

AGENDA

4:30 P.M.

CITY OF SEDONA, CITY COUNCIL MEETING

TUESDAY, FEBRUARY 28, 2017

NOTES:

- Public Forum:
Comments are generally limited to **3 minutes**.
- Consent Items:
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

PROCEDURES:








- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL

2. CITY'S VISION

3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT = 

- a. Minutes - December 5, 2016 Board of Adjustment Meeting. 
- b. Minutes - February 14, 2017 City Council Regular Meeting. 
- c. Minutes - February 15, 2017 City Council Special Meeting. 
- d. AB 2200 Approval of a resolution amending the Public Participation Procedures for Major amendments to the Sedona Community Plan to allow for discretionary, rather than mandatory, Citywide notification. 
- e. AB 2210 Approval of recommendation regarding a new Series 12 Restaurant Liquor License for Oregano's Pizza Bistro located at 150 Highway 179, Suite 1, Sedona, AZ (License #12033421). 
- f. AB 2211 Approval of a Special Event Liquor License for Rotary Club of Sedona Red Rocks for the City of Sedona Food Truck Festival scheduled for Saturday, March 25, 2017 located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ. 
- g. AB 2213 Approval of award of a Lease-Purchase Agreement through Arizona State Contract ADST013-038802 for the Police Department's Take Home Vehicle Lease Program with Ford Motor Credit Company in the amount of \$117,318.65. 

4. APPOINTMENTS - None.

5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER


6. PUBLIC FORUM

(This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)

7. PROCLAMATIONS, RECOGNITIONS & AWARDS

- a. Presentation of a check for Prop 202 funding from the Yavapai-Apache Nation to the City of Sedona.
- b. Presentation of Recognition Awards to Employees of the Sedona Police Department (SPD) for SPD Police Officer of the Year, SPD Civilian of the Year, and SPD Volunteer of the Year and the Sedona Fire District (SFD) for SFD Firefighter of the Year and SFD Civilian of the Year by the Central Arizona Lodge of Free and Accepted Masons.


8. REGULAR BUSINESS

- a. AB 2208 **Presentation/discussion** with Richard Heath, Executive Director Northern Arizona University-Prescott Valley Campus, with an overview of the campus and future plans. 

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

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- b. AB 2207 Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona. 
- c. Reports/discussion on Council assignments.
- d. Discussion/possible action on future meeting/agenda items.

9. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

10. ADJOURNMENT

Posted: _____

By: _____

Susan L. Irvine, CMC
City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

**Summary Minutes
City of Sedona
Board of Adjustment Meeting
Vultee Conference Room, Sedona City Hall, Sedona, AZ
Monday, December 5, 2016 – 1:00 p.m.**

1. Verification of Notice, Call to Order, Pledge of Allegiance and Roll Call.

Chair Gilgoff verified that the meeting had been properly noticed, called the meeting to order at 1:00 p.m. and led the Pledge of Allegiance.

Roll Call:

Board Members Present: Chair Joel Gilgoff and Board Members Robert Gordon and Charlotte Hosseini. Board Member Ward was absent.

Staff Present: Warren Campbell, Audree Juhlin, Matt Kessler, Adam Langford, Robert Pickels and Donna Puckett

2. Approval of the following minutes:

a. June 3, 2016 (R)

Chair Gilgoff confirmed everyone reviewed the minutes and requested a motion to approve them.

MOTION: *Board Member Hosseini so moved. Board Member Gordon seconded the motion. VOTE: Motion carried three (3) for and zero (0) opposed. (Board Member Ward was absent.)*

3. CONSIDERATION OF THE FOLLOWING REQUEST (S) THROUGH PUBLIC HEARING PROCEDURES:

- a. Discussion/possible action regarding a request for approval of a Variance, pursuant to Subsection 404, Variances and Appeals, LDC, of the front and side setbacks to allow for an existing carport to remain in its current location. The subject property is located at 258 Fawn Drive, Sedona, Arizona 86336, is approximately 0.55 acres, is zoned RS-10b (Single Family Residential), and is further identified as Assessor's Parcel 401-49-022. Applicant: Scott Jablow. Case Number: VAR16-00002.**

Presentation, Mike Raber: Mike explained that the applicant is requesting approval of a Variance from setbacks to allow an existing carport to remain in its current location. It is a variance of 7½ ft. from the front setback, which would reduce it from 20 ft. to 12½ ft. and a variance of 4.4 ft. from the side setback, which reduces that from 10 ft. to 5.6 ft. He then showed a picture of the front yard area with the carport.

Mike explained that the applicant recently installed this carport to help protect one of their vehicles from the elements, tree sap and droppings, and the action for today is for approval of a Variance from the front and side setbacks for the subject property. It is approximately .5 acres and zoned RS-10b. It is lot 22 of the Chapel Bells Estates in Unit 2 and it is accessed from Fawn Drive with a 60

ft. right-of-way. This property and others to the north are all considered through lots, because they have frontage on both Fawn and Lynx Drives and, for example, the house to the north of the subject property is facing Lynx Drive rather than Fawn Drive.

The property is occupied as a single-family residence and a guesthouse, and it has a minimum lot size of 10,000 sq. ft., but this lot is approximately 24,000 sq. ft. The zone also requires a lot minimum width and depth of 80 ft. and this parcel has 142 ft. in width and about 202 ft. in depth. The minimum front setback for this zone is 20 ft. and the minimum side setback is 10 ft.

Mike indicated that the applicant's Letter of Intent stated that the carport was recently installed in August, and he wasn't aware that a building permit was required, and when informed, the property was surveyed, and it shows the 7½ ft. encroachment into the front setback and a 4.4 ft. encroachment into the 10 ft. side setback. Mike noted that the Staff Report mistakenly stated 4.5 ft., but it is 4.4 ft. according to the survey.

The applicant chose to apply for the Variance rather than move the structure, citing the need for the carport, special circumstances, and the hardship in moving it to comply with the zoning requirements. Mike reviewed the Land Development Code definitions of accessory use and structure and indicated that this carport is considered an accessory structure. Subsection 902.02B of the Code requires accessory structures to meet the front and side setback requirements of the main building, and Subsection 901.01C also states that if you have a through lot fronting on two streets, you consider both as having front setbacks.

Mike then reviewed the Land Development Code definition of setback and indicated that in this case, the existing carport encroaches into both the front and side setbacks, so a Variance is required in order to approve the building permit for the carport.

Mike stated that Section 404, which is the section on Variances and Appeals, in the Land Development Code establishes specific findings that need to be made for a Variance request to be approved. The first finding is due to special circumstances applicable to the subject property, including size, shape, topography, location or surroundings, and the strict application of the code would deprive the property of privileges enjoyed by other properties in the same classification and zoning district.

Mike pointed out that the applicant's Letter of Intent asserts that if the street right-of-way was 50 ft. rather than 60 ft., the front setback encroachment would only be 2½ ft. instead of 7½ ft. Chair Gilgoff asked if the arrow is actually the right-of-way, and Mike indicated yes, and explained that the street is not centered in the right-of-way in that location. The Chair then asked how far the carport is from the edge of the pavement and Mike stated that according to the applicant, it is 26 ft. from the carport to the pavement edge.

Mike then added that the applicant also noted that the 60 ft. right-of-way is not typical in Sedona and since this is considered a through lot, the 60 ft. right-of-ways on both Fawn and Lynx Drives reduces the buildable area. Staff's response to that is that it is true that most Sedona right-of-ways are 50 ft. and a neighboring street has a 50 ft. right-of-way. The 60 ft. right-of-ways were established in 1971 and were probably platted that way in anticipation of

providing a link to future subdivisions to the south; however, that is very unlikely, since it is all National Forest now. An Administrative Waiver could be considered if the encroachment differed by no more than 25%, but the current encroachments differ by more than 25%, so a variance request to the Board is required.

Mike explained that since the property is a through lot, the applicant has to maintain the front yard setbacks for both ends of the lot, and although RS-10b requires a minimum lot depth of 80 ft., the subject property has approximately 200 ft., but as far as usable space that alone is probably not as significant as the location of the existing house, given the depth of the property. The applicant's Letter of Intent also asserts that a hardship exists in moving the carport from its current location, because moving it south and out of the side setback would require excavation of as much as one foot to create a level pad and would cause a change to the drainage, plus a more challenging access to the house and effect on the aesthetics. According to the applicant, moving the carport to the east and toward the house out of the front setback would impact a raised planter with a mature pine tree there.

Mike indicated that staff noticed that the southeast leg of the carport is approximately 8 ft. from the planter, so it appears that the carport could be moved the distance of the encroachment, which would be 7½ ft. without any major impact to the planter, but the applicant has included a letter from a nursery regarding the potential impact to the mature pine tree of moving the carport within close proximity. The applicant's letter also asserts that the western edge of the carport is approximately 26 ft. from the pavement edge and is not a traffic hazard, nor would it impact future utilities or create a visual impact.

Mike stated that the second variance finding is that any variance is subject to the conditions that will assure that the adjustment authorized shall not constitute or grant a special privilege inconsistent with the limitations upon other properties in the vicinity and zoning district in which the subject property is located.

Mike noted that the applicant's letter also asserts that the residential neighborhoods with the 50 ft. street right-of-way would have more space for a similar carport, and staff noted that the lot area of the subject property is more than twice the minimum lot size for the zone, but the location of the existing house does have some bearing on the usable space. Mike added that the applicant provided emails in support of the request from neighbors closest to the carport – two across the street and one immediately to the north and adjacent.

Mike then stated that the third and final variance finding is that the special circumstances applicable to the property are not imposed by the property owner, and the applicant noted that a shade structure is really more of a necessity than a luxury to avoid damage to the vehicles from sunlight and tree sap, and since this is a through lot with double frontage, it is not possible to place the structure in another location.

Mike indicated that staff noted that the applicant does have to maintain the same setbacks in both frontages, and in the RS-10b zone, the front and rear setbacks are 20 ft.; however, if this lot had a true rear yard, they could encroach to within 5 ft. of the rear property line.

Mike then summarized that the carport is a structure that needs to meet all applicable regulations and it requires a building permit; however, staff is not able to approve the building permit, because of the encroachments into the side and front setbacks, and an Administrative Waiver cannot be considered, since the encroachments are more than 25%, so a Variance request is necessary.

Mike noted that other than the three letters of support, staff had not received any written correspondence. There was one call from an adjacent property owner, but they did not have any concerns once they understood the request.

