

**CITY OF WILLCOX  
MAYOR AND CITY COUNCIL**

**WORK SESSION MEETING  
AGENDA**

**Monday, April 16, 2012**

**6:00 p.m.**

**City Council Chambers  
300 W. Rex Allen Drive  
Willcox, AZ**

(Mayor or Designee will read only **BOLD** print of each agenda item,  
except for Public Hearings, Petitions and Communications.)

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE TO THE FLAG**

**4. DECLARATION ON CONFLICT OF INTEREST**

The Council members and staff have a right to declare a conflict of interest. The declaration of a conflict of interest must be made prior to discussion of any agenda item in which Council members or staff may have a conflict of interest.

**5. ADOPTION OF THE AGENDA**

The Council will at this time either adopt the agenda as presented by the City Clerk or may remove or table any of the listed agenda items. Tabled items, unless otherwise directed, will appear on the next regular agenda. Council may not add any items to the agenda at this time. Should staff have any recommendations concerning the exclusion or tabling of agenda items they will voice these recommendations at this time.

**6. DISCUSSION WITH STAFF AND REPRESENTATIVE FROM SEVERN TRENT ON THE PUBLIC PRIVATE PARTNERSHIP OPERATION OF THE CITY OF WILLCOX'S WASTE WATER TREATMENT PLANT**

Consideration and/or discussion with staff and representative from Severn Trent on the Public Private partnership Operation of the City of Willcox's Waste Water Treatment Plant.

**7. ADJOURN**

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**NOTE:** People with disabilities may request reasonable accommodations. Requests must be made 48 hours prior to the meeting by contacting City Hall at 384-4271, ext. 4204, during regular business hours 8:00 a.m. to 4:30 p.m., Monday through Friday.



## NOTICE OF MEETING

### CITY COUNCIL

In accordance with Resolution No. 370 of the City of Willcox, and Section '38-431.01 of the Arizona Revised Statutes **NOTICE IS HEREBY GIVEN** that the **MAYOR AND COUNCIL** of the City of Willcox, County of Cochise, Arizona, will hold a **WORK SESSION MEETING** on **MONDAY** the **16th** day of **APRIL** 2012, at **6:00 P.M.**, at the **CITY COUNCIL CHAMBERS, 300 W. REX ALLEN DRIVE, WILLCOX, AZ.**

Item for consideration and/or discussion relating to:

**DISCUSSION WITH STAFF AND REPRESENTATIVE FROM SEVERN TRENT ON THE PUBLIC PRIVATE PARTNERSHIP OPERATION OF THE CITY OF WILLCOX'S WASTE WATER TREATMENT PLANT**

All members of the public are invited to attend such meeting.

DATED AND POSTED this 10<sup>th</sup> day of APRIL 2012, at 3:00 P.M.

CITY OF WILLCOX, ARIZONA

/s/ Cristina Garcia Whelan, CMC  
City Clerk Cristina Garcia Whelan, CMC

Agenda\2012\wsmtgnotice 041612

**"Mine, Yours, Ours"**

**CITY OF WILLCOX  
REQUEST FOR COUNCIL ACTION**

Agenda Item: WS  
Tab Number: —  
Date: 04-16-2012

**Date Submitted:**  
3-30-12  
  
**Date Requested:**  
4-16-12

**Action:**  
 Resolution  
 Ordinance  
 Formal  
 Other

**Subject: Private Public  
partnership in operation  
of Waste Water  
Treatment Plant**

**TO: MAYOR AND COUNCIL**

**FROM: City Manager**

**DISCUSSION:** As the Staff has previously reported, we have been reviewing the prospect of a Public/Private Partnership for the operation of the City's Waste Water Treatment Plant (WWTP). There have been a few factors driving this exploration.

- 1) The City of Willcox has used a Lagoon system of Waste Water Treatment for many years, this system does not seem to be adequate to properly treat the waste water. The result has been a Notice of Violation (NOV) from the Arizona State Department of Environmental Quality (AZDEQ). Failure to address the concerns could result in substantial fines and the loss of the ability to connect any new accounts to the Sewer Collection system.
- 2) The City made major upgrades to the WWTP approximately 2000, these were made in conjunction with professional engineers. These have failed to address the concerns and the result was the NOV.
- 3) The Federal and State requirements are projected to continue to become more demanding in future years.
- 4) While the City staff is knowledgeable and motivated, we are limited by our lack of expertise in the operation of many types of Waste Water Disposal.
- 5) The City is faced with making major investments in facilities to address long term needs at the WWTP. The decisions made now will affect the City rate payers for decades. These decisions will affect the design of the WWTP, and the long term costs of the operation of the WWTP.
- 6) It is not clear at this time what will be selected as the "Best" system to address to correct the current problems and address the future needs of the City.
- 7) While engineers are knowledgeable and will design a system which will achieve the goal of producing the end product (effluent of adequate quality); they are not necessarily experienced or knowledgeable in day to day operations.
- 8) Whatever system is picked for the WWTP there will be new costs involved in the operation which will be difficult to predict.

The Staff looked for ways to try to address these concerns. We feel that the need to bring in a high level of "Operational Expertise" to the City to assist in the process of developing the new WWTP: this development needed to be done in a timeframe which will allow the City to be active in the selection of method, design of facility, and future operation of facility. This latter item is especially important to the City as these costs will have to be 100% borne by the ratepayers – forever.

Our opinion was that the best way to find the type Operational Expertise we needed was to look to a large private firm who had broad experience in the operation of WWTP of various types.

Staff initiated a Request for Qualifications (RFQ) in conformance with the City's purchasing procedure. While we feel Willcox is an important Metropolitan area; in the bigger picture we are small potatoes. We did receive three (3) well qualified responses. A panel made up of Staff, outside staff and knowledgeable citizens from the Willcox area reviewed the RFQ and selected Severn Trent as best suiting the needs of the City (as detailed above). Staff recognized that we are buying not just current operations ability; we are buying expertise and a lot of it. We recognize that the immediate cost to operate the WWTP is likely to **increase**. We feel that the long term benefits of selection of the type facility and the design to incorporate operational efficiencies will far out weigh the short term costs.

The plan is to bring Severn Trent on board as our current operator retires in May 2012. They will be our long term partner through the selection, design, construction, and operation of the new WWTP.

Severn Trent is currently working with the City of Safford in a Public Private Partnership to operate Safford's WWTP.

**RECOMMENDATION:** Meet and discuss the Private Public Partnership with Severn Trent. Look for areas not revealed in current discussions. Prepare to move forward on contracting with Severn Trent for the operation of the City's WWTP.

**FISCAL IMPACT:** While it is somewhat difficult to breakout the cost of operation of the WWTP from the operation of the Collection system; therefore the FY13 numbers are likely to be highly inflated; it is estimated that the additional costs of operation of the entire Sewer system is likely to increase \$100,000/yr.

**Prepared by: Pat McCourt**

Approved by: \_\_\_\_\_

  
**Pat McCourt, City Manager**

**CITY OF WILLCOX  
MAYOR AND CITY COUNCIL  
AGENDA**

**Monday, April 16, 2012  
7:00 p.m.**

**City Council Chambers  
300 W. Rex Allen Drive  
Willcox, AZ 85643**

(Mayor or Designee will read only **BOLD** print of each agenda item,  
except for Public Hearings, Petitions and Communications.)

**Resolution No. 2012- ??  
Ordinance NS311**

**NOTICE TO PARENTS:** Valley Telecom Group records all Willcox City Council meetings. These recordings may be played and replayed on Valley Telecom Cable Channel 1. If you permit your child to participate in the Council Meeting, a recording will be made of your child's participation. If your child is seated in the audience, he or she may be recorded. If you desire, you may request that your child be seated in a designated area to avoid recording. To do so, please submit your request to the City Clerk prior to the meeting. (A.R.S. §1-602.A)

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE TO THE FLAG**

**4. CALL TO THE PUBLIC**

Mayor and Council consider comments or complaints from the public. Those wishing to address the Council are required to register by completing an individual speaker's form and filing it with the Clerk before the meeting. The speaker must be recognized by the Mayor before speaking. Time permitting each presentation will be given approximately three (3) minutes. It is probable that each organization will be limited to one speaker. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later date.

**5. DECLARATION ON CONFLICT OF INTEREST**

Council members and staff have a right to declare a conflict of interest. The declaration of a conflict of interest must be made prior to discussion of any agenda item in which Council members or staff member determine they have a conflict of interest.

**6. ADOPTION OF THE AGENDA**

The Council will at this time either adopt the agenda as presented or may remove or table any of the listed agenda items. Tabled items, unless otherwise directed, will appear on the next regular agenda. Council may not add any items to the agenda at this time. Should staff have any recommendations concerning the exclusion or tabling of agenda items they will voice these recommendations at this time.

**7. PUBLIC HEARINGS, PETITIONS AND COMMUNICATIONS**

**Public Hearing:** In accordance with ARS §9-499.15, Public Notice: The Mayor and Council will hold public hearings on Monday, May 7, 2012 and Monday, May 21, 2012 at 7:00 p.m. in the City Council Chambers, 300 W. Rex Allen Drive, Willcox, AZ, regarding the Notice of Intention to Increase Utility Rates and to consider the implementation of revised FY13 Utility Rate Schedules for the Gas, Water, Wastewater, and Solid Waste utilities.

**Tab 1**

**Proclamation:** Mayor Lindsey proclaims April 15-21, 2012 *National Volunteer Week*

**Tab 2**

**8. CONSENT AGENDA**

Items that are considered to be routine by the City Council will be enacted by one motion **without** discussion. The consent agenda is a timesaving device and Council members have received documentation on these items for their review prior to the open meeting. Any Councilmember may remove any item from the consent agenda for discussion

and a separate vote as deemed necessary. The public may view the documentation relating to the consent agenda on the City's web site or 24 hours prior to the meeting at the City Clerk's Office, 101 S. Railroad Avenue, Suite B, Willcox, AZ from 8:30 a.m. to 4:30 p.m. or at the Elsie S. Hogan Library, 100 N. Curtis Avenue during normal working hours Monday-Saturday.

- 8A. FINANCIAL REPORTS THROUGH MARCH 31, 2012** **Tab 3**
- 9. DISCUSSION/DECISION REGARDING PARTICIPATION IN THE NCCH 16<sup>th</sup> ANNUAL GOLF TOURNAMENT** **Tab 4**  
Consideration, discussion and/or decision regarding participation in the NCCH 16<sup>th</sup> annual golf tournament
- 10. DISCUSSION/DECISION REGARDING OFFER OF CITIZENS TO TAKE CARE OF THE FLAGS IN RAILROAD PARK.** **Tab 5**  
Consideration, discussion and/or decision regarding the offer from citizens to take care of the flags in Railroad Park
- 11. DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-30 APPROVING AND ADOPTING THE GRANT FROM THE UNION PACIFIC FOUNDATION FOR THE PURPOSE OF APPLYING FOR \$5,000.00 TO BE USED FOR THE HISTORIC MASCOT & WESTERN PASSENGER CAR AND DECLARING AN EMERGENCY TO EXIST.** **Tab 6**  
Consideration and/or discussion regarding Resolution NO. 2012-30 to accept the grant from Union Pacific Foundation for the staging area in front of the Mascot & Western Car.
- 12. DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012- 31 APPROVING AND ADOPTING THE CHIP SEAL AWARD TO WESTERN EMULSIONS ["CONTRACTOR"] IN THE AMOUNT OF \$37,886.20 (+) \$85.00 FOR TANKER UNLOADING FOR THE PATTI ROAD IMPROVEMENTAND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.** **Tab 7**  
Consideration, discussion and/or decision regarding Resolution No. 2012-31, as stated, relating to approving and adopting the chip seal award to Western Emulsions
- 13. DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-32 APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE STATE FARM YOUTH ADVISORY BOARD PROGRAM FOR THE PURPOSE OF APPLYING FOR A YOUTH-DIRECTED SERVICE-LEARNING ACTION GRANT IN THE AREA OF "ACCESS TO HIGHER EDUCATION/CLOSING THE ACHIEVEMENT GAP", AUTHORIZING AND DIRECTING CITY STAFF TO SUBMIT SAID APPLICATION AND DECLARING AN EMERGENCY TO EXIST.** **Tab 8**  
Consideration, discussion and/or decision regarding Resolution No. 2012-32, as stated, relating to approving and authorizing the submission of an application to the state farm youth advisory board program for the purpose of applying for a youth-directed service-learning action grant.
- 14. DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-33 APPROVING AND ADOPTING THE REVISED BULK WATER FILL STATION BID FROM SMYTH INDUSTRIES ("CONTRACTOR"), AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST** **Tab 9**  
Consideration, discussion and/or decision regarding Resolution NO. 2012-33, as stated, relating to Bulk Water Fill Station Bid from Smyth Industries.
- 15. DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-34 APPROVING AND AWARDDING THE BID CONTRACT TO EMPLOYEE SOLUTIONS GROUP ("ESG") PURSUANT TO THE RFP BID FOR SPECIFIC EMPLOYEE INSURANCE BENEFITS PLAN AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.** **Tab 10**  
Consideration, discussion and/or decision regarding Resolution NO. 2012-34, as stated, relating approving and awarding the bid contract to Employee Solutions Group
- 16. DISCUSSION/DECISION REGARDING RESOLUTION NO. 2012-35 APPROVING AND AWARDDING THE WASTE WATER TREATMENT PLANT ("WWTP") BID TO SEVERN TRENT ENVIRONMENTAL SERVICES, INC. ("CONTRACTOR"), AUTHORIZING THE EXECUTION OF THIS RESOLUTION AND CONTRACT DOCUMENTS AND DECLARING AN EMERGENCY TO EXIST.** **Tab 11**  
Consideration, discussion and/or decision regarding Resolution NO. 2012-35, as stated, relating to approving the contract with Severn Trent for operation of the Waste Water Treatment Plant.

**17. REPORTS BY THE CITY MANAGER PAT MCCOURT**

Tab 12

Consideration, discussion, and/or decision regarding the following topics by the City Manager:

- **Report on City Election** – General Election to be held on Tuesday, May 15, 2012, for one (1) position. Nomination papers from write-in candidates were due Thursday, April 5, 2012. There are three (3) Official Write-In Candidates and their name(s) will not appear on ballot. They are Linda Sue Ball, Richard Bennett, and Wm. Kelly Rowden, Request for early Ballots begins April 19, 2012 by calling Cochise County Elections at 1-520-432-8354 or 1-888-457-4513.
- **Report City Clean Up April 28, 2012**
- **Update on the Energy Efficiency Conservation Block Grant**-The City of Willcox was not selected for award which was to be used at the Fire Station #2.
- **2012 Newly Elected Officials Training**, June 1-2, 2012 at The Wigwam Resort, Litchfield Park Cost is \$170.00 per person.

