absolute value they probably should increase it to 250'.

Chairman Oehler said that he would read into the record the names of citizens who had filled out comment cards who were in favor of the amendment but did not wish to speak.

Joan Krueger, SEVRAR Government Affairs Chairwoman, Gilbert Arizona.

Matt Ortega, Government Affairs Director, Gilbert Arizona representing the Southeast Valley Regional Association of Realtors.

Chairman Oehler invited members of the public who wished to speak on the amendment to come forward.

Jackson Moll, Homebuilders Association of Central Arizona, Phoenix, AZ came forward. Mr. Moll said that they obviously have some concerns and land is a finite resource. Any time there is any type of government regulation which is going to either artificially limit the supply of usable land or is going to in some way impede upon the yield of lots that is supplied by any given set of land they are going to have some concerns. He essentially just wanted to be present to get some additional information to find out whether or not any of the concerns that could potential he be there are in fact there. He said that staff had indicated that they are willing to talk to them about some of the concerns should they arise and to work through an answer any questions they may have so they are looking forward to those discussions.

Chairman Oehler closed the public hearing.

Commissioner Mutti stated that he liked most of the amendments that are proposed and the language that they received but thought that the ability to predict and then enforce the square footage criteria is perhaps reaching a little too far and the language of alternative 5 as it is written in the staff report talking about the dwelling entry maybe should go to the lot line as you are not going to know where the entry is initially. If there is going to be an absolute or pedestrian route perhaps they should go with the front lot line instead. He said he would favor 250'.

A motion was made by Commissioner Jennifer Wittmann and seconded by Commissioner Brent Mutti that for the reasons set forth in the staff report and as determined by the Planning Commission, move to recommend approval to the Town Council for Z 14 – 15 – C subject to staff recommendations except to modify part 5 to include a 250' separation as measured by the pedestrian route from the front property line of the dwelling unit and eliminating the square footage of the livable area and requiring .5 parking space per unit if less than 3 enclosed spaces are provided and or do not provide an additional 80 sq. ft. storage area in the garage.

Motion carried 6 – 1

Aye – Chairman Joshua Oehler
Aye - Commissioner David Cavenee
Aye - Commissioner Carl Bloomfield
Aye - Commissioner Jennifer Wittmann
Aye - Commissioner Brent Mutti
Aye - Alternate Todd Hall
Nay - Commissioner David Blaser

Commissioner Wittmann asked Commissioner Blaser what he was in opposition to in his vote.

Commissioner Blaser responded that he preferred to regulate the size of the house versus the additional storage unit.

For the following reasons: the proposed regulations will provide for better Land Development Code clarity, enhance economic development opportunities and maintain the public's welfare, the Planning Commission moves to recommend approval to the Town Council for Z14-15(C), a request to amend Land Development Code regulations: off-street parking requirements, increase the required parking for compact single family development. **Modify part 5 to include a 250' separation as measured by the pedestrian route from the front property line of the dwelling unit and eliminating the square footage of the livable area and requiring .5 parking space per unit if less than 3 enclosed spaces are provided and or do not provide an additional 80 sq. ft. storage area in the garage.**

ADMINISTRATIVE ITEMS

Minutes – Consider approval of the minutes of the Study Session and Regular Meeting of November 5, 2014.

A motion was made by Commissioner Carl Bloomfield and seconded by Commissioner David Cavenee to approve the minutes of the Study Session and Regular Meeting of November 5, 2014.

Motion carried 7 – 0

COMMUNICATIONS

Report from the Chairman and Members of the Commission on current events.
None

Report from Council Liaison

Brigette Peterson spoke on behalf of Council Member Jenn Daniels. She thanked the Commission for their service and encouraged everyone to visit the lighted water tower in downtown Gilbert. Thursday evening on the 4th of December there will be a Parks and Recreation concert under the water tower at 6:30. There will also be horse drawn carriage rides. On December 6th at 10:30 a.m. there will be a ribbon cutting by the Mayor on the roof of the parking structure on Vaughn Avenue. She welcomed Todd Hall as the new Alternate Commissioner. Ms. Peterson noted that she will be sworn in for the Town Council on January 15th at 6:00 p.m. in the Council Chamber followed by cake in the lobby.

Report from the Planning & Development Services Manager on current events.

Planning Manager Linda Edwards said that everyone appreciates the efforts of the Planning Commission and thanked them for their service.