Board Member's Questions:

Chair Gilgoff asked if the red line is actually along the property line and asked about the second structure behind the house. Mike Raber explained that is the guesthouse; the house was built in 1974. The Chair noted that is already in the setback. Mike agreed and noted it was built well before incorporation and before we had the Land Development Code. The Chair indicated that there was still county zoning, which hasn't changed, but Mike stated that he didn't know when that zoning was put in place. The Chair then commented that the applicant had no determination of where the house and guesthouse were placed; they just purchased it, and Mike agreed. The Chair then stated that the applicant didn't create the situation, and Mike stated not for the house and guesthouse.

Presentation, Scott Jablow, Applicant: Mr. Jablow indicated that he feels there are special circumstances, because of the road and right-of-way. Not only is Fawn and Lynx 60 ft., but they are the only roads in the Chapel Bells section that are, except perhaps one other. All of the roads in the neighborhood are 50 ft. and on Fawn the road was not developed along the right-of-way. If it had been, he would have had a lot more leeway.

Regarding moving the carport back, Mr. Jablow explained that he supplied a letter from an arborist who spoke about the roots in the planter, but he also wanted to add that the carport didn't start in that location. They originally started closer to the planting area and he kept encountering roots, but they became more fibrous and less substantial where it is now, so if he moved that back, he would be hitting whatever you call the thick roots. They don't even know how old the tree is and there are two. One is in the photograph, but there are two very mature pine trees, and that is why it ended up where it is, and that was by luck, because he had no idea of where it would have to be; that is just where it ended up.

Mr. Jablow stated that the gazebo is 26 ft. from the road edge, but it is also 12.6 ft. from the right-of-way. It is interesting that while this is considered a structure under the Land Development Code, a fence is not, and his neighbor two doors down has a legal fence, permitted and approved, and fences are allowed right on the property line. Mr. Jablow then distributed a picture of the neighbor's fence that is actually six inches off of the property line, but inches away from their neighbor's deck that has been there since the '70s. That is why he didn't think it would be a problem putting it there. We are talking about a couple of feet side to side, and the neighbor's house next door faces Lynx, so the only thing next to the carport is the yard, and there is no fence; it is just an open yard with nothing adjacent to the carport that would have any kind of negative impact. He thought it was interesting about the fence; you can put up an entire fence and block your entire property legally; it doesn't look all that

welcoming or nice to the neighbors, and this carport that is out of need is quite appealing and his neighbors who see it have all given letters of support, and another neighbor is here and willing to verbally give support as well.

Mr. Jablow then added that because it is a through lot, he loses a lot of land and should it ever come to be that this should need to be moved for whatever reason, utilities don't come into the homes on Fawn, they come in on the back, so there are no utilities on that side and they are 16 ft. off of where this is, but should it ever need to be moved, it could be moved, but he hopes you will find in their favor and he thanks you for your time.

Board Member Questions/Comments:

Board Member Gordon commented that he is favorably disposed toward this, but he is surprised that somebody with the applicant's involvement in the City wouldn't know that a building permit was required. Mr. Jablow stated it was his error, and he put in the Staff Report, because it was something that could be moved, it had no walls, no plumbing, no electric; it is just a shade structure.

Board Member Gordon then stated that as far as whatever perversion is in the Zoning Code, that is certainly not something this Board created, and Mr. Jablow indicated that he understands, but it is what it is. As soon as he was made aware of it, he immediately took action for the process to make it right. Board Member Gordon stated very good; that is all he has.

Chair Gilgoff opened the public comment period at this time.

Donna Driscoll, Sedona, AZ: Ms. Driscoll indicated that she is the neighbor across the road on Fawn Drive, and she basically came here to support Scott and Janet; they are very good people and the first time she saw the gazebo, she thought it was beautiful. She would like to have one, but if it is this much work, she doesn't know if she is going to do one. Their place always looks so nice and not like some others she walks past. The boundary line, because these homes are so old, there have been a lot of questions, and they found out that with the house that they are in, they have a piece of property across the ditch that they didn't even know was theirs, so she guesses that since it is not a new area, these things weren't known. She also didn't know that you would have to have a permit for a gazebo. She had one in the valley. She put it up; it was there for years, and when she moved, she tore it down, threw it in the alley, and they hauled it off, but she hopes they can keep it, because she enjoys looking at it as she walks by. She would like to have one, because they look very nice, and Scott and Janet are very nice people, and he did a lot for their neighborhood. For one thing, helping get the Fire Department in there; she can actually relax and know that there is a paramedic right there if she needs one, so she is so grateful for him doing all that work for that too, and that is why she is here to support them.

Board Member Gordon commented that if we turn him down, he might sell you that gazebo very cheap, and Ms. Driscoll stated, but not without a permit.

MOTION: Board Member Gordon moved to approve Case Number VAR16-00002 based on compliance with required ordinance findings as set forth in the Staff Report. Board Member Hosseini seconded the motion. VOTE: Motion carried three (3) for and zero (0) opposed. (Board Member Ward was absent.)

4. Adjournment.

MOTION: Board Member Gordon moved to adjourn. Chair Gilgoff seconded the motion.

Hearing no objection, the Chair then adjourned the meeting at 1:29 p.m.

I certify that the above is a true and correct summary of the meeting of the Board of Adjustment held on December 5, 2016.

Donna A. S. Puckett, *Administrative Assistant*

Date

Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, February 14, 2017, 4:30 p.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence/Roll Call

Mayor Moriarty called the meeting to order at 4:30 p.m.

Roll Call: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson, Councilor Joe Vernier.

Staff Present: City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Chief of Police David McGill, Lieutenant Jim Pott, Lieutenant Lucas Wilcoxson, Detective Casey Pelletier, Detective Chris Stevens, Communications Supervisor Mark Coughlin, Police Administrative Assistant Sherri O'Connor, Police Records Clerk Jamie Rivero, Public Works Director/City Engineer Andy Dickey, Associate Engineer Roxanne Holland, Associate Engineer David Peck, Director of Community Development Audree Juhlin, Assistant Director of Community Development Warren Campbell, Senior Planner Cari Meyer, Associate Planner Matt Kessler, Associate Planner Adam Langford, Community Development Administrative Assistant Donna Puckett, Human Resources Manager Brenda Tammarine, Communications Manager Marty Macurak, Director of Finance Cherie Wright, Budget Analyst Renee-Marie Engel, Accounting Supervisor Derrick Beracy, Accounting Technician Martha Keider, Parks & Recreation Manager Rachel Murdoch, Citizen's Engagement Coordinator Lauren Browne, Arts & Culture Coordinator Nancy Lattanzi, City Clerk Susan Irvine, Deputy City Clerk JoAnne Cook, Records Clerk David Jakim.

2. City's Vision/Moment of Art

A video of the City's vision was played.

Nancy Lattanzi introduced Tudy Longmire co-owner of the Sedona Fudge Company for 35 years with her daughter Jennifer. They use a recipe from the late 1800's from a Mackinac Island candy maker and use natural ingredients with no preservatives. All fudge is made fresh daily by hand in the old-fashioned manner. A video from Appetite of Life with Andrew Zimmern's visit to Sedona and the Sedona Fudge Company was played and samples of their fudge were distributed.

3. Consent Items

- a. **Minutes - January 19, 2017 City Council Special Meeting-Budget Retreat.**
- b. **Minutes - January 24, 2017 City Council Regular Meeting.**
- c. **Minutes - January 25, 2017 City Council Special Meeting.**
- d. **AB 2194 Approval of award of a Professional Services Contract for design of the Brewer Road Crossing Drainage Improvements to Shephard-Wesnitzer, Inc. in the approximate amount of \$111,850.**
- e. **AB 2203 Approval of a Professional Services Contract with Carollo Engineers, Inc. in the approximate amount of \$212,069 for design of the WWRP Recharge Well No. 3 and No. 4 Project.**

- f. **AB 2202 Approval of a Fair/Festival Liquor License application for Page Springs Vineyards & Cellars in conjunction with the Wheels on the Ground, Inc. mountain bike festival scheduled for Friday, March 3, 2017 through Sunday, March 5, 2017, located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.**

Item 3e was pulled at the request of Vice Mayor Martinez.

Motion: Councilor Thompson moved to approve consent items 3a, 3b, 3c, 3d, and 3f. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Pulled Consent Items –

3e - AB 2203 Approval of a Professional Services Contract with Carollo Engineers, Inc. in the approximate amount of \$212,069 for design of the WWRP Recharge Well No. 3 and No. 4 Project.

Questions and comments from Council. Presentation by Andy Dickey.

Motion: Vice Mayor Martinez moved to approve consent item 3e. Seconded by Councilor Lamkin. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

4. Appointments - None.

5. Summary of Current Events by Mayor/Councilors/City Manager

Councilor Jablow advised that the City will host an electronics recycling event on March 25th at City Hall. Councilor Lamkin stated that a tour of Sedona Recycles is a great thing to do, and he encouraged everyone to take their recycling there. Councilor Thompson stated that the Citizen's Academy will take place soon. It is a terrific program, and he encouraged people to participate. He advised that you can register by contacting Lauren Browne or checking the City's website. Justin Clifton recognized Karen Osburn for her recent receipt of the Catherine F. Connolly Outstanding Assistant City/County Manager award from the Arizona City/County Manager's Association. Karen thanked everyone for their part in this award and expressed her appreciation to Justin for the nomination.

6. Public Forum – None.

7. Proclamations, Recognitions, and Awards - None.

8. Regular Business

a. AB 2205 Discussion/possible action to adopt a resolution and ordinance amending City Code Section 10.30.040 (Parking Permits); and to approve a resolution authorizing the designation of portions of the Rim Shadows neighborhood as a residential parking permit area.

Presentation by Andy Dickey, Justin Clifton, and Robert Pickels, Jr.

Questions from Council.

Opened to the public at 5:20 p.m.

Craig Sigler, Sedona, representing the Shadow Estates Homeowner's Association, spoke on this item.

Brought back to Council at 5:25 p.m.

Additional questions and comments from Council.

Motion: Councilor Lamkin moved to approve Resolution 2017-05 amending the City Code Section 10.30.040 (Parking Permits) establishing a process for residential permit parking. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Motion: After 1st reading, Councilor Jablow moved to approve Ordinance No. 2017-02 amending the City Code Section 10.30.040 (Parking Permits) establishing a process for residential permit parking. Seconded by Vice Mayor Martinez. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Motion: Councilor Jablow moved to approve Resolution 2017-06 approving the designation of a residential permit parking area in the Rim Shadows neighborhood in accordance with City Code Section 10.30.040 (Parking Permits). Seconded by Councilor Lamkin. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

b. AB 2201 Discussion/possible action regarding a resolution and ordinance amending the Sedona City Code Chapter 3.10 (Claims and Demands).