**18. COMMENTS NOT FOR DISCUSSION FROM MAYOR AND COUNCIL MEMBERS.**

**19. DISCUSSION/DECISION ENTER INTO AN EXECUTIVE SESSION PURSUANT TO ARIZONA REVISED STATUTES §38-431.03A(3) DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY**

Tab 13

Consideration, discussion and/or decision to enter into an Executive Session pursuant to ARS §38-431.03A(3), as stated, relating to consultation for legal advice with the attorney(s) of the public body.

**20. RECESS TO EXECUTIVE SESSION, IF APPROVED**

**21. RECONVENE FROM EXECUTIVE SESSION**

**22. DISCUSSION/DECISION/DIRECTION TO STAFF REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION**

Consideration, discussion, decision and/or direction to staff regarding matters discussed in Executive Session relating to advice from City Attorney.

**23. ADJOURN**

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**NOTE:** Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 101 S. Railroad Avenue, Suite B, or the Elsie S. Hogan Community Library during regular business hours Monday-Saturday and on the City's website [www.cityofwillcox.org](http://www.cityofwillcox.org).  
**NOTE:** People with disabilities may request reasonable accommodations. Requests must be made 48 hours prior to the meeting by contacting City Hall at 384-4271 during regular business hours 8:00 a.m. to 4:30 p.m., Monday through Friday.





**NOTICE OF PUBLIC HEARING**  
**MAYOR AND CITY COUNCIL**

In accordance with Resolution No. 370 of the City of Willcox, and Section 38-431.01 of the Arizona Revised Statutes **NOTICE IS HEREBY GIVEN** that the **MAYOR AND COUNCIL** of the City of Willcox, County of Cochise, Arizona, will hold a **PUBLIC HEARINGS**, during the **REGULAR** meetings, on **MONDAY** the **7<sup>th</sup> AND 21<sup>st</sup>** day of **MAY**, 2012 at **7:00 p.m.**, in the **CITY COUNCIL CHAMBERS, 300 W. REX ALLEN DRIVE, WILLCOX, AZ.**

Public Hearing on:

**The Notice of Intention to Increase Utility Rates and to consider the implementation of revised FY13 Utility Rate Schedules for the Gas, Water, Wastewater, and Solid Waste utilities.**

All members of the public are invited to attend such meeting. For those persons unable to attend, written comments will be accepted until 4 p.m. the day of the public hearing in the Office of the City Clerk, 101 S. Railroad Avenue, Suite B, Willcox, AZ 85643.

**DATED AND POSTED this 30<sup>th</sup> day of MARCH 2012 AT 11:00 A.M.**

**CITY OF WILLCOX, ARIZONA**

**/s/Cristina G. Whelan, CMC .**  
**CITY CLERK**

Publichearing/notice of intention utility rates



# Proclamation

**Whereas;** Willcox's volunteers demonstrate that the strength of our City lies in the hearts and souls of our citizens; and

**Whereas;** during National Volunteer Week, we recognize all those who have touched the lives of others with their kindness and who have made our City a better place by helping their fellow citizens; and

**Whereas;** the entire community can inspire, equip and mobilize people to take action that changes the world; and

**Whereas;** during this week, as others are all over the nation and throughout the great State of Arizona, volunteers are recognized for their commitment to service; and

**Whereas;** the giving of oneself in one service to another empowers the giver and the recipient; and

**Whereas;** our city's volunteer force is a great treasure; and

**Whereas;** volunteers are vital to our future as a caring and productive nation;

**NOW, THEREFORE, I,** Gerald W. Lindsey, Mayor of the City of Willcox, Cochise County, do hereby proclaim April 15-21, 2012 as

**\* \* \* NATIONAL AND WILLCOX VOLUNTEER WEEK \* \* \***

urging all citizens to join me in recognizing all of the volunteers that help others in this community, and strive to make Willcox a better place in which to live, work and play.

*In witness whereof, I have hereunto set my hand and caused the Seal of the City of Willcox to be affixed this 16<sup>th</sup> day of April 2012*

*Gerald W. Lindsey*

Mayor Gerald W. Lindsey

Attest:

*Cristina Garcia Whelan, CMC*

Cristina Garcia Whelan, CMC  
City Clerk.



**"Mine, Yours, Ours"**



**City of Willcox Fiscal Year 2011-12  
Revenues, Expenses and Fund Balances (July 2011 - March 2012, 75% of fiscal year has elapsed)**

Fund Number	Fund Name	7/1/11 Opening Bal.	Revenues	Inter-fund Transfers		Expenses	3/31/12 Ending Balance	FY 11-12 Fund Bal. Change
				In	Out			
10	General Fund	\$ 1,828,822	2,008,310	A \$ 399,478 E \$ 26,850	C \$ 17,000	\$ 2,548,531	\$ 1,697,929	\$ (130,893)
15	HURF	\$ 257,723	\$ 657,659		B \$ 11,373	\$ 567,295	\$ 336,713	\$ 78,990
16	Grants	\$ 16,833	\$ 346,298	B \$ 11,373		\$ 364,323	\$ 10,181	\$ (6,652)
17	Special Rev Grants	\$ 100,554	\$ 9,378	C \$ 17,000		\$ 24,503	\$ 102,429	\$ 1,875
20	Debt Service	\$ 161,895	\$ 76,361	D \$ 4,275		\$ 154,188	\$ 88,344	\$ (73,552)
21	Capital Improv	\$ 44,182	\$ 80,509	F		\$ 87,044	\$ 37,647	\$ (6,535)
50	Gas - Operating	\$ 969,183	\$ 713,967		A \$ 143,051	\$ 466,847	\$ 1,073,252	\$ 104,069
51	Water	\$ 1,331,319	\$ 539,360		A \$ 94,907 D \$ 4,275	\$ 319,994	\$ 1,455,778	\$ 120,184
52	Sewer	\$ 718,971	\$ 589,401		A \$ 86,421	\$ 295,819	\$ 926,132	\$ 207,161
53	Refuse Due to Gen Fund	\$ 14,845 \$ (78,268)	\$ 493,284		A \$ 75,099 E \$ 26,850	\$ 371,435	\$ 34,746 \$ (78,268)	\$ 19,901
61	Magistrate Court Trust Fund	\$ 3,863	\$ 17,997			\$ 11,403	\$ 10,458	\$ 6,595
72	Firemen's Pension Trust Fund	\$ 220,588	\$ 3,703			\$ 2,000	\$ 222,291	\$ 1,703
		\$ 5,590,511	\$ 5,536,228		\$ 458,976	\$ 5,213,382	\$ 5,917,632	\$ 322,846

- A Utilities transfers to General Fund
- B Grant matching funds from Streets to Fort Grant project
- C City's Donation matching for skatepark funds received to date
- D General Obligation Bond for Water paid by Water Utility
- E Year to date budgeted Refuse loan repayment to General Fund
- F Civic facility landscaping; Library Improv-USDA Grant; reimbursmt 4/5/12 accrued

CITY OF WILLCOX  
FINANCE DEPARTMENT  
REPORT TO THE CITY COUNCIL

JULY 2011 - MARCH 2012 (75% OF FISCAL YEAR 2011-2012)

	YTD REVENUES			YTD EXPENDITURES			YTD INC (LOSS)	
	ACTUAL YTD	BUDGET YTD	%	ACTUAL YTD	BUDGET YTD	%	FY12 Net	FY11 Net
<b>GENERAL FUND</b>								
General Fund Departments	\$ 2,434,638	\$ 3,250,964	74.9%	\$ 2,565,531	\$ 3,250,964	78.9%	\$ (130,893)	\$ (220,106)
HURF/LTAF **	\$ 657,659	\$ 880,952	74.7%	\$ 578,668	\$ 880,952	65.7%	\$ 78,990	\$ 137,398
<b>SPECIAL REVENUE FUND</b>								
Special Revenue Grants	\$ 384,049	\$ 1,647,344	23.3%	\$ 388,826	\$ 1,647,344	23.6%	\$ (4,777)	\$ (24,649)
Debt Service Fund *	\$ 80,636	\$ 117,596	68.6%	\$ 154,188	\$ 117,596	131%	\$ (73,552)	\$ (49,090)
Capital Improvements Fund***	\$ 80,509	\$ 122,025	66.0%	\$ 87,044	\$ 122,025	71.3%	\$ (6,535)	\$ (19,090)
<b>PROPRIETARY FUND</b>								
Gas	\$ 713,967	\$ 915,010	78.0%	\$ 609,899	\$ 915,010	66.7%	\$ 104,069	\$ 132,336
Water **	\$ 539,360	\$ 552,217	97.7%	\$ 419,176	\$ 552,217	75.9%	\$ 120,184	\$ 65,679
Sewer **	\$ 589,401	\$ 548,149	107.5%	\$ 382,240	\$ 548,149	69.7%	\$ 207,161	\$ 117,743
Refuse	\$ 493,284	\$ 497,990	99.1%	\$ 473,384	\$ 497,990	95.1%	\$ 19,901	\$ 49,563
<b>FIDUCIARY FUND</b>								
Magistrate Court Fund	\$ 17,997	\$ 21,000	85.7%	\$ 11,403	\$ 21,000	54.3%	\$ 6,595	\$ 2,944
Fireman Pension Fund	\$ 3,703	\$ 40,694	9.1%	\$ 2,000	\$ 40,694	4.9%	\$ 1,703	\$ (862)
<b>FUND GRAND TOTALS</b>	<b>\$ 5,995,204</b>	<b>\$ 8,593,938</b>	<b>69.8%</b>	<b>\$ 5,672,359</b>	<b>\$ 8,593,938</b>	<b>66.0%</b>	<b>\$ 322,846</b>	<b>\$ 191,867</b>

\*General Obligation Bond payments include all annual principal and interest; revenues received throughout the year.

\*\*Includes accrual for bond obligations

\*\*\*Includes accrued income for reimbursement of expenses of Library project funded by USDA Grant

**City of Willcox**

**Fiscal Year 2011-2012**

**Investment Report as of 3/31/2012**

Investment Account	Opening Cash Balance 7/1/2011	Cash In		D	Cash Out thru 3/31/12	Ending Balance 3/31/2012	Change in Ending Balance
		thru 3/31/12	Accrued				
<b>Governmental &amp; Enterprise Funds</b>							
Combined Savings	\$ 655,618	\$ 3,694,824	\$(288,759)	C	\$ 3,862,578	\$ 199,105	\$ (456,513)
Local Govt Investment Pool (LGIP)	\$ 3,090,449	\$ 2,007,538	\$ -		\$ 260,952	\$ 4,837,035	\$ 1,746,586
CDARS	\$ 1,516,896	\$ 127,141	\$ -		\$ 1,135,004	\$ 509,033	\$ (1,007,863)
Petty cash & other	\$ 2,199	\$ 2,348	\$ -		\$ 2,597	\$ 1,951	\$ (248)
Savings-Golf Course	\$ 13,593	\$ 14	\$ -		\$ 3,218	\$ 10,388	\$ (3,204)
Police Bond Fund Checking	\$ 222,951	\$ 200	\$ -	A	\$ 180,712	\$ 42,440	\$ (180,512)
<b>Total Governmental &amp; Enterprise</b>	<b>\$ 5,501,706</b>	<b>\$ 5,832,066</b>	<b>\$(288,759)</b>		<b>\$ 5,445,061</b>	<b>\$ 5,599,952</b>	<b>\$ 98,246</b>
<b>Agency Fund - Magistrate Court</b>							
Combined Savings	\$ (592)	\$ 2,083	\$ -		\$ 2,083	\$ (592)	\$ -
Checking-Magistrate	\$ 4,455	\$ 16,612	\$ -		\$ 13,486	\$ 7,582	\$ 3,126
<b>Total Agency-Magistrate Court</b>	<b>\$ 3,863</b>	<b>\$ 18,695</b>	<b>\$ -</b>		<b>\$ 15,569</b>	<b>\$ 6,990</b>	<b>\$ 3,126</b>
<b>Agency Fund - Fireman's Fund</b>							
Combined Savings	\$ (711)	\$ 3,150	\$ -	B	\$ 1,800	\$ 639	\$ 1,350
Local Govt Investment Pool (LGIP)	\$ 214,667	\$ 2,564	\$ -		\$ 338	\$ 216,894	\$ 2,227
Firemen's Fund Savings	\$ 3,281	\$ 1,476	\$ -		\$ -	\$ 4,757	\$ 1,476
<b>Total Agency-Fireman's Fund</b>	<b>\$ 217,237</b>	<b>\$ 7,190</b>	<b>\$ -</b>		<b>\$ 2,138</b>	<b>\$ 222,290</b>	<b>\$ 5,052</b>
<b>Total Cash</b>	<b>\$ 5,722,806</b>	<b>\$ 5,857,951</b>	<b>\$(288,759)</b>		<b>\$ 5,462,767</b>	<b>\$ 5,829,231</b>	<b>\$ 106,425</b>
A	Reimbursement to Gen Fund-Police Facility/Library						
B	Firefighters contributions and City match						
C	Accruals for bond & interest payments and service contracts						
D	The revenue spread for the LGIP & CDARS funds is reallocated annually based on fund balance in accordance with the balances shown on the annual audited financial statements. Reallocations for FY12, effective as of July 1, 2011 and included in Cash Out for reallocation purposes, are as follows:						
		FY11	FY12		Change		
General Fund		45%	36%		-9%		
HURF		6%	5%		-1%		
Gas Utility		18%	19%		1%		
Water Utility		22%	26%		4%		
Sewer Utility		9%	14%		5%		
		100%	100%		0%		