Presentation by Robert Pickels, Jr.

Questions and comments from Council.

Motion: Councilor Thompson moved to approve Resolution 2017-07 establishing as a public record a proposed amendment to the Sedona City Code Section 3.10 relating to claims and demands against the City. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Motion: After 1st reading, Councilor Thompson moved to adopt Ordinance No. 2017-03 amending the City Code Chapter 3.10 (Claims and Demands Against the City). Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

c. AB 2207 Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona.

Presentation by Robert Pickels, Jr.

Questions and comments from Council.

By majority consensus, Council agreed to continue to allow staff and the Mayor to weigh in on issues at the Legislature on behalf of the City through the same process established on February 11, 2014.

d. Reports/discussion on Council assignments

Councilor Vernier stated that he met with the Sedona Library and received a history and tour of the library. Councilor Lamkin met with Sedona Recycles and took a tour on recycling, and he encouraged everyone to visit their website to learn about recyclables. Councilor Lamkin also attended a board meeting of The Hub, and they encouraged the City to pursue revisions to the City's grant program. Councilor Thompson attended his first meeting of the Verde Valley Caregivers, and they had a very good year. He also spoke with the NACOG representative for elderly persons to discuss possible overlaps

and coordination. He also met a member of the Friends of the Verde Valley Greenway, and they have received additional funding to complete their reorganization.

e. Discussion/possible action on future meeting/agenda items

Mayor Moriarty stated that there is a work session tomorrow at 3:00 p.m.

9. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**
- b. Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.

10. Adjournment

Mayor Moriarty adjourned the meeting at 6:09 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on February 14, 2017.

Susan L. Irvine, CMC, City Clerk

Date

**Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, February 15, 2017, 3:00 p.m.**

1. Call to Order/Pledge of Allegiance/Moment of Silence

Mayor Moriarty called the meeting to order at 3:00 p.m.

2. Roll Call

Roll Call: Mayor Sandy Moriarty, Vice Mayor Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson, Councilor Joe Vernier.

Staff Present: City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Director of Community Development Audree Juhlin, Assistant Director of Community Development Warren Campbell, Senior Planner Cynthia Lovely, Chief of Police David McGuill, Deputy City Clerk JoAnne Cook.

3. Special Business

a. AB 2186 Discussion/possible direction the Draft Schnebly Community Focus Area (CFA) Plan.

Presentation by Audree Juhlin, Cynthia Lovely, and Warren Campbell.

Questions and comments from Council.

Opened to the public at 4:37 p.m.

Max Licher, Sedona, spoke on this item.

Brought back to Council at 4:42 p.m.

Questions and comments from Council.

By majority consensus, Council directed staff to move forward with the Draft Schnebly Community CFA.

b. Discussion/possible action on Future Meeting/Agenda items-

Councilor Lamkin stated that he would like to have an affordable housing discussion added to a future agenda.

4. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).

b. Return to open session. Discussion/possible action on executive session items.

No Executive Session was held.

5. Adjournment

Mayor Moriarty adjourned the meeting at 5:11 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on February 15, 2017.

JoAnne Cook, Deputy City Clerk

Date



**CITY COUNCIL
AGENDA BILL**

**AB 2200
February 28, 2017
Consent Items**

Agenda Item: 3d
Proposed Action & Subject: Approval of a resolution amending the Public Participation Procedures for Major amendments to the Sedona Community Plan to allow for discretionary, rather than mandatory, Citywide notification.

Department	Community Development
Time to Present	N/A
Total Time for Item	
Other Council Meetings	March 27, 2001 March 8, 2011
Exhibits	A. Resolution

City Attorney Approval	Reviewed 2/21/17	Expenditure Required	\$ 0
City Manager's Recommendation	Approve resolution amending Public Participation Procedures for Major amendments to the Community Plan.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

The existing Public Participation Procedures for the Sedona Community Plan require Citywide notification, by mail, to all property owners when a Major Community Plan amendment application is being considered by the Planning and Zoning Commission and City Council. The proposed change would provide for a Citywide notification as one of several discretionary options, rather than a mandatory provision. Changing the Public Participation Procedures does not require a Community Plan amendment.

Background: Arizona state statutes require cities and towns to adopt written procedures to provide effective, early, and continuous public participation in the development and major amendment of general plans. Sedona's Public Participation Procedures were adopted in March 2001 in response to new legislation and in preparation for the 2002 Community Plan update. The Public Participation Procedures were updated again in March 2011 in preparation for the most recent Community Plan update (2013-14).

Since 2001, staff has processed 17 Major Community Plan amendment proposals. Ten of these proposals included Citywide mailings to provide notice of public hearings with the Planning and

Zoning Commission and City Council. Seven of these were withdrawn prior to a Citywide mailing of a notice for public hearings.

This mandatory Citywide noticing provision:

- May be confusing to citizens when the proposed amendment does not directly affect them (e.g. property owners in the Chapel area receiving notice about a proposed amendment in a gated subdivision six miles away in west Sedona).
- Can be an unnecessary expense. Although the cost is borne by applicants, it is often not commensurate with the size and scope of the application or representative of the staff time involved.
- Is not required by state statutes.
- Is only required for consideration of Major amendments to and adoption of the Community Plan. It is not required for the City's consideration of significant items such as the City budget and development applications such as zone changes and development review.
- Is not a common practice. In researching other communities throughout the State, we could not find any Arizona city or town that requires this specifically for major general plan amendments.
- Is not necessarily a "green" practice as it generates a lot of paper.

In summary, the attached Resolution and exhibit with changes to the Public Participation Procedures would provide for Citywide mailings, if needed, as a discretionary alternative, rather than its current mandatory status. With this change, the intent of the Arizona state statutes to provide effective, early, and continuous public participation in the development and major amendment of general plans is still maintained; however, it provides staff with more flexibility to determine the most appropriate methods for notification on a case-by-case basis. Larger proposals with greater community implications may require the need for a Citywide notification, whereas a smaller proposal with little to no impacts to the community may not need this same level of notification. Additionally, it is important to note that the procedures already allow for notice to "...be given by Newsletters, City website, and/or other methods deemed appropriate". This could include social media as well.

Community Plan Consistent: Yes - No - Not Applicable

Chapter 9 (Implementation) of the Community Plan references public participation procedures for Community Plan adoption and amendment.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

N/A

MOTION

I move to: approve Resolution 2017-___ amending the Public Participation Procedures for Major amendments to the Sedona Community Plan.

RESOLUTION NO. 2017-__

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, AMENDING THE PUBLIC PARTICIPATION PROCEDURES FOR MAJOR AMENDMENTS TO THE SEDONA COMMUNITY PLAN.

WHEREAS, the governing body of each municipality shall adopt a comprehensive, long-range general plan for the development of the community consisting of a statement of community goals, development policies, and various elements as required by law [A.R.S. § 9-461.05]; and

WHEREAS, the city must adopt written procedures to provide effective, early, and continuous public participation in the development and major amendment of general plans from all geographic, ethnic, and economic areas of the municipality [A.R.S. § 9-461.06.C.]; and

WHEREAS, since 2001, Public Participation Procedures for Major Amendments to the Sedona Community Plan have required a Citywide notification to all property owners for Major Amendment applications; and

WHEREAS, including a mandatory Citywide notification to property owners is often unnecessary and should be a discretionary option.

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

That certain document entitled "Sedona Community Plan – Public Participation Procedures" is hereby amended to provide Citywide property owner notification as an option in the consideration of Major Amendment requests, as set forth in Exhibit A (Attached pages from the Public Participation Procedures).

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 28th day of February, 2017.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney

Exhibit A

SEDONA COMMUNITY PLAN - PUBLIC PARTICIPATION PROCEDURES [Major Amendments in part \(2-28-17\)](#)

II. **Major Amendments:**

A Major Amendment to the Sedona Community Plan is defined in [Section 1.3 the Implementation section](#) of the Plan and may be proposed by the private sector or initiated by the City. The following public participation techniques shall be followed in the consideration of Major Amendment proposals:

4. Public Hearings

Proposed Major Amendments to the Community Plan will be presented to the Planning and Zoning Commission and City Council for possible approval. During the public hearing process, the following public information/public input techniques shall be employed:

- Planning and Zoning Commission Public Hearing(s)-- The Planning and Zoning Commission shall hold at least one public hearing before recommending approval of a Major Amendment to the Sedona Community Plan. Notice of the time and place of a hearing and the availability of the proposal and related documents shall be given at least 15 and not more than 30 days before the hearing by:
 - Publication at least once in the Newspaper using a 1/4 page display ad.
 - ~~City wide notification to all property owners.~~
 - Notification to all [property owners and](#) homeowners associations within 300 feet of the proposed changes.
 - Notification to [property owners and](#) homeowners associations within areas affected by a proposed modification to the text of the Plan where a change in density or use is proposed and within 300 feet of the proposed changes.

Property owners and homeowners associations will also be notified regarding locations of map displays, where information pertaining to the proposal may be reviewed and how the City may be contacted regarding their comments and concerns. The Director of Community Development may determine that additional area be included in the notification- [or that a Citywide notification is required.](#)

Notice of the public hearing may also be given by Newsletters, City website and/or other methods deemed appropriate.

- 60 Day Review - At least 60 days before the public notice for the Planning and Zoning Commission public hearing on a Major Amendment, the proposal shall be transmitted to the Planning and Zoning Commission and City Council and shall be submitted to the following for review and further comment:
 - The planning agencies of Coconino and Yavapai Counties
 - Northern Arizona Council of Governments
 - Arizona Department of Commerce
 - Department of Water ResourcesAny person or entity that requests in writing to receive a review copy.

The proposal may also be transmitted to other agencies and regional jurisdictions.

- City Council Public Hearing(s) - The City Council shall hold at least one public hearing before adopting a Major Amendment. Notice of the hearing shall be given in the same manner as the Planning and Zoning Commission.
- Adoption ~~or of~~ a Major Amendment shall be approved by at least two thirds of the members of the City Council.

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**CITY COUNCIL
AGENDA BILL**

**AB 2210
February 28, 2017
Consent Items**

Agenda Item: 3e
Proposed Action & Subject: Approval of recommendation regarding a new Series 12 Restaurant Liquor License for Oregano's Pizza Bistro located at 150 Highway 179, Suite 1, Sedona, AZ (License #12033421).

Department	City Clerk's Office
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	Liquor License Application is available for review and inspection at the City Clerk's Office.

City Attorney Approval	Reviewed 2/21/17 RLP	Expenditure Required	\$ 0
City Manager's Recommendation	Recommend approval of Restaurant Liquor License for Oregano's Pizza Bistro.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The City has received an application for a new Series 12 Liquor License for Oregano's Pizza Bistro located at 150 Highway 179, Suite 1, Sedona, AZ. The liquor license application is available for review and inspection in the City Clerk's office or by email.

A Series 12 liquor license is a non-transferable, on-sale retail privileges liquor license that allows the holder of a restaurant license to sell and serve 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. Failure to meet the 40% food requirement shall result in revocation of the license.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Recommend denial of the new Series 12 Restaurant Liquor License for Oregano's Pizza Bistro located at 150 Highway 179, Suite 1, Sedona, AZ (License #12033421).

MOTION

I move to: recommend approval of new Series 12 Restaurant Liquor License for Oregano's Pizza Bistro located at 150 Highway 179, Suite 1, Sedona, AZ (License #12033421).



**CITY COUNCIL
AGENDA BILL**

**AB 2211
February 28, 2017
Consent Items**

Agenda Item: 3f
Proposed Action & Subject: Approval of a Special Event Liquor License for Rotary Club of Sedona Red Rocks for the City of Sedona Food Truck Festival scheduled for Saturday, March 25, 2017 located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.

Department	City Clerk
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	Special Event Liquor License Application is available for review in the City Clerk's office.

City Attorney Approval	Reviewed 2/21/17 RLP	Expenditure Required	\$ 0
City Manager's Recommendation	Approve special Event Liquor License for Rotary of Sedona Red Rocks.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: State liquor laws require the City of Sedona's governing body to approve or disapprove applications for a Special Event Liquor License [A.R.S. § 4-203.02.A].

Rotary Club of Sedona Red Rocks has submitted an application for a Special Event Liquor License for the City of Sedona Food Truck Festival scheduled for Saturday, March 25, 2017 from 9:00 a.m. to 5:00 p.m. located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.

A Special Event Liquor License is a temporary, non-transferable, on-sale retail privileges liquor license that allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. The applicant for a special event license must request a special event application from the State and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county, where the special event is to take place, for approval or disapproval. If the application is approved by the local authority, and the event meets the requirements for

granting the license, the director will issue a special event license to the qualifying organization. Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first. The qualified organization must receive at least twenty-five percent (25%) of the gross revenues of the special events.

Community Development, Finance, Parks and Recreation, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections were noted.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Do not approve the Special Event Liquor License application for Rotary Club of Sedona Red Rocks for the City of Sedona Food Truck Festival scheduled for Saturday, March 25, 2017 located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.

MOTION

I move to: approve the Special Event Liquor License application for Rotary Club of Sedona Red Rocks for the City of Sedona Food Truck Festival scheduled for Saturday, March 25, 2017 located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.



**CITY COUNCIL
AGENDA BILL**

**AB 2213
February 28, 2017
Consent Items**

Agenda Item: 3g
Proposed Action & Subject: Approval of award of a Lease-Purchase Agreement through Arizona State Contract ADST013-038802 for the Police Department's Take Home Vehicle Lease Program with Ford Motor Credit Company in the amount of \$117,318.65.

Department	Police
Time to Present	None
Total Time for Item	
Other Council Meetings	N/A
Exhibits	A. Contract B. FY 2016–2017 Decision Package

City Attorney Approval	Reviewed 2/21/17 RLP	Expenditure Required
		\$ 117,318.65
City Manager's Recommendation	Approve Lease Purchase Agreement for new police vehicles.	Amount Budgeted
		\$ 120,000.00
		Account No. 10-5510-43-6925 (Description) Lease Purchase
		Finance Approval <input checked="" type="checkbox"/>

SUMMARY STATEMENT

The Police Department is requesting approval of a Lease-Purchase Agreement with Ford Motor Credit Company for the Lease Purchase of eight (8) vehicles to be used in the Police Take Home Vehicle Program in the amount of \$117,318.65.

Background: At the June 28, 2016 City Council meeting, the Fiscal Year 2016-2017 budget was adopted which included the approval of the Decision Package for the Police Department's Take Home Vehicle Program.

The leasing agreement program (contract) for these eight additional vehicles from Peoria Ford requires four (4) consecutive annual payments of \$117,318.65 (including interest) to Ford Motor Credit Company. Per City policy, any contract that exceeds \$100,000 requires Council approval. Pursuant to City Code § 3.05.020(C), this purchase will be made through a cooperative purchasing agreement approved by the State Department of Administration in contract no. ADST013-038802.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): N/A

MOTION

I move to: approve the award of a Lease-Purchase Agreement through Arizona State Contract ADST013-038802 for the Police Department's Take Home Vehicle Lease Program with Ford Motor Credit Company in the amount of \$117,318.65.



FORD CREDIT

Ford Motor Credit Company LLC
1 American Road, MD 7500
Dearborn, MI 48126

February 7, 2017

David McGill, Chief of Police
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

Subject: Master Equipment Lease-Purchase Agreement – Schedule No. **4841502**

Dear Chief McGill

Thank you for selecting Ford Motor Credit Company as your Lease-Purchase Finance source for the equipment being acquired from Peoria Ford.

The following is a list of the subject documents attached.

- Master Lease-Purchase Agreement – Review and sign where indicated.
- Amendment – Review, check the appropriate box, and sign where indicated.
- Schedule No. 4841502 and Attachment 1 & 2 (if applicable) - Review and sign where indicated.
- Delivery and Acceptance Certificate(s) – Review, sign where indicated, and provide the date the equipment was accepted by you or your authorized representative.
- Insurance Fact Sheet - Complete and sign where indicated.
- 8038 Form– See attached.
- Exhibit A to Master Equipment Lease Purchase Agreement, Opinion of Counsel (**separate document**) – Lessee's attorney to review, load on to their letterhead, and sign where indicated.

Also, enclosed is an invoice for the first payment and underwriting fee, if applicable. Please send the payment and all signed original documents to the address below before 02/10/2017. If documents cannot be returned by this date, the interest rate may be subject to a rate increase or a rate extension fee.

Ford Motor Credit Company
Attn: Municipal Finance
1 American Road, MD 7500
Dearborn, MI 48126

Once we have received the documents from your office, a representative for Ford Motor Credit Company LLC will sign where indicated and forward a copy of the documents to your attention.

If you have any questions, please call (800) 241-4199, extension 15, or send an e-mail to fcmuni@ford.com.

Sincerely,

Carol Tom

Carol Tom
Sales Assistant

Attachments

Ford Motor Credit Company ("FMCC") is providing the information contained in this document for discussion purposes only in connection with a proposed arm's length commercial leasing transaction between you and FMCC. FMCC is acting for its own interest and has financial and other interests that differ from yours. FMCC is not acting as a municipal advisor or financial advisor to you, and has no fiduciary duty to you. The information provided in this document is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 and the municipal advisor rules of the SEC. FMCC is not recommending that you take an action and you should discuss any actions with your own advisors as you deem appropriate.



FORD CREDIT

FORD MOTOR CREDIT COMPANY LLC
MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT
Lease No. 4841502

Lessee: City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

Lessor: Ford Motor Credit Company LLC
1 American Road
Dearborn, MI 48126

The terms of this Master Equipment Lease Purchase Agreement (the "Master Agreement") are terms which will be incorporated into, and constitute a part of, one or more lease schedules executed from time to time by Lessor and Lessee (together with all attachments thereto, a "Schedule," or "Lease" or collectively, the "Schedules" or "Leases"), pursuant to which Lessee agrees to lease from Lessor, the equipment, including all additions, attachments, accessions, and substitutions thereto (the "Equipment"), described in each such Schedule. Each executed and delivered Schedule will constitute a separate, assignable obligation.

1. TERM AND TERMINATION. The lease term (the "Lease Term") for the Equipment listed in each Schedule will commence on the earlier of (i) the date on which the Equipment listed on the Schedule is accepted by Lessee by the execution of a Delivery and Acceptance Certificate as required under Section 3 below, or (ii) the date on which sufficient moneys to purchase such Equipment are deposited for that purpose with an escrow agent (the "Commencement Date"), and, unless earlier terminated as expressly provided for in Sections 6, 19 or 20 of this Master Agreement, will continue until the expiration date (the "Expiration Date") set forth in the applicable Schedule.

2. LEASE PAYMENTS. For the lease of the Equipment listed in each Schedule, Lessee shall pay to Lessor the lease payments and other charges (the "Lease Payments") set forth in the applicable Schedule. As set forth in the applicable Schedule, each Lease Payment includes a principal portion and an interest portion. The Lease Payments will be payable without notice or demand at the office of Lessor (or such other place as Lessor or its assignee may from time to time designate in writing) on the first Lease Payment Date and thereafter as set forth in the applicable Schedule. If any Lease Payment is received later than 10 days after the due date, Lessee will pay a late payment charge equal to 1.8% of the amount of the Lease Payment or the maximum amount permitted by law, whichever is less. Except as specifically provided in Section 6 hereof, the obligation of Lessee to make the Lease Payments hereunder and perform all of its other obligations hereunder will be absolute and unconditional in all events and will not be subject to any abatement, setoff, defense, counterclaim, or recoupment for any reason whatsoever including, without limitation, any failure of the Equipment to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances. Lessee reasonably believes that sufficient funds can be obtained to make all Lease Payments during the applicable Lease Term and hereby covenants that the official of Lessee responsible for budget preparation will do all things lawfully within his or her power to obtain, maintain and properly request and pursue funds from which the Lease Payments may be made, including making provisions for Lease Payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using his or her best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is Lessee's intent to make Lease Payments for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the use of the Equipment is essential to its proper, efficient and economic operation. The foregoing provisions shall not be construed to require Lessee's governing body or other governmental body charged with budgeted or appropriating funds for Lessee to budget or appropriate funds to make Lease Payments. Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Payments hereunder and each Schedule hereto shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

3. CONDITIONS TO LESSOR'S PERFORMANCE UNDER SCHEDULES; DELIVERY AND ACCEPTANCE OF EQUIPMENT. (a) As a prerequisite to the performance by Lessor of any of its obligations pursuant to the execution and delivery of any Schedule, Lessee shall deliver to Lessor the following: (i) if requested by Lessor, a certification satisfactory to Lessor of the Clerk or Secretary or other comparable officer of Lessee as to due authorization and approval, incumbency of officers and such other matters as Lessor may require; (ii) if requested by Lessor, an opinion of counsel to Lessee respecting such Schedule in substantially the form attached hereto as **Exhibit A** and otherwise satisfactory to Lessor; (iii) all documents, including an application for certificate of title with lien notice, as applicable, and other financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time pursuant to Sections 8 and 15; (iv) board minutes in a form acceptable to Lessor; (v) a copy of the executed Internal Revenue Services ("IRS") form 8038-G or 8038-GC, as appropriate, as filed, or to be filed, with the IRS, (vi) satisfactory proof of property and liability insurance coverage and (vii) such other items, if any, as are set forth in such Schedule or are reasonably required by Lessor. This Master Agreement is not a commitment by Lessor to enter into any Schedule not currently in existence, and nothing in this Master Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Schedule, it being understood that whether Lessor enters into any proposed Schedule shall be a decision solely within Lessor's discretion, and no Lease will be binding or commence until accepted by Lessor. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Schedule. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

(b) Lessor will cause the Equipment to be delivered to Lessee at the location specified in the applicable Schedule ("Equipment Location"). Lessee will pay all transportation and other costs, if any, incurred in connection with the delivery and installation of the Equipment. Lessee will accept the Equipment as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a Delivery and Acceptance Certificate in the form provided by Lessor within three days of delivery of the Equipment.