City of Willcox

Fiscal Year 2010-2011

Investment Report by Fund as of 3/31/2012

Fund Number	Fund Investment Account	Opening Cash Balance		Cash In		Cash Out thru 3/31/12	Ending Balance 3/31/2012	Change in Ending Balance
		7/1/2011		thru 3/31/12	Accrued			
10	<b>General Fund</b>							
	Combined Savings	\$ (34,571)	\$ 942,869	\$ (21,874)		1,125,554	\$ (239,129)	\$ (204,558)
	Local Govt Investment Pool (LGIP)	\$ 1,224,191	\$ 683,019			164,152	\$ 1,743,058	\$ 518,867
	CDARS	\$ 666,130	\$ 2,448			485,314	\$ 183,264	\$ (482,867)
	Petty cash & other	\$ 2,199	\$ 2,348			2,597	\$ 1,951	\$ (248)
	Sub-Total: General Fund	\$ 1,857,949	\$ 1,630,684	\$ (21,874)		1,777,617	\$ 1,689,143	\$ (168,806)
15	<b>HURF</b>							
	Combined Savings	\$ 165,747	\$ 373,916	\$ (177,670)		317,927	\$ 44,065	\$ (121,682)
	Local Govt Investment Pool (LGIP)	\$ 59,483	\$ 182,264			320	\$ 241,426	\$ 181,943
	CDARS	\$ 32,493	\$ 28,501			35,543	\$ 25,451	\$ (7,043)
	Sub-Total: HURF	\$ 257,723	\$ 584,680	\$ (177,670)		353,791	\$ 310,942	\$ 53,219
16 & 17	<b>Grants Special Revenue</b>							
	Combined Savings	\$ 143,172	\$ 277,496			306,970	\$ 113,698	\$ (29,474)
	Savings-Golf Course	\$ 13,593	\$ 14			3,218	\$ 10,388	\$ (3,204)
	Sub-Total: Grants Special Revenue	\$ 156,764	\$ 277,510	\$ -		310,188	\$ 124,086	\$ (32,678)
20 & 21	<b>Debt Service &amp; Capital Improvements</b>							
	Combined Savings	\$ (16,874)	\$ 241,849			221,733	\$ 3,242	\$ 20,116
	Police Bond Fund Checking	\$ 222,951	\$ 200			180,712	\$ 42,440	\$ (180,512)
	Sub-Total: Debt Svc & Capital Impr	\$ 206,078	\$ 242,049	\$ -		402,445	\$ 45,682	\$ (160,396)
50	<b>Gas-Utility</b>							
	Combined Savings	\$ 95,407	\$ 580,561			640,232	\$ 35,736	\$ (59,671)
	Local Govt Investment Pool (LGIP)	\$ 565,089	\$ 353,549			1,218	\$ 917,421	\$ 352,331
	CDARS	\$ 308,687	\$ 1,155			213,130	\$ 96,713	\$ (211,974)
	Sub-Total: Gas Utility	\$ 969,183	\$ 935,265	\$ -		854,579	\$ 1,049,870	\$ 80,687

**City of Willcox**

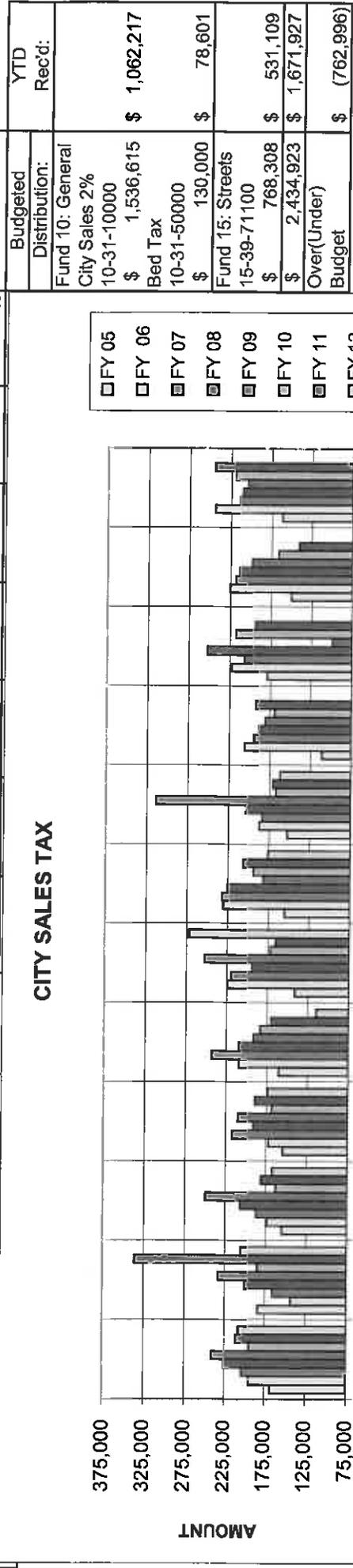
**Fiscal Year 2010-2011**

**Investment Report by Fund as of 3/31/2012**

Fund Number	Fund Investment Account	Opening Cash Balance		Cash In		Cash Out thru 3/31/12	Ending Balance 3/31/2012	Change in Ending Balance
		7/1/2011	thru 3/31/12	Accrued	thru 3/31/12			
51	<b>Water-Utility</b>							
	Combined Savings	\$ 227,602	\$ 482,706	\$ (29,891)		631,716	\$ 48,701	\$ (178,901)
	Local Govt Investment Pool (LGIP)	\$ 713,797	\$ 543,287			1,666	\$ 1,255,418	\$ 541,621
	CDARS	\$ 389,920	\$ 1,486			259,062	\$ 132,344	\$ (257,577)
	<b>Sub-Total: Water Utility</b>	\$ 1,331,320	\$ 1,027,479	\$ (29,891)		892,444	\$ 1,436,462	\$ 105,143
52	<b>Sewer-Utility</b>							
	Combined Savings	\$ 75,136	\$ 505,818	\$ (18,124)		343,801	\$ 219,029	\$ 143,893
	Local Govt Investment Pool (LGIP)	\$ 524,170	\$ 245,419			93,596	\$ 675,994	\$ 151,824
	CDARS	\$ 119,665	\$ 93,552			141,955	\$ 71,262	\$ (48,403)
	<b>Sub-Total: Sewer Utility</b>	\$ 718,971	\$ 844,789	\$ (18,124)		579,351	\$ 966,285	\$ 247,314
53	<b>Refuse/Solid Waste</b>							
	Combined Savings	\$ -	\$ 289,609	\$ (41,200)		274,646	\$ (26,237)	\$ (26,237)
	Local Govt Investment Pool (LGIP)	\$ 3,718	\$ -			-	\$ 3,718	\$ -
	<b>Sub-Total: Refuse/Solid Waster</b>	\$ 3,718	\$ 289,609	\$ (41,200)		274,646	\$ (22,518)	\$ (26,237)
	<b>Total Investments</b>	\$ 5,501,706	\$ 5,832,066	\$ (288,759)		5,445,061	\$ 5,599,952	\$ 98,246
61	<b>Magistrate Court</b>							
	Combined Savings	\$ (592)	\$ 2,083			2,083	\$ (592)	\$ -
	Checking-Magistrate	\$ 4,455	\$ 16,612			13,486	\$ 7,582	\$ 3,126
	<b>Total Agency Fund - Magistrate Court</b>	\$ 3,863	\$ 18,695	\$ -		15,569	\$ 6,990	\$ 3,126
72	<b>Agency Fund - Fireman's Fund</b>							
	Combined Savings	\$ (711)	\$ 3,150			1,800	\$ 639	\$ 1,350
	Local Govt Investment Pool (LGIP)	\$ 214,667	\$ 2,564			338	\$ 216,894	\$ 2,227
	Firemen's Fund Savings	\$ 3,281	\$ 1,476			-	\$ 4,757	\$ 1,476
	<b>Total Agency - Fireman's Fund</b>	\$ 217,237	\$ 7,190	\$ -		2,138	\$ 222,290	\$ 5,052

## FY 2011-2012 REVENUE ANALYSIS, 7 YEAR COMPARISON CITY SALES TAX (FY 11 Adjusted)

	JUL 1	AUG 2	SEP 3	OCT 4	NOV 5	DEC 6	JAN 7	FEB 8	MAR 9	APR 10	MAY 11	JUN 12	TOTAL
FY 05	168,013	183,504	154,754	154,469	160,110	141,338	154,907	152,582	110,850	178,844	150,068	161,654	\$ 1,871,093
% ACTUAL	9%	19%	27%	35%	44%	51%	60%	68%	74%	83%	91%	100%	
FY 06	193,896	143,339	173,142	171,901	208,794	224,179	230,275	186,889	205,698	222,916	225,015	243,549	\$ 2,429,593
% ACTUAL	8%	14%	21%	28%	37%	46%	55%	63%	72%	81%	90%	100%	
FY 07	202,743	165,765	186,262	216,547	242,925	219,633	231,558	183,483	194,169	206,918	218,263	213,479	\$ 2,481,745
% ACTUAL	8%	15%	22%	31%	41%	50%	59%	66%	74%	83%	91%	100%	
FY 08	226,135	199,426	206,086	190,555	209,137	193,394	224,737	203,483	188,181	252,298	213,351	209,987	\$ 2,516,769
% ACTUAL	9%	17%	25%	33%	41%	49%	58%	66%	73%	83%	92%	100%	
FY 09	241,222	233,929	249,889	209,366	191,160	252,520	181,257	313,856	180,737	98,680	198,186	203,912	\$ 2,554,713
% ACTUAL	9%	19%	28%	37%	44%	54%	61%	73%	80%	84%	92%	100%	
FY 10	193,688	184,506	162,446	168,042	182,805	171,565	193,292	166,484	169,312	217,453	166,070	219,163	\$ 2,194,826
% ACTUAL	9%	17%	25%	32%	41%	48%	57%	65%	73%	82%	90%	100%	
FY 11	210,485	190,200	180,741	188,681	170,387	165,299	205,760	170,540	192,588	193,598	140,665	243,983	\$ 2,252,926
% ACTUAL	9%	18%	26%	34%	42%	49%	58%	66%	74%	83%	89%	100%	See note below
FY 12	206,815	204,379	167,071	173,708	114,454	271,942	175,746	161,979	187,513	8,320			\$ 1,671,927
% BUDGET	8%	17%	24%	31%	36%	47%	54%	61%	68%	69%	69%	69%	\$ 2,434,923
AVG % RECVD	9%	17%	25%	33%	41%	49%	58%	67%	74%	83%	91%	100%	





**'CITY OF WILLCOX  
REQUEST FOR COUNCIL ACTION**

Agenda Item: 9  
Tab Number: 4  
Date: 4-16-2012

**Date Submitted:**  
4-6-12  
**Date Requested:**  
4-16-12

**Action:**  
 Resolution  
 Ordinance  
 Formal  
 Other

**Subject: participation in  
the NCCCH 16<sup>th</sup> Annual  
Golf Tournament**

**TO: MAYOR AND COUNCIL**

**FROM: City Manager**

**DISCUSSION:** The attached request was received from the Northern Cochise Community Hospital Inc. concerning the upcoming Golf tournament. The Council did participate in the past. This has been and would be taken out of the Council Budget for Misc Expense. There is currently available in this line item 10-402-9690 an amount of \$387.20.

**RECOMMENDATION:** Provide Direction to Staff

**FISCAL IMPACT:** There is available up to \$387.20

**Prepared by:** Pat McCourt

**Approved by:**

  
\_\_\_\_\_  
**City Manager**



# NCCH

NORTHERN COCHISE COMMUNITY HOSPITAL, INC.

APR 06 REC'D

April 4, 2012

Dear Friend,

The 16<sup>th</sup> Annual Northern Cochise Community Hospital Golf Tournament is scheduled for May 12<sup>th</sup>, 2012 at the Twin Lakes Municipal Golf Course in Willcox, Arizona. Please consider supporting this event.

Every year proceeds raised via the golf tournament are invested in the "Grow Your Own" scholarship program. This program assists local community members to continue their education and earn certification in the health care field. We could not have provided these scholarships without outside support, such as yours.

We ask that you take a moment to review the enclosed participation form and make your commitment. Gift donations are auctioned at the tournament or given as prizes to the golfing participants.

NCCH is a 501-c-3 and your contributions for a hole sponsorship and prizes are tax-deductible. Please help us make the 16<sup>th</sup> annual NCCH Golf Tournament the best yet.

Thank you for your support in advance

Sincerely,



Roland Knox

Chief Executive Office

Northern Cochise Community Hospital Inc.

520-384-3541 ext 293

# 16th ANNUAL NCCH GOLF TOURNAMENT May 12, 2012

Please complete and mail to: **NCCH Golf**

**Attn: Shannon Connolly  
901 W. Rex Allen Dr.  
Willcox, AZ 85643  
Or fax to 520-384-6196**

I will be a hole sponsor for the NCCH Golf Tournament with a donation of \$125 which entitles me to a sign on the hole and one entry in the tournament.

My sign should read: \_\_\_\_\_

Person entering tournament is \_\_\_\_\_

I wish to participate as a Non-Golfer with a donation of \$125 which entitles me to a sign on the hole.

My sign should read: \_\_\_\_\_

I wish to be a Prize Sponsor and be recognized on the program by donating the following:

\_\_\_\_\_  
 I wish to make a monetary contribution to the scholarship fund. Enclosed is \$ \_\_\_\_\_.

Platinum Sponsorship \$1000 unlimited recognition on the program

Gold Sponsorship \$750 - \$999 recognition on the program

Silver Sponsorship \$500 - \$749 recognition on the program

Bronze Sponsorship \$250 - 499 recognition on the program

I will put a team together and participate in the tournament at \$200 per team.

I don't have a team but I will play \$50 per player; assign me to a team.

I will assist in tee donations by contributing:

\_\_\_\_\_  
We want to give each golfer something before they tee off to thank them for participating. Golf balls, hats, ball markers, pens, just about anything appropriate.

Contact Person: \_\_\_\_\_

Business/Organization: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone: \_\_\_\_\_ Fax \_\_\_\_\_

Email: \_\_\_\_\_

***Please enclose donation with completed form.***

**Make checks payable to NCCH.**

Registration will begin at 8:00 a.m. with shotgun start at 9:00 a.m. Lunch will be served followed by the awards / prizes presentations.