4. WARRANTIES. (a) Assignment of Warranties. So long as no Event of Default has occurred and is continuing, Lessor assigns to Lessee during the Lease Term of the Equipment all manufacturer's warranties, if any, expressed or implied with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense.

Lessee will resolve any claims under such warranties directly with the appropriate manufacturer or supplier of the Equipment. Lessee's sole remedy for the breach of any warranty shall be against the party providing the warranty, and not against Lessor. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the manufacturer or supplier of the Equipment.

(b) **DISCLAIMER OF WARRANTIES.** LESSEE ACKNOWLEDGES AND AGREES THAT (1) THE EQUIPMENT IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE, (2) LESSOR IS NOT A MANUFACTURER, DISTRIBUTOR, VENDOR OR SUPPLIER OF THE EQUIPMENT, (3) LESSOR LEASES AND LESSEE TAKES THE EQUIPMENT AND EACH PART THEREOF "AS-IS" AND (4) LESSOR HAS NOT MADE, AND DOES NOT MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO ANY OBLIGATION BASED ON STRICT LIABILITY IN TORT OR ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY LESSEE AND LESSOR SHALL NOT BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE EQUIPMENT AND THE MAINTENANCE THEREOF.

5. RETURN OF EQUIPMENT. Unless Lessee shall have exercised its purchase option as provided in Section 20 hereof, upon the expiration or earlier termination of the Lease Term of the Equipment pursuant to the terms hereof, Lessee shall, at its sole expense but at Lessor's option, return the Equipment to Lessor in good working condition, packed for shipment in accordance with manufacturer's specifications and freight prepaid and insured to any location designated by Lessor.

6. NON-APPROPRIATION OF FUNDS. Notwithstanding anything contained in this Master Agreement or any Schedule to the contrary, in the event no funds or insufficient funds are appropriated and budgeted and sufficient funds are not otherwise made available in any fiscal period for all Lease Payments under a Lease, Lessee will immediately notify Lessor in writing of such occurrence and provide documentation evidencing such non-appropriation satisfactory to Lessor, and the Lease Term for the Equipment under that Lease shall terminate on the last day of the fiscal period for which sufficient appropriations have been received or made without penalty or expense to Lessee, except as to Lessee's obligations and liabilities under any Lease relating to, or accruing or arising prior to, such termination. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment under that Lease to Lessor on the date of such termination in the manner set forth in Section 5 hereof and Lessor will have all legal and equitable rights and remedies to take possession of the Equipment.

7. REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants as of the date hereof, and as of the date of each Schedule, that: (a) Lessee is a State or a fully constituted political subdivision of a State, and has a substantial amount of one or more of the following sovereign powers: (1) power to tax, (2) power of eminent domain, or (3) police power, and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence; (b) Lessee is authorized under the constitution and laws of the State to enter into and agree to the terms of this Master Agreement and, as of the date of each Schedule, that Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder; (c) the execution, delivery and performance by the Lessee of this Master Agreement, and each Schedule incorporating the terms of this Master Agreement has been duly authorized by proper action and approval of its governing body at a meeting duly called, regularly convened and attended throughout by a requisite majority of the members thereof or by other appropriate official approval, and will not result in contravention of any state, county, district, city or town statute, charter, ordinance, resolution, rule, regulation or other governmental provision or requirement, including, without limitation any applicable debt limitations; (d) each Schedule incorporating the terms of this Master Agreement constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally; (e) all required public bidding procedures, and the purchase of the Equipment covered by each Schedule have been followed by Lessee, and, as of the date of each Schedule, no governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of that Schedule; (f) Lessee has made sufficient appropriations or other funds available to pay all Lease Payments and other amounts due hereunder for the current fiscal period; (g) the use of the Equipment by Lessee is essential to and will be limited to the performance by Lessee of one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority; (h) no event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default hereunder or a default under any debt, revenue or purchase obligation which it has issued or to which it is a party exists, nor has it been in default under any such obligation at any time during the past five years; (i) no lease, rental agreement or contract for purchase to which Lessee has been a party at any time during the past five years has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal period; and (j) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Master Agreement or any Schedule incorporating the terms of this Master Agreement, or any other document, agreement or certificate that is used or contemplated for use in the consummation of the transactions contemplated by this Master Agreement or any Schedule.

8. TITLE TO EQUIPMENT; SECURITY INTEREST. Upon acceptance of the Equipment by Lessee, title to the Equipment will vest in Lessee subject to Lessor's rights under the Schedule and the terms of this Master Agreement; provided, however, that title will immediately vest in Lessor without any action by Lessee and Lessee shall immediately surrender possession of the Equipment to Lessor in accordance with Section 5 hereof, if Lessee terminates the Lease Term of the Equipment pursuant to Section 6, or upon the occurrence of an Event of Default, or if Lessee does not exercise the purchase option prior to the Expiration Date. It is the intent of the parties that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. In order to secure all of its obligations under each Lease, Lessee hereby (a) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment covered by that Lease including but not limited to computer programs and computer documentation, if any, relating to the Equipment and in all additions, attachments, accessions, and substitutions thereto whether now owned or hereafter acquired, and on any proceeds therefrom, (b) agrees that the applicable Lease may be filed as a financing statement evidencing

such security interest, (c) agrees to execute and deliver all financing statements, certificates of title and other instruments in form satisfactory to Lessor necessary or appropriate to evidence such security interest, and (d) authorizes Lessor acting on behalf of Lessee to file any financing statements and to take any other action required to perfect and maintain Lessor's security interest in the Equipment.

9. USE; REPAIRS. Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment. Lessee shall comply with all laws, ordinances, insurance policies and regulations relating to the possession, use, operation or maintenance of the Equipment. Lessee, at its expense, will keep the Equipment in good working order and repair and furnish all parts, mechanisms and devices required therefor.

10. ALTERATIONS. Lessee will not make any modifications, alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such modifications, alterations, additions or improvements may be readily removed without damage to the Equipment.

11. LOCATION; INSPECTION. The Equipment will not be removed from or, if the Equipment consists of rolling stock, its permanent base will not be changed from the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

12. LIENS AND TAXES. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under any Schedule incorporating the terms of this Master Agreement. Lessee shall pay, when due, to the extent required by law, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges, or taxes when due, Lessor may, but need not, pay said charges or taxes and, in such event, Lessee shall reimburse Lessor therefor on demand, with interest at the maximum rate permitted by law from the date of such payment by Lessor to the date of reimbursement by Lessee.

13. RISK OF LOSS; DAMAGE; DESTRUCTION. Lessee assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under any Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair, with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, within 30 days of such determination, Lessee, at the option of Lessor, will either (a) replace the same with like equipment in good repair (with its own funds to the extent that sufficient insurance proceeds are not available for that purpose) and convey, to the extent permitted by law, a security interest in such replacement equipment to Lessor (at which time such equipment will become Equipment subject to the Lease), or (b) pay Lessor an amount equal to (1) the Concluding Payment for the immediately preceding Lease Payment Date as set forth in the applicable Schedule, (2) the accrued interest portion of the next Lease Payment through the date such amount is paid, and (3) all other amounts then due under any Schedule with respect to such Equipment. In the event that Lessee is obligated to make such payment pursuant to clause (b) above with respect to less than all of the Equipment under a Schedule, Lessor will provide Lessee with the pro rata amount of the Concluding Payment to be made by Lessee with respect to the Equipment which has suffered the event of loss. The pro rata amount will be calculated on the basis of the Cash Price shown on the Schedule for the particular item of Equipment that has been lost, stolen, destroyed or damaged and the aggregate Cash Price of all items of Equipment under the same Schedule. Upon receipt of the Concluding Payment, Lessee shall be entitled to whatever interest Lessor has in such Equipment, in its then condition and location, without warranties of any kind.

14. PERSONAL PROPERTY. The Equipment is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

15. INSURANCE. Lessee, will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers satisfactory to Lessor, or may self-insure against any or all such risks under a self-insurance program satisfactory to Lessor. In no event will the insurance limits be less than the amount of the then applicable Concluding Payment with respect to such Equipment, as shown on the applicable Schedule. Each insurance policy will name Lessee as an insured and Lessor as an additional insured, and will contain a clause requiring the insurer to give Lessor at least 30 days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies or self-insurance will be payable to Lessee and Lessor as their interests may appear. Upon acceptance of the Equipment, on or before each insurance renewal date, and otherwise at Lessor's request, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto and shall permit Lessor to participate and cooperate with Lessee in making any claim for insurance in respect thereof. Should Lessee fail to obtain such insurance or to provide evidence thereof to Lessor, Lessor may, but shall not be obligated to, obtain such insurance on Lessee's behalf and charge Lessee for all costs and expenses associated therewith. Without limiting the generality of the foregoing, Lessee specifically acknowledges and agrees that if Lessor obtains such insurance on Lessee's behalf, Lessee will be required to pay a monthly insurance charge. The insurance charge will include reimbursement for premiums advanced to the insurer, finance charges (which will typically be at a rate higher than the rate used to determine the Lease Payment amount payable by Lessee), billing and tracking fees, administrative expenses and other related fees.

16. INDEMNIFICATION. Since Lessor's sole responsibility in connection with this transaction is to provide an amount equal to the principal portion of the Lease Payments to pay costs of the acquisition and lease of the Equipment, the parties intend that Lessor incur no liability, cost or expense with respect to Lessee's possession, use, condition, storage, operation or return of the Equipment, or the loss of federal tax exemption of the interest on any Lease. Accordingly, Lessee agrees, to the extent permitted by law, to indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, penalties, interest, damages or liabilities, including attorney's fees and court costs, arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, installation, ownership, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon. The indemnification provided under this Section shall survive the full payment of all obligations under all Schedules or the termination of the Lease Term for a Schedule for any reason.

17. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not either (a) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of any Schedule, or the Equipment or any interest in this Master Agreement, any Schedule or the Equipment or (b) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may, without the Lessee's consent, assign all or any portion or portions of its rights, title and interest in and to this Master Agreement, any Schedule, the Equipment or any documents executed with respect to this Master Agreement or any Schedule, and/or grant or assign a security interest in this Master Agreement, any Schedule and the Equipment, in whole or in part, and Lessee's rights will be subordinated thereto. Lessee consents and specifically authorizes Lessor to forward any documentation and information that Lessor now has or may hereafter acquire in connection with any transaction between Lessor and Lessee, to any potential investor, rating agency and any other party involved in the sale, transfer, assignment, securitization or participation transaction involving this Master Agreement, any Schedule or the Equipment or any interest in this Master Agreement, any Schedule or the Equipment. Lessor's assignees shall have all of the rights of Lessor under any Lease with respect to the rights and interest assigned. Any such assignment to an assignee may provide that Lessor or the assignee shall act as a collection and paying agent for any assignee, or may provide that a third-party trustee or agent shall act as collection and paying agent for any assignee. Subject to the foregoing, the rights and obligations under any Lease inure to the benefit of and are binding upon the successors and assigns of the parties hereto. Lessee covenants and agrees not to assert against the assignee any claims or defenses by way of abatement, setoff, counterclaim, recoupment or the like which Lessee may have against Lessor. Upon any assignment by Lessor, unless Lessor provides Lessee written notice to the contrary, all Lease Payments shall continue to be directed to Ford Motor Credit Company LLC ("Ford Credit"), who agrees to accept such payments for the benefit of the assignee. Lessee hereby appoints Ford Credit, or its designee, to act as its registration agent, and Ford Credit shall maintain, or cause to be maintained, a book-entry record identifying the name, address and taxpayer identification number of the owner of payments due under each Schedule, and to keep or cause to be kept a complete and accurate record of all assignments, in form necessary to comply with Section 149(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Lessee agrees to acknowledge in writing, any assignment(s) if so requested, and to make payments directly to the new owner (assignee) if and when so directed.

18. EVENT OF DEFAULT; WAIVERS. Any of the following events shall constitute an "Event of Default" under any Lease: (a) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of that Lease, and any such failure continues for 10 days after the due date thereof; (b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it under that Lease, other than as referred to in clause (a) above; (c) the discovery by Lessor that any statement, representation, or warranty made by Lessee in that Lease or in any writing ever delivered by Lessee pursuant thereto or in connection herewith was false, misleading, or erroneous in any material respect; (d) any provision of that Lease shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under that Lease; (e) Lessee becomes insolvent, or is unable to pay its debts as they become due, or makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of any of its assets, or a petition for relief is filed by Lessee under any bankruptcy, insolvency, reorganization or similar laws, or a petition in, or a proceeding under, any bankruptcy, insolvency, reorganization or similar laws is filed or instituted against Lessee; (f) Lessee fails to make any payment when due or fails to perform or observe any covenant, condition, or agreement to be performed by it under any other agreement or obligation with Lessor or an affiliate of Lessor and any applicable grace period or notice with respect thereto shall have elapsed or been given; or (g) an attachment, levy or execution is threatened or levied upon or against the Equipment under that Lease. **The waiver by Lessor of any breach by Lessee of any term, covenant or condition of a Lease shall not operate as a waiver of any subsequent breach thereof or of any other Lease.**

19. REMEDIES. Upon the occurrence of an Event of Default under any Lease, and as long as such Event of Default under any Lease is continuing, Lessor may, at its option, exercise any one or more of the following remedies: (a) by written notice to Lessee, declare an amount equal to all amounts then due under that Lease or all Leases, and all remaining Lease Payments due under that Lease or all Leases during the fiscal year of Lessee in which the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; (b) Lessor may enter the premises where the Equipment is located and retake possession of the Equipment or require Lessee, at Lessee's expense, to promptly return any or all of the Equipment to the possession of Lessor at a place specified by Lessor, and sell or lease the Equipment or, for the account of Lessee, sublease the Equipment, holding Lessee liable for the difference between (i) the Lease Payments and other amounts payable by Lessee hereunder plus the then applicable Concluding Payment, and (ii) the net proceeds of any such sale, lease or sublease (after deducting all expenses of Lessor in exercising its remedies under the Lease, including without limitation, all expenses of taking possession, storing, reconditioning and selling or leasing the Equipment and all brokerage, auctioneers' and attorneys' fees); provided that the amount of Lessee's liability under this paragraph shall not exceed the Lease Payments and other amounts otherwise due hereunder, plus the remaining Lease Payments and other amounts payable by Lessee hereunder to the end of the then current fiscal year of Lessee; (c) terminate unfunded commitments under any escrow agreement; and (d) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state where the Equipment is then located or any other applicable law or proceed by appropriate court action to enforce the terms of such Lease(s) or to recover damages for the breach of such Lease(s) or to rescind that Lease as to any or all of the Equipment under such Lease(s). In addition, Lessee will remain liable for all covenants and indemnities under the terms of this Master Agreement and any Schedule and, to the extent permitted by law, for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. Lessor may be a purchaser at any sale of the Equipment pursuant to this Section 19. The proceeds of any sale, lease or sublease of the Equipment pursuant to this Section shall be applied as described in clause (b) above, with the balance, if any, being paid to Lessee.

20. PURCHASE OPTION. On the last day of the Lease Term, as well as at any time upon at least 30 days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, Lessee will have the right to purchase all (but not less than all) of Lessor's interest in the Equipment under any Schedule, at a purchase price equal to the sum of (a) the Concluding Payment for the immediately preceding Lease Payment Date, as set forth in the applicable Schedule, (b) the accrued interest portion of the next Lease Payment through the date the purchase price is paid, and (c) any other amounts then due under the Lease with respect to such Equipment (including the Lease Payment otherwise due, if the purchase date occurs on a Lease Payment Date). Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied.

21. TAX COVENANTS; INDEMNITY. (a) Tax Assumptions and Covenants. The parties assume that, and Lessor is entering into this Master Agreement and each Schedule with the expectation that, Lessor can exclude from Federal gross income the interest portion of each Lease Payment set forth in each Schedule under the column captioned "Interest Portion." Lessee covenants that (a) Lessee will execute and file, or cause to be filed, with the Internal Revenue Service, the appropriate Form 8038-G or 8038-GC for each Schedule; (b) Lessee shall be the only entity or person (other than its employees within the scope of their employment) to own, use, manage or operate the Equipment during the Lease Term; (c) Lessee will not take any action which results, directly or indirectly, in any Lease being a "private activity bond" within the meaning of Section 141(a) of the Code; (d) Lessee will not take any action which results, directly or indirectly, in the interest portion of any Lease Payment not being excludable from Federal gross income pursuant to section 103 of the Code and will take any reasonable action necessary to prevent such result; and (e) not take any action which results in any Lease becoming, and will take any reasonable action to prevent any Lease from becoming an arbitrage obligation within the meaning of section 148 of the Code or federally guaranteed within the meaning of section 149 of the Code. In the event that a question arises as to Lessee's qualification as a political subdivision, Lessee agrees to cooperate with Lessor to make application to the Internal Revenue Service for a letter ruling with respect to the issue.

(b) Tax Indemnity. In the event that Lessor either (a) receives notice from the Internal Revenue Service, or (b) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and not reasonably objected to by Lessee within 10 days after notice from Lessor of the selection, that the interest portion of any of the Lease Payments set forth in a Schedule is includable in Lessor's gross income for Federal income tax purposes, then Lessee will pay Lessor within 30 days after receiving notice from Lessor of such determination, the amount which, with respect to such Lease Payments previously paid, will restore the after-tax yield (after taking into account all taxes, interest and penalties) on the transactions evidenced by that Schedule to that which would have been had such interest portion not been includable in Lessor's gross income for Federal income tax purposes, and pay as an additional Lease Payment on succeeding Lease Payment due dates such amount as will maintain such after-tax yield. Notwithstanding the earlier termination or expiration of the Lease Term of the Equipment, the obligations provided for in this Section 21 shall survive such earlier termination or expiration.

22. MISCELLANEOUS. (a) Notices. All notices to be given under this Master Agreement or any Schedule shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to mailing.

(b) Section Headings. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Master Agreement or any Lease.

(c) Governing Law. This Master Agreement and any Schedule incorporating the terms of this Master Agreement, shall be construed in accordance with, and governed by, the laws of the state in which Lessee is located.

(d) Delivery of Related Documents. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by a Lease.

(e) Entire Agreement; Severability. This Master Agreement, any Schedule incorporating the terms of this Master Agreement, and the other documents or instruments executed by Lessee and Lessor in connection herewith, including, without limitation, the Delivery and Acceptance Certificates referred to in Section 3, constitutes the entire agreement between the parties with respect to the lease of the Equipment, and neither this Master Agreement nor any Schedule shall be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of this Master Agreement or any Schedule found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Master Agreement or the applicable Schedule. Notwithstanding the foregoing, Lessee authorizes Lessor to insert or correct missing information in this Master Agreement and on each Schedule and related documents, including Lessee's legal name, Equipment identifying information (e.g. VIN), Equipment location, and any other information describing the Equipment.

(f) Interest Rate Limitations. It is the intention of the parties hereto to comply with any applicable usury and other interest rate limitation laws; accordingly, notwithstanding any provisions to the contrary in this Master Agreement or any Schedule, in no event shall this Master Agreement or any Schedule require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

(g) Financial Statements. Lessee shall annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Master Agreement and each Schedule incorporating the terms of this Master Agreement, as may be requested by Lessor.

(h) Counterparts; Chattel Paper; Electronic Transaction. This Master Agreement or any Schedule may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument and either of the parties hereto may execute this Master Agreement or any Schedule by signing any counterpart, except that, to the extent that any Schedule constitutes chattel paper, no security interest therein may be perfected through possession except by possession of Counterpart No. 1 of a Schedule, with respect to that Schedule. The parties agree that any Lease and related documents may be stored by electronic means.