**Thank you for your commitment to healthcare education in our community. Funds raised by this event provide healthcare related scholarships we call "Grow Your Own".**

**CITY OF WILLCOX  
REQUEST FOR COUNCIL ACTION**

Agenda Item: 10  
Tab Number: 5  
Date: 04-16-2012

**Date Submitted:**  
4-10-12  
**Date Requested:**  
4-16-12

**Action:**  
 Resolution  
 Ordinance  
 Formal  
 Other

**Subject: Offer of  
services by citizens to  
take care of flags in  
Railroad Park**

**TO: MAYOR AND COUNCIL**

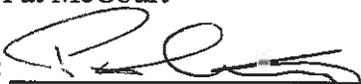
**FROM: City Manager**

**DISCUSSION:** A group of local citizens would like to take over the responsibility for the Flags in Railroad Park. There are three (3) flagpoles located at the south end of the Park to the east of the Vietnam Memorial. The poles fly the American Flag, The Arizona flag, and the MIA/POW Flag. The American flag is lit with the City paying the electrical bill, it is anticipated this would continue. The current flags are 3 ft by 5 ft. The Group would like to use larger size flags. Staff has checked the pole strength and the distances between the poles: the poles are rated to carry the larger size flags, there is a minor concern that in prolonged high winds the additional drag (due to the larger size flag) could warp the pole. There is sufficient space between the poles so that the flags will not strike the neighboring poles. It is anticipated that the City would assist the group if some how the flags became tangled in the poles or the ropes needed replacement. Currently the Flags fly 24/7. The Group may wish to raise and lower them. When there is a requirement for flying the flags at half staff the staff will attempt to contact the group to perform the ceremony: if we are unable to contact them we will raise and lower as appropriate. While this is a group made up of several individuals the lead contact persons are Dennis and Connie Dunham.

**RECOMMENDATION:** Staff feels this is a valuable service being offered and encourages the Council to accept the offer.

**FISCAL IMPACT:** The standard Flag used by the City is a smaller size and the frequency of replacement is not clear, there will definitely be a savings to the City in the cost of replacement of the Flags.

Prepared by: Pat McCourt

Approved by:   
City Manager



**CITY OF WILLCOX  
REQUEST FOR COUNCIL ACTION**

Agenda Item: 11  
Tab Number: 6  
Date: 04-16-2012

**Date Submitted:**  
4-4-12

**Date Requested:**  
4-16-12

**Action:**  
 Resolution  
 Ordinance  
 Formal  
 Other

**Subject: Accept grant from Union Pacific Foundation for the staging area in front of the Mascot & Western Car**

**TO: MAYOR AND COUNCIL**

**FROM: City Manager**

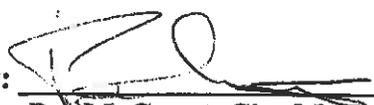
**DISCUSSION:** The City received a grant from the Union Pacific Foundation in the amount of \$5,000 for work on placing Railroad type exhibits in Railroad Park last year. The Union Pacific Foundation has agreed to an additional \$5,000 grant to assist in construction of the "staging" area in front of the Mascot & Western Railcar. This will allow better access to view the Railcar and will allow a platform to make presentations for various events.

**RECOMMENDATION:** Accept the donation.

**FISCAL IMPACT:** Fund 17 + \$5,000

**Prepared by:** Pat McCourt

**Approved by:**

  
\_\_\_\_\_  
**Pat McCourt, City Manager**



**RESOLUTION NO: 2012-30**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND ADOPTING THE GRANT FROM THE UNION PACIFIC FOUNDATION FOR THE PURPOSE OF APPLYING FOR \$5,000.00 TO BE USED FOR THE HISTORIC MASCOT & WESTERN PASSENGER CAR AND DECLARING AN EMERGENCY TO EXIST.**

**WHEREAS**, the CITY is empowered pursuant to A.R.S. § 9-240 (A) and (B) to control the finances and property of the corporation; and

**WHEREAS**, the City of Willcox Mayor and Council desire to formally approve and adopt the grant from the **Union Pacific Foundation** for grant funds to be used at the Historic Mascot & Western Railcar staging area as presented and

**WHEREAS**, CITY staff seek Mayor and Council approval for accepting the Union Pacific Foundation grant and its use; and

**WHEREAS**, the Mayor and Council of the City of Willcox have determined that it is in the best interest of the City and its citizens to approve and adopt the Union Pacific Foundation grant in the amount of \$5,000.00; and

**WHEREAS**, the Mayor and Council is dedicated to restoring and maintaining the history of our historic community; and

**WHEREAS**, the Mayor and Council desire to have this item presented at its April 16, 2012 Council Meeting; and

**WHEREAS**, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure approval and acceptance of the grant, and that this Resolution be effective immediately upon its passage and adoption.

**BE IT RESOLVED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally approves and adopts the Union Pacific Foundation Grant in the amount of \$5,000.00.

**BE IT FURTHER RESOLVED** by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Willcox,  
Cochise County, Arizona this \_\_\_\_\_ day of April 2012.

**APPROVED/EXECUTED:**

\_\_\_\_\_  
MAYOR, GERALD W. LINDSEY (or)  
VICE-MAYOR, MONIKA S. CRONBERG

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Clerk, Cristina Garcia Whelan, CMC

\_\_\_\_\_  
City Attorney, Hector M. Figueroa

**RESOLUTION NO: 2012-30**

**CITY OF WILLCOX**  
**Request for Council Action**

Agenda Item: 12  
Tab Number: 7  
Date: 04-16-2012

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**Date Submitted:**  
April 5, 2012  
**Date Requested:**  
April 16, 2012

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**Action:**  
 Resolution  
 Ordinance  
 Formal  
 Other

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**Subject:**  
Public Services &  
Works Patti Road  
Project – Oil Purchase

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**To: Honorable Mayor and City Council**

**From: Public Services & Works, Streets Section**

**Discussion:** As part of improving street infrastructure in the City of Willcox we are in the process of chip sealing Patti Road. For the past five years we have been working with property owners along Patti Road for dedication and alignment to place it on the correct section line. We have selected to chip seal Patti Road to maintain the surface from erosion, eliminating dust, and creating a smoother road for vehicles. We have received bids from four different companies to supply oil for the project. The bidding & evaluation process complies with City of Willcox procurement policy 3-1-3 (H) & (I).

**Recommendation:** Approve Resolution to accept the bid from Western Emulsions for the oil and use of boot truck as they were the low bid.

Fiscal Impact: \$37,886.20 + \$85 unload for tanker.

Prepared By: Gary Adams  
Gary Adams, Street's Supervisor

Approved By: Dave Bonner  
Dave Bonner, Public Services & Works Director

Approved By: Pat McCourt  
Pat McCourt, City Manager



**CITY OF WILLCOX, COCHISE COUNTY, ARIZONA  
RESOLUTION NO: 2012-31**

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**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA (“CITY”) APPROVING AND ADOPTING THE CHIP SEAL AWARD TO WESTERN EMULSIONS [“CONTRACTOR”] IN THE AMOUNT OF \$37,886.20 (+) \$85.00 FOR TANKER UNLOADING FOR THE PATTI ROAD IMPROVEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.**

**WHEREAS**, the CITY is empowered pursuant to A.R.S. § 9-240 (A) and (B) to control the finances and property of the corporation; and

**WHEREAS**, the CITY is authorized pursuant to A.R.S. § 9-240 (B) to exercise exclusive control over the streets, alleys, avenues and sidewalks of the city and to improve same; and

**WHEREAS**, the CITY is authorized, pursuant to the adopted City of Willcox Procurement Policy, to procure contracts for construction work on City facilities utilizing a bid process, to select a successful bidder, to award a contract, to enter into a contract agreement for the work to be done and to approve change orders; and

**WHEREAS**, CONTRACTOR submitted its base bid of \$37,886.20 (+) \$85.00 [unload hourly charge after 1.5 hrs free time]; and

**WHEREAS**, CITY staff is recommending awarding the Bid Award to CONTRACTOR to perform the required Chip Seal at the Patti Road location; and

**WHEREAS**, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY and its citizens to approve the Bid Award with CONTRACTOR; and

**WHEREAS**, the Mayor and Council desire to have this item presented at the next Council Meeting on April 16<sup>th</sup>, 2012; and

**WHEREAS**, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely and immediate implementation of the Bid Award with CONTRACTOR, and that this Resolution be effective immediately upon its passage and adoption.

**BE IT RESOLVED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally approves and grants the Bid Award to CONTRACTOR as presented, authorizes the Mayor to execute this Resolution and directs and authorizes the City Manager to take necessary action to carry out the intent of this Resolution.

**BE IT FURTHER RESOLVED** by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona this \_\_\_\_\_ day of April, 2012

**APPROVED/EXECUTED**

\_\_\_\_\_  
MAYOR, GERALD W. LINDSEY (or)  
VICE-MAYOR, MONIKA S. CRONBERG

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk, Cristina Garcia Whelan, CMC

\_\_\_\_\_  
City Attorney, Hector M. Figueroa, Esq.

**RESOLUTION NO: 2012-31**

CITY OF WILLCOX  
Department Public Services & Works



250 N. Railroad Ave  
Willcox, Arizona 85643-2198  
Phone: 520/384-6447 Fax: 520/384-3993

*"Mine, Yours and Ours"*

April 5, 2012

City Manager and Council,

Bid proposals for Swaine Asphalt corp.

\$135 X 8 hours portal to portal	= \$ 1080
\$170 X 16 hours on job site	= \$ 2720
\$597 X 64 tons oil delivered	= \$38,208
\$240 X 2 overnight stays	= \$ 480

Total without tax = \$ 42,488

Bid proposals for Cholla Pavement:

\$175 X 16 hour on site	= \$ 2800
64 X \$735 per ton of oil	= \$ 47040
\$1000 mobilization	\$ 1000

Total without tax = \$50840



April 3, 2012

Attn: Dave Bonner

The City of Wilcox

101 S. Railroad Avenue

Wilcox AZ 85643

Bid for Chip Seal Project - Patti Road (May 1-2)

Material:	CRS-2	\$516.17/ton	64 tons (32@day)	\$33,034.88
Freight charge per day	(\$1035.00 each day)			\$ 2,070.00
Spread:	\$185/hour	(estimated 6 hours per day)		\$1,110.00
Sales Tax @ 4.615% contracting tax				\$1,671.32
Estimated Total:				\$37,886.20

Unload demurrage charge of \$85/hour applies after 1.5 hrs free time.

I appreciate this opportunity.

Sincerely,

Joe LaRusso

NM: #351372 CA: #672104 AZ: #11725

**ARIZONA**  
3900 E. Broadway Boulevard  
Tucson, Arizona 85711  
phone: (520) 622-7203  
tollfree: (800) 333-4207  
fax: (520) 796-3914  
sales@westernemulsions.com

**CALIFORNIA**  
Three Mariners Bay Plaza, Suite 210  
Dana Point, California 92629  
phone: (949) 248-8070  
tollfree: (888) 709-4137  
fax: (949) 248-8023  
sales@westernemulsions.com

**PLANT LOCATIONS**  
Roswell, New Mexico  
phone: (575) 347-6727  
Livermore, California  
phone: (925) 358-8049

Tucson, Arizona  
phone: (520) 624-1130  
Billings, Montana  
phone: (406) 628-1140



NO: 032712A.1

# PROPOSAL/CONTRACT

Date: 3/27/12

Billing Name: CITY OF WILLCOX  
Attn: GARY ADAMS  
Address: 350 N RAILROAD AVENUE  
City: WILLCOX State: AZ Zip: 85643  
Phone: (520) 384-6447 Fax: (520) 384-3993

Job Location: CITY OF WILCOX  
Name: STREET CHIP SEAL PROJECT  
Address:  
City:

PAGE 1 of 1  
PROPOSED BY:  
TOM SWAINE

*SAC proposes to furnish all labor and materials as outlined below in a timely manner, using professional labor, equipment and quality materials.*

**SPREADER TRUCK**

- SPREADER TRUCK \$135 PER HR PORTAL TO PORTAL
- SPREADER TRUCK \$170 PER HR ON JOB SITE
- CRS-2 OIL \$552.00 PER TON
- DELIVER OIL FOR \$45 PER TON
- OVERNIGHT FOR OIL TANKER IS \$120 PER NIGHT
- OVERNIGHT IS \$120 PER NIGHT

**DUE UPON COMPLETION**

*ACCEPTANCE OF PROPOSAL CONTRACT: Your signature on a copy of this proposal returned to us shall indicate your acceptance and this document shall become a legal binding contract between us. Proposal is only good for 7 days from date of proposal contract unless otherwise stated within the proposal contract. The balance will be due upon completion unless otherwise stated within the contract. Customer agrees that interest on past due accounts (balance remaining unpaid after completion) will be 18.5% per annum on unpaid balances. Customer responsible for all collection costs and attorney's fees incurred by SAC if payment is not made promptly, including but not limited to title reports, lien filing and recording fees, costs and fees in filing and enforcing liens and all attorney's fees incurred in any collection effort. This contract supersedes any and all other contracts issued by any party other than SAC.*

SIGNATURE: \_\_\_\_\_ SAC . AUTHORIZED SIGNATURE

DATE: \_\_\_\_\_ BY: \_\_\_\_\_

**PROPOSAL/CONTRACT #CC-936**

**CHOLLA PAVEMENT MAINTENANCE, INC.**

STATE CONTRACTORS LICENSE NO. AZ ROC92441 (A-14) and AZ ROC205802 (C-13)

5254 S WARNER DRIVE, APACHE JUNCTION, AZ 85120

Office: (480) 893-1044 Fax: (480) 893-1064 TOLL FREE: (888) 893-1044

DATE: 4/3/12  
SUBMITTED TO:

WORK TO BE PERFORMED AT:

CITY OF WILLCOX  
ATTN: DAVE BONNER  
PUBLIC WORKS DEPARTMENT  
250 N RAILROAD AVE  
WILLCOX, AZ 85643

CITY OF WILLCOX STREET CHIP SEAL PROJECT  
WILLCOX, AZ

We hereby propose to furnish the materials and perform the labor necessary for the completion of:

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| 1. DISTRIBUTOR TRUCK (ONE -1 TRUCK) | \$ 175.00 PER HOUR / 4 HOUR MINIMUM |
| 2. CRS -2 - 64 TONS                 | \$ 735.00 PER TON                   |
| 3. MOBILIZATION                     | \$ 1,000.00                         |

All material is guaranteed to be as specified. All work will be performed in a workman like manner according to standard practices and in accordance with the drawings and specifications submitted for the sum of (**\$ SEE ABOVE**). This proposal is valid for 15 days from the above referenced date. Project is to be completed within 30 days of acceptance. Sales tax may be included on the above quoted price unless proof of sales tax exemption is provided.

Respectfully submitted by Chance Cherry  
Chance Cherry

**IMPORTANT NOTICE:** Due to an ongoing unstable oil market affecting materials and fuel, prices are subject to change.

**ACCEPTANCE OF PROPOSAL AS CONTRACT**

I accept the quoted prices and specifications as stated above and Cholla Pavement Maintenance, Inc. is hereby authorized to proceed with the work as specified. I have read and also accept the Terms and Conditions as stated on the reverse side of this proposal.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Please print name: \_\_\_\_\_



Transportation and Application  
of Liquid Asphalt Petroleum  
Products

Phone (623) 907-2800  
Fax (623) 907-2900

8211 W. Sherman St.  
Tolleson, AZ 85353-3302

[www.cactustransport.com](http://www.cactustransport.com)

The City of Willcox  
Atten: Dave Bonner, Chip Seal Project  
Proposal/Bid

Bid for The City of Willcox- Patti Road located on the North end of Bisbee Ave. East to Haskell Ave.

Scope of work to be performed will be to provide a Boot Truck for the application of CRS-2 oil with driver. Provide enough CRS-2 oil for the project.

Phase I: Day 1: Single coat of CRS-2 approx. 6072' in length and 28' in width Total of 18,891 sq. yards 1.15 road miles  
Application rate will be .40 approx. 32 tons CRS-2.

Phase II: Day 2: Second coat of CRS-2 approx. 6072' in length and 28' in width Total of 18,891 sq. yards. 1.15 Road miles  
Application rate will be .40 approx. 32 Tons CRS-2

Bid Price -\$45,500 plus tax of 2987.07 at a rate of 6.5650 for a Total of \$48,487.07.

If you have any questions, please contact Jason Hoffman at Cactus Transport.

Thank you,

A handwritten signature in black ink, appearing to read 'Susan Amerine', is written over the typed name.

Susan Amerine  
Cactus Transport, Inc.



# CITY OF WILLCOX

## REQUEST FOR ACTION or INFORMATION FOR COUNCIL

Agenda Item 13  
Tab Number 8  
Date: 4/16/12

**Date Requested:**  
4/10/12

Resolution  
 Ordinance  
 Formal  
 Other

**Subject: Council  
Approval to  
Submit Grant  
Proposal**

**TO: Honorable Mayor and City Council**

**FROM: Tom Miner, Library Director**

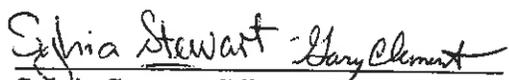
**RE: State Farm Youth Advisory Board Grant**

**DISCUSSION:** The State Farm Youth Advisory Board offers organizations/institutions the opportunity to apply for a 2012 Youth-Directed Service-Learning Action grant. The Library would like to apply for a State Farm Youth Advisory Board Grant in the area of "Access to Higher Education/Closing the Achievement Gap"; the goal of this project is to promote our local community to take a more active role in ensuring that all students have access to a quality education and are prepared for their future. The Teen TAG program received a prestigious \$10,000 "Coming Up Taller" Award in 2009; the recent graduates of this program will encourage, train and assist the younger Willcox generation, 11-18 years of age, to avail themselves of opportunities for further education. Funds will be used to purchase equipment for producing short video lessons about higher education topics and to research, survey and interview local students and recent graduates to determine pertinent lessons to create. In addition, this project will also train and employ students as interns using the service-learning methodologies, including, but not limited to, workshops, webinars and internet technologies. Our partners will include Cochise College, Willcox Against Substance Abuse (WASA), and Willcox Unified School District (WUSD).

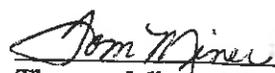
**RECOMMENDATION:** That the Mayor and Council approve the resolution authorizing the Mayor and the Library Director to submit the application for a Grant from the State Farm Youth Advisory Board Program, and if awarded, sign the necessary documents to receive, implement and administer said Grant.

**FISCAL IMPACT: (If awarded) + \$25,000 for the enhancement of the Library's Teen Program and equipment.**

Prepared by:

  
Sylvia Stewart, Library Supervisor and  
Gary Clement, Library Programming Technician

Approved by:

  
Thomas Miner, Library Director

  
Pat McCourt, City Manager



**RESOLUTION NO: 2012-32**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE STATE FARM YOUTH ADVISORY BOARD PROGRAM FOR THE PURPOSE OF APPLYING FOR A YOUTH-DIRECTED SERVICE-LEARNING ACTION GRANT IN THE AREA OF “ACCESS TO HIGHER EDUCATION/CLOSING THE ACHIEVEMENT GAP”, AUTHORIZING AND DIRECTING CITY STAFF TO SUBMIT SAID APPLICATION AND DECLARING AN EMERGENCY TO EXIST.**

**WHEREAS**, the CITY is authorized pursuant to A.R.S. §§ 9-413 and 9-419 to establish a Library fund and to authorize the use of land and structures for a public library; and

**WHEREAS**, the CITY is empowered pursuant to A.R.S. § 9-240 (A) and (B) to control the finances and property of the corporation; and

**WHEREAS**, the City of Willcox Mayor and Council, on behalf of the Elsie S. Hogan Community Library [the “LIBRARY”], desire to submit an application to the State Farm Youth Advisory Board (“SFYAB”) for Youth-Directed Service-Learning Action Grant under the category of “Access to Higher Education/Closing the Achievement Gap”; and

**WHEREAS**, SFYAB 2012 grant funding is available to assist local communities and public libraries for various projects pursuant to an application process open to the City of Willcox LIBRARY; and

**WHEREAS**, the City’s application will serve to apply for funding to be used to purchase equipment for producing short video lessons on higher education topics, to research, survey and interview local students and graduates about topics, and to train and employ students as interns using the service-learning methodologies; and

**WHEREAS**, the LIBRARY will submit an application as required by the funding agency that describes the specific use of grant funds with the total budgetary breakdowns and if funded, will present same for review and approval by Mayor and Council; and

**WHEREAS**, the Mayor and Council of the City of Willcox have determined that it is in the best interest of the City and its citizens to apply for SFYAB funds; and

**WHEREAS**, the Mayor and Council desire to have this item presented on April 16, 2012 at the Council Meeting; and

**WHEREAS**, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely submission of the application by the filing deadline, and that this Resolution be effective immediately upon its passage and adoption.

**BE IT RESOLVED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby gives formal approval and authorization for City Staff to act on the application and to proceed with the submission of the SFYAB application.

**BE IT FURTHER RESOLVED** by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona this \_\_\_\_\_ day of April 2012.

**APPROVED/EXECUTED:**

\_\_\_\_\_  
MAYOR, GERALD W. LINDSEY (or)  
VICE-MAYOR, MONIKA S. CRONBERG

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Clerk, Cristina Garcia Whelan, CMC

\_\_\_\_\_  
City Attorney, Hector M. Figueroa

**RESOLUTION NO: 2012-32**

# **STATEWIDE YOUTH LEADERSHIP CONFERENCE**

## **ELIGIBILITY :**

**in K-12 or Higher Education**

**Nonprofit applicants must show active interaction with public K-12**

## **EXPECTATIONS :**

**Innovation and change**

**Involve Students**

**Service Learning Practice**

**School and Community Institution Involvement**

# STUDENT VOLUNTEER PROGRAM

## Service Learning

Teaching Method: Hands-on projects

Addresses community issues and problems

< Must demonstrate clearly how service-learning is imbedded in the project >

### Elements

#### PREP

Adults and Youth identify, Research and Plan

#### ACTION

Youth carry-out and learn with guidance from adults

#### REFLECTION

Youth role play, journal, draw, discuss their experiences

#### DEMONSTRATION

Educate others

# STUDENT LEARNING SERVICE LEARNING

## TYPES:

DIRECT

Ex: Tutoring or Peer Counseling

INDIRECT

Ex: Writing, Developing Lesson Kits

ADVOCACY

Ex: Presentation to the City Council

# STUDENT LEADERSHIP

## *A Quality Proposal and Project*

Initiated, designed and carried out by/with youth

Affects root causes

Feasible, sustainable

High "deed-to-dollar" ratio

Includes the 8 essential elements of service learning

Meaningful

Curriculum Link

Reflection

Diversity

Youth voice

Partnerships

Progress Monitoring

Direction and Intensity

# STATEWIDE YOUTH SERVICE CENTER

## Focal Area:

### *Access to Higher Education/Closing the Achievement Gap*

Disparity in Access/Achievement - gender race/ethnicity socioeconomic

Service-Learning Promotes

Teamwork

Citizenship

Community Involvement,

Deeper Learning

Creative teaching and learning opportunities

# STUDENT LEADERSHIP DEVELOPMENT

## *Scoring the Proposal*

- 1 General Information (10%)
- 2 Youth-Led (18%)
  - Involved in writing the proposal
  - Planning & execution
  - Leadership Roles
- 3 Service-Learning (18%)
  - Meets the 8 elements of Service Learning
- 4 Affects the Root Cause (18%)
- 5 Sustainability and Feasibility (18%)
- 6 Timeline and Budget (18%)

# STRENGTHENING COMMUNITY CONNECTIONS

## *Budget Items*

Document

Standard Costs

Salaries and Compensation

In-Kind Contributions (space, time, materials)

Supplies and Equipment

Maximum 20% (less is more favorable)

Travel and Lodging

Equipment, Computers, SW, Operation, Maintenance

Promotion/Publicity

Should not be integral

Miscellaneous

PSAs, Giveaways



## Willcox Concept

### Class/Workshop/Intern

Cochise College Students research reasons for "Gap in Willcox", then develop, write and video short "lessons" to address the reasons, involving WUSD students from grades 6-12

**Service Learning:** involves class students and others

**Root cause:** is defined by interviews with students

Shown on VTC Community Channel, WUSD video, WUSD classrooms and iTunes University

**Sustainable:** due to 'catalog' of "lessons" created and creation of a "studio" with equipment to add to and update "lessons"

Cochise College, ESH Library/Teen Program, WUSD, WASA

### Partners

**Youth-Led:** Need one or more active, mature students for the proposal

# STUDENT VIDEO STUDY CENTER

## Willcox Concept

Grant Request	Funding	In-Kind or Local
---	Administration	XXX
XXX	Instructor	---
---	Classroom Space	XXX
XXX	New Video Studio	XXX (space)
---	Video Post-Production Room	XXX
XXX	Video Editing Equipment	---
XXX	Video Recording Equipment	---
XXX	Video Training/Travel	---
XXX	iTunes/Mobile Devices & SW	---
XXX	Student Stipends	---
XXX	Student Travel	XXX

# **STRATEGIC COMMUNITY DEVELOPMENT**

## *Critical Factors*

- Confirm a Project Concept**
- Approval by Higher-Ups**
- Tight Time Frame May 4**
- Dividing up Proposal Writing and Budget Preparation Responsibilities**
- Youth Involvement in Proposal, including budget**
- Achieving High “Deed-to-Dollar” ratio in a small community**



STATE FARM YOUTH ADVISORY BOARD

# Request for Proposals

## Supplemental Information

For

Youth-Directed Service-Learning Action

Sponsored By

State Farm Insurance®

February 2012

**Deadline for submissions: May 4, 5pm Central**

"We believe that the success of tomorrow lies in the youth of today."

## Part A | Overview

- State Farm® Youth Advisory Board
- Mission Statement
- Contact Information

## Part B | Program Elements

- Eligibility
- Mandatory Requirements
- Expectations

## Part C | Service-Learning

- Description
- Elements of Service-Learning
- Types of Service-Learning
- Characteristics of a Quality Project

## Part D | Issue Analysis

- Environmental Responsibility
- Community Safety and Natural Disaster Preparedness
- Financial Literacy
- Access to Higher Education / Closing the Achievement Gap
- Social Health and Wellness

## Part E | Scoring Rubric

## Part F | Budget Information

**\*\* This document is NOT comprehensive - Please visit the YAB Website and review the HELP tab for answers prior to calling the State Farm Youth Advisory Board\*\***



## Part A | Overview

### The State Farm®Youth Advisory Board

The State Farm Youth Advisory Board is a diverse group of 30 students aged 17-20 selected from across the United States and Canada. The Board plays a leadership role in designing and overseeing a \$5 million-a-year State Farm®funded service-learning initiative. The Youth Advisory Board grants funds for student-led service-learning projects in the United States and in the Alberta, New Brunswick and Ontario provinces of Canada. These grants address, in a structural way, the issues of environmental responsibility, natural and societal disaster preparedness, driver safety, financial education, and accessing higher education/ closing the achievement gap. The number of grants to be awarded will depend on the number and quality of requests received. Grant amounts will vary according to the nature of the proposal and availability of funds. However, at least one service-learning project will be funded in each of the thirteen State Farm zones which include the three provinces in Canada.

The minimum grant amount is \$25,000 and the maximum grant amount is \$100,000. Applicants may request any amount within this range based on the required budget, outlining project expenses.

### 2012 Youth Advisory Board Members

California Zone Kristy Nguyen Brianna Pang	Florida Zone Sean Russell Ana Bautista	Mid-Atlantic Zone Mike Bock Tim Hwang
Canada Zone Alyssa Craik Megan Byrt	Great Lakes Zone EllaKate Wagner Charlie Wondergem	Northeast Zone Parth Shah Christie Taylor
Central Zone Gwen Baumgardner Cynthia Villalvazo	Great Western Zone Alex Wirth Kaitlyn Frederick	Pacific Northwest Zone Jyita Banerjee Rosaline Zhang
Corporate Zone Renee Lehr Sara Salmon	Heartland Zone Jeralyn Westercamp Hamza Musse	Southern Zone Cooper Kennard Karl Wells
Enterprise Zone Michael Kraft Kelsey West	Mid-America Zone Sidney Johnson Garrett Holt	Texas Zone Alana Zimmerman Gustavo Resendiz

## National Programs Team (primary contact)

Brad Corriher – Public Affairs Specialist

One State Farm Plaza – B4

Bloomington, IL 61710

309-766-6126

[yab@statefarm.com](mailto:yab@statefarm.com)

## Part B | Program Elements

### Eligibility

To receive a grant from the State Farm Youth Advisory Board, organizations/institutions must be located in the United States or Canada. Primary applicant can be anyone involved with a public K-12, public charter, or higher education institution. Teachers or school-based service-learning coordinators whose primary role is to coordinate service-learning projects in a public, charter, or higher education institution are excellent applicants. Non-profit organizations are also eligible if they are able to demonstrate how they plan to actively interact with students in public K-12 schools. Applicants must also have a demonstrated capacity to effectively manage grant funds.

### Expectations for Grant Applications

By giving grants at a minimum amount of \$25,000 and a maximum amount of \$100,000, the State Farm Youth Advisory Board expects grantees to develop and carry-out their proposals with a structural approach addressing one of the main issue areas. By “structural” we mean that the issue is addressed at the root cause to achieve lasting change. Each grantee site should create the power and leverage, likely through the leverage of key partners, needed to impact systemic change throughout the surrounding area. Ideally, the funded approach should be replicable in surrounding communities.