IN WITNESS WHEREOF, the parties have executed this Master Agreement as of 01/31/2017.

Lessee: **City of Sedona**

Lessor: **Ford Motor Credit Company LLC**

By: _____
David McGill

By: _____
Frank Mastrella

Title: **Chief of Police**

Title: **Operations Manager, Municipal Finance**

SCHEDULE 4841502 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

AMENDMENT

That certain Master Equipment Lease-Purchase Agreement, by and between Ford Motor Credit Company ("Lessor") and City of Sedona ("Lessee"), dated as of 01/31/2017 (the "Lease") is hereby amended as follows:

Bank Qualified Tax-Exempt Obligation

(Check box for Bank Qualified designation)

Lessee hereby designates this Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the commencement date of this Schedule falls, in an amount not exceeding \$10,000,000.00.

Non-Bank Qualified Tax-Exempt Obligation

(Check box for Non-Bank Qualified designation)

Lessee reasonably anticipates issuing more than \$10,000,000.00 in tax-exempt obligations in the calendar year of the Commencement Date as defined in the Property Schedule.

Except as amended hereby, the Lease shall otherwise remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the 31st day of January, 2017.

Lessee: **City of Sedona**

Lessor: **Ford Motor Credit Company LLC**

By: _____
David McGill

By: _____
Frank Mastrella

Title: **Chief of Police**

Title: **Operations Manager, Municipal Finance**

SCHEDULE NO. 4841502 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

Master Agreement No. 4841502 dated as of 01/31/2017

This Equipment Schedule dated as of 01/31/2017, is being executed by Ford Motor Credit Company LLC ("Lessor"), and City of Sedona ("Lessee"). The terms and provisions of the Master Agreement between Lessor and Lessee referenced above (other than to the extent that they relate solely to other Schedules or Equipment under other Schedules) are hereby incorporated by reference and made a part hereof. All terms used herein have the meanings ascribed to them in the Master Agreement.

Lessor hereby leases to Lessee pursuant to this Schedule, and Lessee hereby accepts and leases from Lessor, subject to and upon the terms and conditions set forth herein (including any attachments hereto), the following items of Equipment:

QUANTITY	DESCRIPTION (MANUFACTURER, MODEL AND SERIAL NO.)	CASH PRICE	SUPPLIER NAME
2	2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT8HGB54588 1FM5K8ATXHGB54589	\$437,763.96	Peoria Ford
6	2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT6HGB54590, 1FM5K8AT8HGB54591 1FM5K8ATXHGB54592, 1FM5K8AT1HGB54593 1FM5K8AT3HGB54594, 1FM5K8AT5HGB54595		
EQUIPMENT LOCATION: Police Department, 102 Roadrunner Drive, Sedona, AZ, 86336			
COMMENCEMENT DATE (the date on which the Equipment is accepted by Lessee by the execution of a Delivery and Acceptance Certificate): 01/31/2017		INITIAL TERM: 48 months	
		LEASE PAYMENTS: 4 Consecutive Annual in Advance Payments of \$117,318.65 each (including interest), due under this Schedule. See Attachment 1 hereto.	

Representations, Warranties and Covenants. Lessee hereby represents warrants and covenants as follows:

- a) The representations, warranties and covenants of Lessee set forth in the Master Agreement are true and correct on the Commencement Date for this Schedule as though made on that Date.
- b) The execution, delivery and performance by Lessee of this Schedule has been duly authorized by proper action and approval of its governing body at a meeting duly called, regularly convened and attended throughout by a requisite majority of the members thereof or by other appropriate official approval.

EXECUTED as of the date first herein set forth.

Lessee: **City of Sedona**

Lessor: **Ford Motor Credit Company LLC**

By: _____
David McGill
 Title: **Chief of Police**

By: _____
Frank Mastrella
 Title: **Operations Manager, Municipal Finance**

Counterpart No. 1 of 1 manually executed and serially numbered counterparts. To the extent this Schedule constitutes chattel paper; no security interest herein may be perfected through the possession of any counterpart other than Counterpart No. 1.

**ATTACHMENT 1
TO
SCHEDULE NO. 4841502 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT**

LEASE PAYMENT SCHEDULE

Master Lease No.: **4841502**

Interest Rate: **4.75%**, Underwriting Fee: **\$545.00**
Commencement Date of Schedule: 01/31/2017

<u>Lease Payment Number</u>	<u>Lease Payment Date</u>	<u>Lease Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Concluding Payment</u>
1	1 / 31 / 2017	117,318.65	0.00	117,318.65	438,308.96
2	1 / 31 / 2018	117,318.65	15,247.04	102,071.61	320,990.31
3	1 / 31 / 2019	117,318.65	10,398.64	106,920.01	218,918.70
4	1 / 31 / 2020	117,318.65	5,319.96	111,998.69	111,998.69
TOTALS		469,274.60	30,965.64	438,308.96	1.00



Ford Motor Credit Company LLC
1 American Road, MD 7500
Dearborn, MI 48126

DELIVERY AND ACCEPTANCE CERTIFICATE

Master Lease Date	Master Lease No.	Date of Schedule 4841502	Delivery Number
01/31/2017	4841502	01/31/2017	1

In accordance with Section 3 of the Master Equipment Lease-Purchase Agreement (the "Master Agreement") executed by Lessee and Lessor, the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

(1) All of the Equipment (as such term is defined in the Master Agreement) described below has been delivered, installed and accepted on the date hereof.

EQUIPMENT INFORMATION

Quantity	Description (Manufacturer, Model, Serial Number)	Supplier Name
2	2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT8HGB54588 1FM5K8ATXHGB54589	Peoria Ford
6	2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT6HGB54590, 1FM5K8AT8HGB54591 1FM5K8ATXHGB54592, 1FM5K8AT1HGB54593 1FM5K8AT3HGB54594, 1FM5K8AT5HGB54595	

(2) Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.

(3) Lessee is currently maintaining the insurance coverage required by Section 15 of the Master Agreement.

(4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default under any Lease (as those terms are defined in the Master Agreement) exists at the date hereof.

(5) We acknowledge that Lessor is neither the vendor (supplier) nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment. Nothing in this acknowledgement affects any rights Lessee may have against a manufacturer or supplier of the Equipment.

(6) The serial number for each item of Equipment that is set forth on the Equipment Description contained in the Schedule is correct.

LESSEE: City of Sedona

BY: _____

(Title)

DATE ACCEPTED: _____

INSURANCE FACT SHEET

Lessee Name: City of Sedona

Lessee Schedule No.: 4841502

Address: Police Department, 102 Roadrunner Drive, Sedona, AZ 86336

Telephone No.: (928) 203-5008

Equipment: (2) 2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT8HGB54588
1FM5K8ATXHGB54589
(6) 2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT6HGB54590, 1FM5K8AT8HGB54591
1FM5K8ATXHGB54592, 1FM5K8AT1HGB54593, 1FM5K8AT3HGB54594, 1FM5K8AT5HGB54595

The Master Lease Agreement requires the Lessee to maintain, at all times, the following insurance coverage for the financed equipment as described in the Equipment Lease Purchase Agreement and above.

- Automobile Liability that includes Bodily Injury and Property Damage with a minimum of \$1,000,000.00 per occurrence (this can be a combination of auto, umbrella or excess liability).
- Insurance against all risks of physical loss or damage to the equipment (including theft).
- Ford Motor Credit Company LLC, their successors and assigns named as Loss Payee and Additional Insured.

1. If you are not self-insured, please complete the following insurance information:

Insurance Company: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Telephone: _____ Agent Name: _____

Policy No.: _____ Expiration Date: _____

Automobile Liability including Bodily Injury and Property Damage: \$ _____

Auto Physical Damage (select one): Actual Cash Value
 Stated Cash Value of \$ _____

2. If you are self-insured, please select one of the follow options:

Self Retained Risk

Joint/State Fund – **PLEASE COMPLETE THE FOLLOWING**

Name of fund/pool: _____

Automobile Liability including Bodily Injury and Property Damage: \$ _____

Auto Physical Damage (select one): Actual Cash Value
 Stated Cash Value of \$ _____

Expiration Date: _____ (if Applicable) _____

- Please also include your standard Self-Insured letter with the return of your document package to Ford Motor Credit Company (if a letter is available.)

Sign and date to acknowledge the provided insurance information to Ford is complete and accurate:

Signature: _____
David McGill, Chief of Police

The following is information you will need to complete the attached IRS form 8038-G. Instructions can be found at www.irs.gov/pub/irs-pdf/i8038g.pdf. Please see your tax professional if you have any questions regarding the completion of this form.

Issue Date:	01/31/2017
Final Maturity date:	01/31/2020
Issue Price:	\$320,990.31
Weighted Average Maturity:	4
Tax Exempt Rate (Yield):	4.75%

Please complete the form, sign and return a copy to Ford Credit with your other loan documents.

Once completed, you must file the original with the IRS at the address listed in the Instructions.