Propelling innovation and change involving students, service-learning practice, and school and community institutions is admittedly ambitious, but we believe it is achievable and not unprecedented. Increasing student participation is good for young people as well as our schools, communities, and countries. Through well-structured ways to serve and lead alongside adults or to create innovative solutions to public problems, young people will learn civic skills and enhance their sense of connection to larger purposes.

## Part C| Service-Learning

### Description

Most people learn by doing, rather than merely hearing or reading. That's where service-learning adds value. Service-learning is a teaching method which supplements classroom studies with hands-on projects, addressing pressing community issues and problems. When students have the opportunity to apply what they are learning to authentic problem solving, the result is too powerful to contain in a textbook. Service-learning:

- Enhances academic curriculum experience,
- Cultivates civic responsibility & civic engagement,
- Empowers youth,
- Advances work performance & management skills,
- Constructs opportunities for student reflection, and
- Offers students an interactive, high-quality, educational learning experience.

Service-learning insures that a project not only benefits the "target audience," but also the young people who are active participants in designing and executing the work.

Applicants must demonstrate CLEARLY how service-learning is imbedded within their project.

### Elements of Service-Learning

#### 1. Preparation

##### a. Youth and adults together:

- i. Identify a need, issue or problem
- ii. Research the underlying cause and potential solutions of the identified need, issue or problem
- iii. Develop a plan of action
- iv. Join forces with expert community partners
- v. Imbed curricular objectives in project learning and service
- vi. Apply knowledge to the planning process

#### 2. Action

##### a. With guidance and formation from adults, youth:



- v. Follow through with a service, public information, or organizing/ advocacy/ policy change plan

### 3. Reflection

- a. With guidance and formation, youth reflect by role play, journals, drawing, group discussion, and learning logs to:
  - i. Record thoughts
  - ii. Ask questions and reply to classmates
  - iii. Summarize events of the service-learning project
  - iv. Deliberate differing points of view from community partners
  - v. Express new insight and influence of the project
  - vi. Deepen understanding and analysis of the larger civic and social dimensions of the issue or problem being addressed

### 4. Demonstration/Celebration

- a. Youth demonstrate and celebrate their new understanding, new perspectives, and newly-obtained skills with peers, teachers, and community members by:
  - i. Educating others about issues
  - ii. Involving active participation
  - iii. Planning a concluding celebration to honor the benefits to community
  - iv. Developing future project ideas

## Types of Service-Learning

### 1. Direct Service-Learning

- o Positions youth in direct contact with people that results in working with a diverse population.
- o Example: Tutoring younger students on the importance of seatbelt safety, peer counseling on aggressive driving, and a performance on mock accidents

### 2. Indirect Service-Learning

- o Engages youth in performing service by activities that occur at school and channels resources to area of need.
- o Example: Writing books about defensive driving, developing safety kits for various safety lessons for children, or collecting new and used child booster seats for parents who are unable to afford them.

### 3. Advocacy Service-Learning



and rallying to gain community support for public policy on drunk, drugged, drowsy, and distracted driving

## Characteristics of a Quality Project

The State Farm Youth Advisory Board values proposals possessing the following qualities:

- The project is initiated, designed, and carried out by youth with support from expert community partners.
- The project affects the root cause of the issue that is being addressed.
- The project is both feasible in nature and has a plan for future sustainability.
- The project has a high deed-to-dollar ratio.
- The project meets the eight essential elements of service-learning

Additional qualities of successful projects include, but are not limited to:

1. **Meaningful Service**
  - a. Service-learning actively engages participants in meaningful and personally relevant service activities. Projects should be age appropriate, encourage the participants to understand experiences in the context of underlying societal issues and have an attainable and visible outcome.
2. **Link to Curriculum**
  - a. Service-learning is intentionally used as an instructional strategy to meet the learning goals and/or content standards of an academic curriculum. Good projects should have clearly articulated goals and help participants learn how to transfer knowledge and skills from one setting to another.
3. **Reflection**
  - a. Service-learning incorporates multiple challenging reflection activities that are ongoing and that prompt deep thinking and analysis about oneself and one's relationship to society.
4. **Diversity**
  - a. Service-learning promotes understanding of diversity and mutual respect among all participants. Service-learning projects help participants actively seek to understand and value the diverse backgrounds and perspectives of those offering and receiving service while encouraging them to recognize and overcome stereotypes.



the service-learning experiences and work with adults in an environment that supports trust and open expression of ideas.

**6. Partnerships**

- a. Service-learning partnerships are collaborative, mutually beneficial, and address community needs. A variety of partners, including youth, educators, families, community members, community-based organizations and/or businesses maintain frequent and regular communication with each other to establish a shared vision and implement action plans on common goals.

**7. Progress Monitoring**

- a. Service-learning engages participants in an ongoing process to assess the quality of implementation and progress toward meeting specified goals, and uses results for improvement and sustainability.

**8. Duration and Intensity**

- a. Service-learning has sufficient duration and intensity to address community needs and meet specified outcomes. Service-learning experiences provide enough time to reach the processes of investigating community needs, preparing for service, action, reflection, demonstration of learning and impacts, and celebration.

## Part D | Issue Analysis

After careful consideration and considerable debate, the State Farm Youth Advisory Board has chosen to focus on the following five topic areas. While the issue topics are concrete, the method of addressing the root cause is open for creative solutions. The following information provides a brief insight into the need for projects to address these issues.

- **Environmental Responsibility**
- **Community Safety and Natural Disaster Preparedness**
- **Financial Literacy**
- **Access to Higher Education / Closing the Achievement Gap**
- **Societal Health and Wellness Issues**

### Environmental Responsibility

Over the past decades, nations, corporations, and populations have begun to recognize the fact that in order to maintain our quality of life, we must take care of the planet that sustains it. State Farm's Environmental Responsibility issue area is dedicated to addressing environmental concerns.



conservation and land preservation, youth are encouraged to create and implement powerful service-learning projects that improve local and global environments.

By setting an example of corporate environmental responsibility, State Farm Insurance continues to lead its own large-scale "green" initiatives. As an inaugural member of the Business Roundtable's Climate RESOLVE initiative, a voluntary program to measure and reduce greenhouse gas emissions, State Farm has reduced its emissions by more than 38 percent since 2002.<sup>1</sup> Additionally, State Farm continues to revolutionize enterprise practice by reducing, reusing, and recycling. They are also adopting long term strategies for alternative transportation and equipment. As a good neighbor, State Farm realizes the value of a sustainable future for the Earth and is taking action.

Community environmental issues to address through service-learning projects can include, but are not limited to:

#### **Wildlife Preservation & Natural Resource Conservation:**

The scope of Environmental Responsibility extends to cover issues of conservation including but not limited to natural resources and wildlife protection. Preservation of biodiversity and fragile ecosystems is integral to improving and preserving human society as a direct result of interdependence.

Currently in the United States alone, there are 1988 listed endangered and threatened plants and animals<sup>2</sup> – a number that continues to increase. Canada adds an additional number of species facing endangerment.<sup>3</sup> From 1970 to 2005, the world saw a loss of approximately 27% of different species existing in land, marine and freshwater habitats while the human population doubled within the same span of time.<sup>4</sup>

Also a threat to human and animals alike is the issue of pollution. Recycling helps avoid overfilling landfills and polluting air and water from creating new materials. About 71 million tons of paper and paperboard are used in the United States each year and "nearly forty-five million tons of paper and paperboard were recovered in 2010—a recycling rate of over 63 percent."<sup>5</sup>

#### **Environmental Education:**

In 1990, U.S. Congress passed the National Environmental Education Act to strengthen and expand environmental education programs in schools. While the implementation of this legislation has increased such initiatives, a 2000 NEET/Roper Survey indicated that barely one-third of US residents could pass an "environmental quiz." In addition, a study conducted in 2005 by the National Environmental Education Foundation (NEEF) revealed that only 44% of high school teachers teach



One of our motivations for focusing on environmental responsibility as an issue area is our increased awareness of global climate change – one of the greatest potential problems facing this generation. According to the Intergovernmental Panel on Climate Change (IPCC), a United Nations and the World Meteorological Organization commissioned international consensus, there is a 90% likelihood that humans are responsible for at least some of the 1oF observed global warming over the last 50 years.<sup>8</sup> In the last century, CO2 has increased 380 ppm (parts per million) or 36%– due to increased burning of fossil fuels including coal, oil, and natural gas.<sup>9</sup> Without reduced carbon emissions, this percentage is expected to increase. Based on this consensus report, UC Berkeley professor Richard Muller notes that although the “effect is real, and currently small,” the “real concern is that [average global temperature] is expected (with a 90% probability) to grow enormously over the next 50 years.”<sup>10</sup> Though the attention global warming is receiving is extensive, awareness is only a fraction of what needs to occur in order to come up with sustainable solutions to the problem.

Service-learning projects in the environmental responsibility issue area could specifically focus on the protection of animal habitats and populations, invasive species control, soil, water and air pollution, the need for community recycling programs, the prominence of litter in communities, sustainable agriculture and aquaculture efforts, the establishment of community teaching gardens and outdoor classrooms, and the use of alternative energy technologies.

State Farm in no way seeks to exclude any youth-driven service-learning projects that emphasize improving environmental responsibility and satisfy all other RFP components. All such projects will be considered for funding.

<sup>1</sup> <http://www.statefarm.com/about/green/earth.asp>

<sup>2</sup> [http://ecos.fws.gov/tess\\_public/TESSBoxscore](http://ecos.fws.gov/tess_public/TESSBoxscore)

<sup>3</sup> [http://www.cosewic.gc.ca/rpts/Summary\\_Species\\_Assessment.html](http://www.cosewic.gc.ca/rpts/Summary_Species_Assessment.html)

<sup>4</sup> <http://www.guardian.co.uk/environment/2008/may/16/wildlife.biodiversity>

<sup>5</sup> <http://www.epa.gov/osw/conservation/materials/paper/faqs.htm>

<sup>6</sup> <http://www.neefusa.org/resources/roper2001-a.htm>

<sup>7</sup> <http://www.neefusa.org/pdf/ELR2005.pdf>

<sup>8</sup> 2007 IPCC Report; <http://muller.lbl.gov/teaching/Physics10/PfFP.html>

<sup>9</sup> 2007 IPCC Report; <http://muller.lbl.gov/teaching/Physics10/PfFP.html>

<sup>10</sup> 2007 IPCC Report; <http://muller.lbl.gov/teaching/Physics10/PfFP.html>



YOUTH ADVISORY BOARD

recognizes the importance of keeping our communities safe from natural disasters, social issues, and acts of violence.

### **Natural Disasters:**

While easy to ignore on an everyday basis, natural disasters are one of the most significant threats that face the world because of their catastrophic effects on society. The term "natural disasters" primarily refers to large-scale disasters that are caused by "natural events" such as hurricanes, tornadoes, wildfires, droughts, heat waves, earthquakes, thunderstorms, and volcanoes. Natural Disasters affected over 211 million people worldwide in 2007 and cost the United States over 74.9 billion dollars in economic damages. Of those, nearly 16,847 people died.

The top ten worst catastrophes in American history – with the exception of September 11 – have all been natural disasters. Disasters can also lead to short- and long-term homelessness and have adverse effects on psychological health. While natural disasters may appear to average lower death rates than other causes such as traffic fatalities and crime, they are an ever-present danger to any community because of their unpredictable nature, frequency, and potential for injury or death.

Natural disasters are a vital issue needed to be acknowledged within society today because of their increasing occurrences. In the 37 years between 2000 and 2007 natural disasters have been growing at a daunting average annual growth rate of 8.4%. of this threatening upward trend should warn Americans and all world citizens to be prepared now for future large-scale disasters.

### **Community Safety:**

Community safety is often defined by terms such as 'crime prevention' and 'crime reduction'. The State Farm Youth Advisory Board describes community safety as a way of preventing crime or potential disturbances to the community. Disturbance of the safety in a community can also take many different forms, including bullying, racism, and substance abuse; several of these forms are described here.

### **Teen Bullying:**

However prevalent or "normal" bullying may be considered by society, the short and long term effects are damaging and undeniable. It is estimated that 30 percent of teens from the ages of 12 to 16 have been bullied, or bullied another. Bullying is divided into three main categories: physical, verbal, and emotional.

Although physical violence is often the most apparent, the emotional and verbal aspect of harassment is



on. By addressing bullying, youth will be preventing emotional damage, encouraging healthy learning environments, and targeting the root cause of severe social issues.

#### **Abuse:**

The State Farm Youth Advisory Board defines abuse as “one person purposely causing either physical or mental harm to another.” There are many types of abuse, including domestic, child and sexual abuse. With one in four women reporting that they have been physically abused or raped by someone they know, abuse is an issue of growing concern. The identification of abusive relationships, understanding the effects of abuse, preventing abuse, being aware of laws concerning abuse, learning how to get out of an abusive relationship, and learning how to deal with the aftermath of abuse are all critical to targeting the root cause of the issue. Education on this issue early on in life is key in prevention and awareness. While abuse is often physical, abuse can also be psychological and emotional, entailing isolation and control over a victim’s money, shelter, time and food. Service-learning programs addressing abuse can have a strong connection to course work in classes like health, psychology, science and physical education. It is because the physical and emotional effects of abuse can be detrimental that the State Farm Youth Advisory Board feels it is an issue that is vital for youth to address.

#### **Substance Abuse:**

For many decades Americans have been dedicated to ridding the country of drugs. While the awareness of substance abuse and its effects has risen in past decades, the problem still exists. In America, 28 percent of twelfth graders have used tobacco, 31 percent have used marijuana, and 75 percent have had alcohol, all before reaching the twelfth grade. Also, a growing trend has shown that people are now resorting to using prescription drugs for recreational use; more than 45 million Americans have used these drugs for non-medical purposes. While statistics about youth using and abusing drugs are on the rise, youth have the power to change these statistics by using service-learning as a tool to learn about and publicize effects of drug abuse.

#### **Racism, Diversity and Acceptance:**

In an increasingly globalized world, building a respect for diversity in our communities and our schools is paramount to ensuring that all have equal opportunities to fulfill their potential and reap the fruits of hard work and persistence. We must work to promote acceptance of all people no matter their gender, race, personal beliefs, or disability by cultivating a cosmopolitan appreciation for the richness of humanity.

Reaching out into the community as youth with open minds to combat the issues of racism and lack of



The Youth Advisory Board recognizes the importance of keeping our communities safe from natural disasters, social issues, and acts of violence because these issues are leaving a large impression on the youth of today and society as a whole. The Youth Advisory Board challenges youth from across the United States and Canada to work on sustainable service-learning solutions to the complex issues these disasters present for their communities.

State Farm in no way seeks to exclude any youth-driven service learning projects that emphasize improving natural and/or societal disaster preparedness and satisfy all other RFP components. All such projects will be considered for funding.

## Financial Literacy

For the average young adult in North America, opening a checking or savings account, applying for a credit card, or taking out a school loan requires little effort or understanding of the responsibility that they will incur. Past the age of 18, youth navigate a high-risk fiscal environment on a daily basis, yet are equipped with inadequate skills and knowledge to make the financial decisions that will affect them for decades.

The roots of financial illiteracy run deeper than easy access to credit cards, beginning instead at an early age within the home. Less than a third of all parents express confidence in their abilities to discuss basic financial skills with their children<sup>26</sup>, and practices like insufficient retirement savings and the average debt load of \$8,565<sup>27</sup> carried by households set poor examples for youth. Schools do little to relieve the problem either, since very few address financial education content as part of the required curriculum.

Service-learning programs can fill the void created when the public school system is unable to teach youth about financially responsible decision-making. Statistics show that 12<sup>th</sup> graders' knowledge of basic financial skills are in the low-fifty percent range and have been for more than 10 years.<sup>28</sup> By incorporating financial education programs throughout North America this unanswered crisis can be relieved.

Financial education programs have been proven to help:

- Ensure individuals are prepared to manage money, credit and debt
- Reduce the delinquency rates for mortgage borrowers
- Increase participation and contribution rates in retirement plans
- Improve spending and savings habits
- Provide individuals with safe options for managing finances and building wealth

While all types of Financial Education grants are accepted by the State Farm Youth Advisory Board, this year



Coinciding with the economic downturn, the field of social entrepreneurship has experienced explosive growth as motivated individuals unable to find jobs in the private sector have started "more-than-profit" ventures, hoping to making significant contributions to society through meaningful work. Applying effective, time-tested business strategies to non-profit models, these entrepreneurs are able maximize their impact on society through efficient and sustainable practices.

The State Farm Youth Advisory Board believes that youth can play an important role in the development of socially-conscious entrepreneurial ventures. With unparalleled energy and innovative spirits, youth have the time and ability to create and enact business plans to guide successful non-profit activity. By funding social entrepreneurship-related service-learning projects, the SFYAB allows youth to achieve a better understanding of responsible business practices and the role of entrepreneurship in society while benefitting communities across North America through localized and sustainable solutions.

#### **Fiscal Responsibility:**

In order for youth to have a sound financial future, they must ensure that their society practices fiscal responsibility. Inheriting the financial mismanagement of their nations' governments, youth face trillions of dollars in unpaid liabilities. In the United States, for instance, each citizen's share of the national debt is \$184,000<sup>29</sup>. For a nation with a median household income of \$50,233<sup>30</sup> and a personal savings rate of currently only 4%<sup>31</sup>, the ability for citizens to pay their share of the real national debt seems impossible.

With economic problems like the 2008 Credit Crisis and the approaching economic storm surrounding the retirement of the Baby Boomer Generation, the State Farm Youth Advisory Board realizes that actions must be taken by youth to bring accountability to government's financial positions through service-learning. Through awareness, education and advocacy, youth can bring fiscal responsibility back to North America's financial and governmental institutions and secure a more financially secure future for themselves and their communities.

#### **Consumer financial skills:**

Today's North American youth are entering the workforce with very little or no consumer skills at an alarming rate. This buying ignorance is saddling our populous with large amounts of easily avoidable debt and making financial prey out of the young people of America. The State Farm Youth Advisory Board believes that through service-learning, youth participants can gain a true educational understanding of the importance of consumer financial skills to our lives and economy. Skills such as reading and following the



For these reasons, the State Farm Youth Advisory Board has identified financial education as one of the five main focal areas for this years' service-learning grants.

State Farm in no way seeks to exclude any youth-driven service learning projects that emphasize improving financial education and satisfy all other RFP components. All such projects will be considered for funding.

\* JumpStart. "Financial Literacy Shows..." Press release. 5 Apr. 2006. .docstoc. 17 July 2009 <<http://www.docstoc.com/docs/4294143/financial-education>>. "

Morgenson, Gretchen. "Given a Shovel, Americans Dig Deeper Into Debt." *The New York Times* 20 July 2008. 17 July 2009

<[http://www.nytimes.com/2008/07/20/business/20debt.html?\\_r=3&pagewanted=all&oref=slogin](http://www.nytimes.com/2008/07/20/business/20debt.html?_r=3&pagewanted=all&oref=slogin)>. \*Networks Financial Institutions. 2009. Indiana State

University. 19 July 2009 <<http://www.networksfinancialinstitute.org/Finance/facts-figures/Pages/default.aspx#schools>>.

\*"What is the Real National Debt?" Peter G. Peterson Foundation. 2009. Peter G. Peterson Foundation. 18 July 2009

<<http://www.pgpf.org/about/nationaldebt/>>. \*U.S. Census Bureau. Public Information Office. "Household Income Rises, Poverty Rate Unchanged, Number of Uninsured Down." Press release. Newsroom. 26 Aug. 2008. U.S. Census Bureau News. 18 July 2009

<[http://www.census.gov/PressRelease/www/releases/archives/income\\_wealth/012528.html](http://www.census.gov/PressRelease/www/releases/archives/income_wealth/012528.html)>. \*"Comparison of Personal Saving." 25 June 2009. Bureau of Economic Analysis. National Economic Accounts. U.S. Department of Commerce, Washington, D.C. 18 June 2009 <<http://www.bea.gov/national/nipaweb/Nipa-Frb.asp>>.

## Access to Higher Education/Closing the Achievement Gap

Due to increasing globalization, good jobs with a secure future now require some level of higher education. This requires communities to take a more active role in ensuring that all students have access to a quality education and are prepared for their future. Currently, a significant number of young people are not prepared and are not meeting achievement expectations that are a conduit for success. This achievement gap refers to the observed disparity on a number of educational measures between the performance of groups of students, especially groups defined by gender, race/ethnicity, and socioeconomic status. Any country's ability to compete globally depends on the educational attainment of its citizens.

According to the Education Commission of the States, in the United States Closing the College Participation Gap Study by Sandra S. Rupert, America must have 8,044,374 students enrolled in college in the year 2015. Currently, out of one hundred ninth grade students, only thirty-eight of those students are likely to graduate from high school and enter college within one year.<sup>32</sup> At this rate, we will not make the 2015 goal. In the U.S. only 23.1% of low-income students attend college.

Looking at population characteristics, half of the U.S. population had incomes above \$49,242 and the other half had incomes below this amount. In 1999, the poverty threshold for a family of four was \$17,000.<sup>33</sup> Unfortunately, the average cost of college in the United States is nearly \$19,500, according to the College Board's Trends in College Pricing Study.<sup>2</sup>

Lately, there has been much attention on the ever-widening achievement gap in the United States and Canada. In 2001, the U.S. federal government passed an act of legislation entitled the No Child Left Behind



level. The main focus of the law was to assure that all students were meeting academic learning standards at grade level. For this to be accomplished, additional emphasis on early childhood care and education, improving teacher quality, early intervention for college, and providing extra learning opportunities for students who need additional help are stressed. By focusing on these key elements, the achievement gap can be addressed. Through service-learning, teachers have an additional teaching strategy to use to engage and reach students who may not have been learning by other teaching methods. To get different achievement results, it may be necessary to do things differently. Service-learning is a great way to encourage innovative and creative hands-on approaches to teaching and learning. It is also important in terms of parental involvement with children's education. This contributes to a holistic approach to increasing access to higher education and closing the achievement gap of those students who are lagging behind. Parental involvement helps extend the education and motivation the children receive while at school and servicing their community to their homes and immediate surroundings.

Different states have dedicated time to researching the achievement gap issue on a state level. Texas has passed legislation requiring students to pass a proficiency test every year to help assess where gaps in learning occur. North Carolina's governor has assembled a task force to examine the most effective practices to close the achievement gap. Missouri's state task force saw that improving teacher quality in schools was the best method to use when dealing with the achievement gap. There are a plethora of organizations such as the Center for Education Reform (CER) that work to increase teacher quality and provide research based information to teachers, parents, and policy makers. The information is being disseminated among various communities, but there is always the question of strategic use of resources.

According to Eytler and Giles, service-learning is an experience that enhances understanding, and understanding leads to more effective action. Part of the State Farm Youth Advisory's Board mission is to help other students become active citizens in their communities. Service-learning is positive and meaningful to the participants. It involves cooperation rather than competitive experiences. Service-learning promotes skills associated with teamwork, community involvement, and citizenship. Service-learning also promotes deeper learning because results are immediate and uncontrived. If students start service-learning at an early age as part of their childcare development, then there is a sense of lifelong civic participation instilled in children. Most importantly, individuals apply this learning in their daily lives.

The Corporation for National and Community Service collected data revealing the use of service-learning.

- 32% of elementary and secondary schools have adopted service-learning.
- 35 states have adopted some form of service-learning policy.
- 25% of all higher education institutions and 50% of all community colleges have adopted service-learning programs.



Access to Higher Education and Closing the Achievement Gap is important to State Farm Corporation because those individuals touched by the projects we fund will constitute the future workforce. This directly correlates to the increasing demand for global competition and leadership. This issue is aligned with State Farm's commitment to community development and service while remaining true to our motto: "Like a Good Neighbor, State Farm is there."

State Farm in no way seeks to exclude any youth-driven service learning projects that emphasize improving access to higher education and/or closing the achievement gap, and satisfy all other RFP components. All such projects will be considered for funding.

<sup>24</sup> "Closing the College Participation Gap" Education Commission of the United States. [Online] <http://www.communitycollegepolicy.org/html/Issues/access/pdf/ECSNationalReportComplete.pdf> 10 September 2006 <sup>25</sup> "Trends in College Pricing" The College Board [Online] Closing the Achievement Gap is dedicated to providing examples for closing the achievement gap [www.subnet.nga.org](http://www.subnet.nga.org) National Service-Learning Clearinghouse [www.servicelearning.org](http://www.servicelearning.org)

## Social Health and Wellness

The issue of social health and wellness has received unprecedented attention in the wakes of school shootings such as at Columbine and Virginia Tech, nutritional imbalances across the country, and the growing rate of sexual transmitted diseases and sexual assault. The State Farm Youth Advisory Board encourages projects within Societal Health and Wellness that address many of these issues, focus on threats or challenges to, and promote mental, physical, and sexual health.

### Nutritional Imbalances

Growing concern over the obesity epidemic and eating disorders such as anorexia and bulimia has prompted the Youth Advisory Board to encourage a special look at this issue. The National Institute of Mental Health defines an eating disorder as "a person [experiencing] severe disturbances in eating behavior, such as extreme reduction of food intake or extreme overeating, or feelings of extreme distress or concern about body weight or shape." Globally, there are more than 1 billion overweight adults, at least 300 million of them obese. With these shocking numbers continuously growing, the State Farm Youth Advisory Board places special emphasis on the issue of childhood obesity. Overweight children and adolescents are more likely to become obese as adults. A recent study found that approximately 80 percent of children who were overweight at ages 10-15 years were obese adults at age 25 years. With the conveniences of the modern day come the tragedies of inactivity that results from more passive leisure activities. Although eating disorders are often overlooked, they affect many people. The National Institute of Health estimates that over 8 million Americans suffer from an eating



### **Physical Activity and Exercise:**

One of the most effective strategies for combating nutritional disorders like obesity and enhancing personal wellbeing and societal health is physical activity. Defined by the World Health Organization as “any bodily movement produced by skeletal muscles that requires energy expenditure,” physical activity has been shown not only to reduce the risk of cardiovascular disease, type 2 diabetes, and several types of cancers, but also to control weight, improve psychological health, increase longevity, strengthen the bones and muscles, and elevate mood. Yet despite these known benefits, most adults and increasingly many children in the United States lead a relatively sedentary lifestyle, consequently suffering chronic illnesses and poor health that might otherwise be prevented and avoided. In fact, a 1993 study revealed that a staggering 14 percent of all deaths in the United States are caused by low activity levels and diet alone, while another 1998 study linked 23 percent of deaths from chronic diseases to a sedentary lifestyle. Because individuals’ physical activity plummets during adolescence, the State Farm Youth Advisory Board believes it is critical to engage youth in addressing this issue right now, before it becomes too late.

### **Psychological Disorders and Suicide:**

The State Farm Youth Advisory Board defines psychological disorders as “serious mental illnesses or disorders impairing a person’s capacity to function normally and safely.” Some psychological disorders include Depression, Post-Traumatic Stress Disorder, Obsessive-Compulsive Disorder, phobias, and Schizophrenia. The board believes psychological disorders are a prevalent issue affecting a large population of people. A survey conducted by the National Institute of Mental Health concluded that 26 percent of the population, not including those who were homeless or institutionalized, had symptoms of a psychological disorder. Since mental illnesses develop at a young age—half of all lifetime cases begin by age 14— it is essential to address psychological disorders among youth. If these disorders go untreated, symptoms can worsen, and the disorders can become more difficult to treat in the future, attract more mental illnesses, or even lead to death. Unfortunately, “more than 90 percent of people who kill themselves have a diagnosable mental disorder.”

Suicide not only affects the person that is taking his or her life, but family members, friends, neighbors, and classmates as well. As people approach adolescence, the rates of suicide attempts increase drastically. Teen suicides account for almost 2,000 deaths annually, making it the third leading cause of death among teenagers. This statistic fails to consider the even larger number of teens contemplating or attempting suicide. For example, in



Every year, out of 12 million reported cases of sexually transmitted diseases, roughly 3 million of them are among teens between the ages of 13 and 19. STDs are pertinent to teens because as young adults become sexually active, education is vital to avoid societal disasters such as the AIDS virus or the contraction and spread of other STDs. According to studies done by the American Social Health Association, more than half of all people will contract an STD at some point in their life. Currently, most youth are educated about the dangers of STDs in a classroom setting, but with the number of teens contracting STDs still on the rise, the State Farm Youth Advisory Board believes that service-learning projects will provide a new approach to a common issue.

#### **Diversity and Acceptance:**

In an increasingly globalized world, building a respect for diversity in our communities and our schools is paramount to ensuring that all have equal opportunities to fulfill their potential and reap the fruits of hard work and persistence. We must work to promote acceptance of all people no matter their gender, race, personal beliefs, or disability by cultivating a cosmopolitan appreciation for the richness of humanity. Reaching out into the community as youth with open minds to combat the issues of racism and lack of acceptance will help aid America in serving as a role model for diversity and acceptance all around the world.