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority If Amended Return, check here

1 Issuer's name		2 Issuer's employer identification number (EIN)		
3a Name of person (other than issuer) with whom the IRS may communicate about this return(see instructions)		3b Telephone number of other person shown on 3a		
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)		
6 City, town, or post office, state, and ZIP code		7 Date of issue		
8 Name of issue		9 CUSIP number		
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a		

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public Safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ▶ _____	18	
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21				

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	
28 Proceeds used to advance refund prior issues	28	
29 Total (add lines 24 through 28)	29	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here).	30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	▶	
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	▶	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	▶	_____ years
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)		

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ _____ ▶ _____
 Signature of issuer's authorized representative Date Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no. _____			



Invoice

Invoice Date: February 7, 2017

Lessee:

**City of Sedona
Police Department
102 Roadrunner Drive
Sedona, AZ 86336**

Lease Schedule No.	Payment Due Date	Description	Payment Amount
4841502	01/31/2017	(2) 2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT8HGB54588, 1FM5K8ATXHGB54589	\$117,318.65
		(6) 2017 Ford Police Interceptor Utility w/Equip & Tax, 1FM5K8AT6HGB54590, 1FM5K8AT8HGB54591 1FM5K8ATXHGB54592, 1FM5K8AT1HGB54593 1FM5K8AT3HGB54594, 1FM5K8AT5HGB54595	
Total Amount Due:			\$117,318.65

Payment Options:

Payment by check:

Make check payable to "Ford Motor Credit Company LLC" and attach to the original signed documents or remit to:

Ford Motor Credit Company LLC
Attn: Municipal Finance
1 American Road, MD 7500
Dearborn, MI 48126

Payment by ACH Credit or Wire Transfer:

Send to Comerica Bank, 39200 West Six Mile Road Livonia, MI 48152-07539

ABA Routing No.: 072 000 096
For Credit to: Ford Motor Credit Company, Municipal Finance Clearing Account
Account No.: 107 613 438 4
Reference your lease number **4841502** and **City of Sedona** in the OBI section

Customer Service: (800) 241-4199, extension 15
Email: fcmuni@ford.com

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CM Contingent Recommendation \$120,00



**City of Sedona
Decision Package
Fiscal Year 2016-2017**

Project Title:	Patrol Assigned Vehicle Program
Originating Department and Division:	Police Department
Funding Request Type (Ongoing vs. One-Time)	Ongoing
Source of Funds (General Fund, Grants or Other Outside Funding, New Revenue Source(s), Wastewater Fund, etc.)	General Fund
I Problem/Issue	
a)	Does this affect our citizens/customers quality of life?
	Yes
	If yes, then how:
	Police personnel must always be prepared to respond to emergency, urgent and routine calls for service from the community and other public safety entities. Delayed responses can impact the safety of persons as well as the successful outcome of a field incident or investigation. Quality delivery of public safety services is dependent upon the police department having appropriately equipped and reliable vehicles to respond to calls for service and carry out daily enforcement, prevention and community interaction activities.
b)	Is this a traditional government function?
	Yes
	If it is not a traditional function, why should the City of Sedona deal with it?
c)	History/background of project issue:
	Since the inception of the Sedona Police Department, vehicles specially designed and equipped for public safety functions have been utilized to provide transportation and service delivery needs for police personnel. Historically, the department has sized and operated its patrol fleet in a traditional motor pool system which provides for a fixed number of vehicles that are shared by all personnel assigned to the patrol function. In a motor pool system, police vehicles often are operated over 12 hours a day every day of the week. Shared police vehicles are susceptible to rapid accumulation of high mileage, increased maintenance needs, decreased accountability for daily inspections, and frequent out-of-service status due to needed repairs or maintenance.

CM Contingent Recommendation \$120,00

	<p>Additionally, the police department has added new functions and positions to its operations that have various transportation and service delivery needs such as Community Service Aides, Property & Evidence Technician, and Police Volunteers. These needs have been partially addressed by retaining police vehicles that had reached their normal end of life cycle for patrol purposes but could still be operated with manageable maintenance costs. The majority of these retained vehicles are now at least 10 years old and beginning to experience increased maintenance costs.</p> <p>For the past two years, the police department has managed a portion of the patrol fleet under a limited Assigned Vehicle Program where a patrol vehicle is assigned and shared by two patrol officers who have opposing days off. Due to the number of patrol vehicles within the police fleet, only eight patrol officers were able to participate in the program. While operating under the program, the department has been able to more effectively manage vehicle maintenance, increase accountability for the cleanliness and daily equipping of the vehicles, and provide more timely response to calls for service that occur during change of shift times.</p> <p>The Assigned Vehicle Program was implemented at the request of patrol personnel whom voiced concerns that the Sedona Police Department was the only agency in the Verde Valley that did not have a fully-implemented assigned vehicle program for all their patrol personnel.</p>
d)	Does the project/issue relate to the Community Plan (or other master plans)?
	If not in a specific plan, how does this fit into the City of Sedona's priorities?
	Although the Community Plan does not list public safety as an overall goal or significant element of an action plan, the vision and goals specified in the plan can be adversely impacted by the poor and/or deficient delivery of public safety services.
e)	Provide a cost/benefit analysis. What does the City/community get for this investment?
	<p>The desire for patrol personnel to have a fully implemented Assigned Vehicle Program is very strong and has been mentioned as a retention issue by officers who have left the department to seek employment other law enforcement agencies. Assigned Vehicle Programs do have operational benefits and have been implemented by law enforcement agencies of all sizes across the nation. A 2014 study by the Pima County Sheriff's Department (Pima County, AZ) of their Assigned Vehicle Program showed that the program had various benefits such as:</p> <ul style="list-style-type: none"> • Increased police presence • Improved patrol shift transitions • Improved operational mobility and flexibility • Improved emergency response and control • Improved command and control

CM Contingent Recommendation \$120,00

- Increased vehicle longevity
- Lower operating cost per mile
- Less down time for maintenance
- Lower collision rates

In order to fully implement an Assigned Vehicle Program for all patrol personnel the police department would request to add 12 fully equipped police vehicles to its fleet. The average cost of an equipped police vehicle is about \$52,000 bringing the total estimated capital cost for a fully implemented program to \$624,000.

The police department has researched alternatives to fully implementing the program which included incrementally increasing the fleet over the next few fiscal years or moving to a lease/purchase option for obtaining new police vehicles. The police department supports utilizing a lease/purchase option to increase the police fleet as it enables the police department to fully implement the program in FY 2016-17 and spread the costs of implementation over the next four or more fiscal years.

Both Ford Motor Company and General Motors offer fully equipped police vehicle lease/purchase programs to local municipalities. These programs spread the costs of new vehicles over a specified time period through agreed upon terms which includes modest interest rates. Based on quotes from Ford Motor Company and General Motors, the police department could add 12 new police vehicles to its fleet for an average annual cost of about \$171,600 for four years. The police department would have the option of purchasing the vehicles at the end of the lease period for \$1.00 each and could choose to either retain the vehicles or send them to auction as surplus property. Based on previous police vehicle auctions, these vehicles could sell for at least \$4,000 which would result in overall cost of fully implementing the Assigned Vehicle Program to \$14,400 during the four year lease/purchase agreement.

The police department will need to replace an average of three police vehicles each year over the next four fiscal years. The capital cost to replace these vehicles would be approximately \$150,000 annually. If funding was approved to increase the police fleet through the above lease/purchase option, it would only require an additional \$22,000 annually to fully implement an Assigned Vehicle Program for all patrol personnel.

Additionally, by increasing the police fleet with 12 new lease/purchase patrol vehicles, the aging retained vehicles could be replaced by higher mileage patrol vehicles that are rotated out of the patrol fleet. The higher mileage retained vehicles would continue to be used to provide transportation and service delivery needs to other functions and activities in the police department.

CM Contingent Recommendation \$120,00

II Risk Analysis	
	a) What happens if this is not done?
	The Police Department would continue to manage its police fleet through a combination of assigned and motor pool vehicles. Some of these vehicles would rapidly accumulate high mileage which could reduce the time that it takes to reach their end of life cycle. Retained police vehicles for other department functions and activities would become too costly to maintain and would need to be removed from the police fleet. Vehicles for transportation and service delivery needs for these other functions and activities would be significantly reduce and may require requests to fund new vehicles.
	b) Show examples of best practices from other cities, if applicable:
	The listed Verde Valley law enforcement agencies provide assigned vehicles to their patrol personnel: <ul style="list-style-type: none"> • Clarkdale Police Department • Cottonwood Police Department • Camp Verde Marshal's Office • AZ Department of Public Safety • Yavapai County Sheriff's Office • Coconino County Sheriff's Office
III Implementation	
	a) What is the timeframe for completion of plan and implementation for project/issue?
	The police department would need about two weeks to evaluate and select the best police vehicle lease/purchase provider for its specific needs. This process could be accomplished prior to the beginning of FY 2016-17. Delivery of vehicles obtained through a lease/purchase program usually takes two to six months from the date of ordering depending on vehicle availability and scheduling of equipment installation.
	b) How will you market/communicate the project/issue to the public?
	c) What performance measures will you use to evaluate the project/issue?
	The police department maintains detailed service and maintenance records on its entire fleet of vehicles. These records would be reviewed on a quarterly basis to evaluate the cost effectiveness of the lease/purchase vehicles.
IV Proposed Expenditures	
Please explain the resources required (in-house staff, consultants, special equipment, ongoing operation and maintenance, other department(s) support, etc.)	

CM Contingent Recommendation \$120,00

Line Item Description (One-Time)	Account*	FY 2016-17 Request
		\$0
		\$0
		\$0
		\$0
One-time Expenditures Total: \$0		
Line Item Description (On-going)	Account*	FY 2016-17 Request
Lease Purchase	10-5510-43-6925	\$120,000
		\$0
		\$0
On-going Expenditures Total: \$120,000		

*Full account string including fund, department/division number, and account number.

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**CITY COUNCIL
AGENDA BILL**

**AB 2208
February 28, 2017
Regular Business**

Agenda Item: 8a
Proposed Action & Subject: Presentation/discussion with Richard Heath, Executive Director Northern Arizona University-Prescott Valley Campus, with an overview of the campus and future plans.

Department	City Council
Time to Present	5 minutes
Total Time for Item	30 minutes
Other Council Meetings	N/A
Exhibits	None

City Attorney Approval	Reviewed 2/21/17 RLP	Expenditure Required	\$ 0
City Manager's Recommendation	Presentation and discussion only.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: Richard Heath, Executive Director Northern Arizona University-Prescott Valley Campus, will be present to give an overview of the campus and future plans. He will also be available to answer any questions of City Council.

Community Plan Compliant: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): None.

MOTION

I move to: presentation and discussion only. No action required.

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**CITY COUNCIL
AGENDA BILL**

**AB 2207
February 28, 2017
Regular Business**

Agenda Item: 8b
Proposed Action & Subject: Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona.

Department	Legal
Time to Present	10 Minutes
Total Time for Item	20 Minutes
Other Council Meetings	02/14/2017
Exhibits	None

City Attorney Approval	Reviewed 2/21/17 RLP	Expenditure Required \$ 0 Amount Budgeted \$ 0 Account No. N/A (Description) Finance Approval <input checked="" type="checkbox"/>
City Manager's Recommendation	None.	

SUMMARY STATEMENT

Background: During the course of the State Legislative Session, many bills are introduced that have a potential impact on the City of Sedona. The Arizona League of Cities and Towns and City staff routinely monitor bills of interest as they progress through the legislative process.

This item is scheduled in order to provide a summary update on relevant bills, to answer questions that the City Council may have in regard to any individual bill and to consider the need for the City Council to take a formal position in support or opposition of any particular bill.

During the 2014 Legislative Session, the Council agreed by unanimous consensus to allow staff and the Mayor to weigh in on issues at the Legislature on behalf of the City, requesting only that the Council be notified via email of issues on which the City takes a position. Such a practice is a very effective method of ensuring appropriate City involvement with legislative issues.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for informational purposes only, unless there is a preference to take a position on a particular bill.