State Farm in no way seeks to exclude any youth-driven service learning projects that emphasize improving natural and/or societal disaster preparedness and satisfy all other RFP components. All such projects will be considered for funding.



## Part E| Rubric

The State Farm Youth Advisory Board will use the following rubric in scoring grant proposals. We encourage you to review this rubric to help determine how your proposed project might be ranked. **YOU DO NOT HAVE TO COMPLETE THIS RUBRIC. IT IS FOR YOUR INFORMATION ONLY.**

1. General Information (10%)
  - a. Is all required information filled out?
  - b. Does the project fit into one of the five issue areas? Overall quality of the application?
2. Youth-Led (18%)
  - a. How were youth involved in the writing of the proposal?
  - b. How will youth be involved in the planning and execution of the project? What specific leadership roles will youth have in this project?
3. Service-Learning (18%)
  - a. Is the project service-learning?
  - b. How effectively does the proposal address each of the elements of quality service-learning?
    - i. Meaningful Service
    - ii. Youth Voice
    - iii. Link to Curriculum
    - iv. Partnerships
    - v. Reflection
    - vi. Progress Monitoring
    - vii. Diversity
    - viii. Duration and Intensity
4. Affect the Root Cause of the Issue (18%)
  - a. Does the project target the root cause of the issue?
  - b. Does the project offer a clear plan to address the root cause of the issue?
5. Sustainability and Feasibility (18%)



 **State Farm**

YOUTH FOUNDATION BOARD

- c. How effectively does the applicant plan to promote the project?
  - d. How effectively does the applicant plan to measure the success of the project?
6. Timeline and Budget (18%)
- a. How does the project offer a clear plan going forward?  
Are the expenditures on the budget justifiable?



## Part F | Budget

### 1. Overview

- a. Budgets are required for all project proposals submitted to the State Farm Youth Advisory Board. The budget is a critical component of every application. The State Farm Youth Advisory Board recommends that students are thoroughly engaged in structuring the proposed project, which includes preparing the budget while working together with project coordinators.
- b. All of the budget items requested must be necessary to accomplish project objectives, reasonable, auditable, and incurred during the grant period from September 2012 to August 2013. All grant winners are expected to regularly update their project profiles on the Youth Advisory Board website.
- c. Failure to provide a complete budget document in the provided template by the application deadline renders an application ineligible for consideration for funding by the State Farm Youth Advisory Board.

### 2. Guidelines

- a. The State Farm Youth Advisory Board values proposals which are feasible in nature, have a plan for future sustainability, and have a high deed-to-dollar ratio. Applicants demonstrate these qualities by submitting thorough budget documents which demonstrate how the proposed project can be carried out to fit the project narrative.
- b. The State Farm Youth Advisory Board defines deed to dollar ratio as the greatest impact a grant can have for the money requested. A sustainable grant requesting \$25,000 that will positively impact the issue area and limits its administrative costs is looked upon more favorably than a grant requesting \$100,000 with questionable sustainability and using 20% of the requested monies on salaries and administrative costs.
- c. To ensure your optimal deed to dollar ratio, be sure to document the following:
  - i. Standard Costs
  - ii. In-kind contributions
  - iii. Cash or earned income
  - iv. Additional funding from other organizations
    1. An in-kind contribution is a non-cash input which can be given a cash value. This refers to donations of space, time, or materials. For example, if



please indicate those values under this section.

3. If funding from the Youth Advisory Board is going to be supplemented by other grant monies from the school, government, or other funding organizations, please note these contributions in the budget either line by line or as a single item under the miscellaneous section.

#### Instructions

The following instructions are intended to assist applicants in preparing the budget section in the project proposal.

- a. Salaries and Compensation
  - a. Items which can be placed under salaries include administrative salaries, fees for outside expert services, and student stipends. The State Farm Youth Advisory board limits the amount of salaries to a maximum of twenty percent of the total proposed project budget. By limiting the amount that organizations can spend on salaries, grant winners will be able to use funding towards project costs that support sustainability of the grant. If at any point in time your project brings in an outside consultant or presenter for the project, their costs and fees go here. As a general rule, the less money a grant requests for salaries and administrative costs, the more favorably the Board looks upon the program.
- b. Supplies and Equipment
  - a. Included in this category are all equipment items (tools, machinery, computers, etc.) as well as items required for equipment operation or maintenance (software, license renewal, etc.). Expenses for office supplies, printing, and art supplies are also included here.
- c. Travel and Lodging
  - a. Items related to travel to specific activities are entered here. The most economical accommodations must be used. Please note that travel should not be an integral part of the service-learning project.
- d. Promotion/Publicity/Marketing
  - a. Items related to promotion/publicity/marketing generally fall into one of two categories: public service announcements (PSAs) and giveaways. Public service announcements consist of broadcasting a message through public media (television, radio, pamphlets, billboards, etc.). Giveaways involve distributing items (t-shirts, refrigerator magnets, key chains, etc.) which draw attention to the service-learning project. Both marketing techniques have the potential to bring about real change in the local community by promoting a specific goal or cause. A grant proposal



**e. Miscellaneous**

- a. All items which do not fit under any of the above categories can be filed under miscellaneous expenses.
- b. Lastly, the grant may not be used for the any of the following not-approved budget items for liability reasons:

**f. Purchase of vehicles**

- a. Travel which is not directly related to achieving the outcomes of the proposed project,
- b. Any insurance-related costs

Please review all instructions carefully before submitting the final budgetary document.

Please e-mail any remaining questions to Brad Corriher at [yab@statefarm.com](mailto:yab@statefarm.com) .

**CITY OF WILLCOX  
REQUEST FOR COUNCIL ACTION**

Agenda Item: 14  
Tab Number: 9  
Date: 4-16-2012

<b>Date Submitted:</b> 4/9/2012
<b>Date Requested:</b> 4/16/2012

<b>Action:</b>
<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance
<input type="checkbox"/> Formal
<input type="checkbox"/> Other

<b>Subject: Award Bulk Water Station Bid</b>

**TO:           MAYOR AND COUNCIL**

**DISCUSSION:** Staff posted a request for sealed bids for a Bulk Water Fill Station using the attach specifications. The request for bid followed 3-1-3 (H) in the City of Willcox procurement policy.

Three sealed bids were received under the request. The bids were \$92,500, \$57,867.11 and \$49,206. All of the bids exceeded the budgeted amount. However, section 3-1-3 (I) (e) provides for bids exceeding budgeted amount and permits negotiating with the lowest bidder to reach an agreement to work within the budgeted funds. In this case Smyth Industries was the lowest bidder and they have submitted an amended bid to perform the specified work for the budgeted \$46,300.

Staff will also present a rate analysis to demonstrate that the current rate is not sufficient to cover cost in the current system. In addition staff will provide options based on variable equipment amortization schedules and projected bulk water sales. This should be done to justify cost of equipment reduced cost of personnel.

**RECOMMENDATION:** Approve Resolution to accept Smyth Industries revised bid for \$46,300.

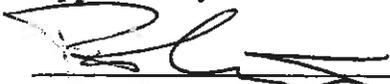
**FISCAL IMPACT**   \$46,300 funded from the Water Fund and revenues collected from bulk water sales.

**Prepared by:**



**Dave Bonner, Public Services & Works Director**

**Approved by:**



**Pat McCourt, City Manager**



**CITY OF WILLCOX , COCHISE COUNTY, ARIZONA  
RESOLUTION NO: 2012-33**

**A RESOLUTION OF THE CITY OF WILLCOX,  
COCHISE COUNTY, ARIZONA ["CITY"]  
APPROVING AND ADOPTING THE REVISED  
BULK WATER FILL STATION BID FROM SMYTH  
INDUSTRIES ("CONTRACTOR"), AUTHORIZING  
THE MAYOR TO EXECUTE THIS RESOLUTION  
AND DECLARING AN EMERGENCY TO EXIST**

**WHEREAS**, the CITY is authorized pursuant to A.R.S. §§ 9-240(B) (2) to appropriate money and provide for payment of its debts and expenses and is authorized pursuant to A.R.S. §9-514 to engage in utility business; and

**WHEREAS**, the Mayor and Council desire to approve and adopt the revised Bulk Water Fill Station Bid from CONTRACTOR; and

**WHEREAS**, the CITY has issued a Call for Sealed Bids pursuant to the CITY's Procurement Policy and has received three (3) Bids in response thereto; and

**WHEREAS**, the CITY desires to award the Bid to CONTRACTOR; and

**WHEREAS**, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely bid award to CONTRACTOR, and that this Resolution shall be effective immediately upon its passage and adoption.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, AS FOLLOWS:**

Section 1: The Mayor and Council have determined that it is in the best interest of the CITY and the customers of the City's Bulk Water Fill Station to approve and award the revised bid as presented.

Section 2: The Mayor and Council formally approve and award the revised bid to CONTRACTOR for the Bulk Water Fill Station.

Section 3: The Mayor or Vice-Mayor are authorized and empowered to execute the Contract documents with such changes thereto as the parties may deem appropriate to accomplish the transaction.

Section 4: CITY Officials and Administrators are authorized and directed to take all action required to carry out the intent of this Resolution.

Section 5: The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage by the City of Willcox, Cochise County, Arizona.

**PASSED AND ADOPTED** by the Council of the City of Willcox, Cochise County, Arizona, this \_\_\_\_ day of April, 2012.

**APPROVED/EXECUTED:**

\_\_\_\_\_  
MAYOR, GERALD W. LINDSEY (or)  
VICE-MAYOR, MONIKA S. CRONBERG

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk, Cristina Garcia Whelan, CMC

\_\_\_\_\_  
City Attorney, Hector M. Figueroa

**RESOLUTION NO: 2012-33**

## **Bulk Water Fill Station Specifications**

1. Skid mounted fully assembled and wired package.
2. Unmanned point of sale with credit/debit card reader, lit for night use. Capable to accept internal City of Willcox "member card" with assigned pin number. Paper receipt provided with each transaction. Green/start, red/stop button controls. Cellular or land line communication capabilities.
3. Enclosure tested and certified to ASSE 1060 standard, Class 1. Lifting lugs installed.
4. The City of Willcox will provide a location which will be supplied with a 100 amp electrical service and water supply. Equipment supplier will provide circuit breaker, conduit and electrical connection from the service panel.
5. Power supply requirements – 120/240 V.AC/1/ph/60Hz.
6. Cabinet and all components to be grounded with a ground lug provided for connection to a City of Willcox installed ground rod.
7. Inlet water service size: 3 inches.
8. Cabinet mounted 2" cam lock outlet and ¾" hose bib outlet. Install ball valves for customer outlet selection. Provide 3" male thread with cap nipple for City of Willcox installed overhead fill pipe.
9. Over head truck fill arm (3" rated for minimum 350 GPM). City of Willcox install.
10. Water meter complies with AWWA C701-Class 11 (accuracy +/- 1.5%)
11. Integral high hazard reduced pressure type backflow preventor NSF 61
12. Integral adjustable flow control
13. Integral adjustable pressure regulating valve
14. All outlet piping fully drains at end of fill cycle. Air gap protected
15. Provide scale drawings of piping connection points. Concrete slab, water supply line, and drain line to be installed by the City of Willcox before installation of water fill station by seller.
16. Minimum one year factory parts and labor warranty.
17. Operations and maintenance manual on CD / digital
18. Total bid price is required to include sales tax, delivery to and installation at site located in Willcox, Arizona, 85643.
19. The equipment provider will be selected based on which bidder closest meets the specifications and provides the best pricing
20. Provide at least three references for work that has been performed in the past 5 years.

21. The City of Willcox reserves the right to reject any and all bids and to waive minor irregularities and informalities therein and further reserves the right to award partial bids.

# SMYTH INDUSTRIES

4010 E. Illinois St.  
Tucson, AZ 85714  
(520) 750-8719  
(520) 750-9544

March 29, 2012

To: City of Willcox Attn: John Bowen

Re: Bulk Water Fill Station (revised)

Total (including taxes): \$46,300.00

Scope:

- Furnish & install Bulk Water System per specification.

Thank you,

Ray Rogers  
Project Manager  
[Ray@SmythSteel.com](mailto:Ray@SmythSteel.com)  
Office 520.750.8719  
Cell 520.301.5604

License #ROC154663 A-General Engineering  
License #ROC171540 L-11 Electrical  
ASME Boiler and Pressure Vessel 'U' Certified  
The National Board of Boiler and Pressure Vessel Inspectors 'R' Certified  
UL 508A Manufacturing #E306021



**CITY OF WILLCOX  
REQUEST FOR COUNCIL ACTION**

Agenda Item 15  
Tab Number 10  
Date: 04/16/12

<b>Date Submitted:</b>	<b>Action:</b>	<b>Subject:</b>
April 9, 2012	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal	INSURANCE AGENCY ESG (EMPLOYEE SOLUTIONS GROUP) CONTRACT FY 2012-2013

TO: MAYOR AND COUNCIL  
FROM: Finance Director Ruth Graham

**DISCUSSION:**

Staff released RFP COW 2012 on March 7, 2012 to solicit a Request for Proposal from Licensed Insurance Brokers in the State of Arizona. Five responses to the RFP were received, including Benefit Intelligence (BI, our current agency), Black, Gould & Associates, Holmes Murphy, Wells Fargo Insurance Services, and ESG Corp. (Employee Services Group).

The insurance agent and/or agency will handle health insurance and employee benefits for full-time employees of the City of Willcox. The City participates in the Arizona Municipal Risk Retention Pool (AMRRP) for liability and worker's compensation insurance coverage.

The bids were evaluated by a committee of three: Sherry Van Allen, Crystal Hadfield and Ruth Graham. We found that there are a variety of ways in which the broker's fee can be charged. The fees can be included in the costs of the health insurance premium; a fee of approximately 6% is included in our current premiums. Benefit Intelligence and Wells Fargo each quoted a 4% fee; Holmes Murphy quoted a "standard" rate, and ESG Corp. followed a different path, quoting a flat fee of \$1,200 per month.

Currently the City's health insurance premiums average about \$24,311 per month. The broker's fee is included in that amount at 6%. The actual fee paid to the broker is about 5.5% according to Health Net, and we estimate that our current fee is about \$1,330. We do not have any quotes for the upcoming year; however, we would estimate that an increase of 10% or more in the basic rates may be possible. The final requirements for the federal mandates on health care coverage have not yet determined. The ESG Corp. flat rate fee of \$1,200 per month will apply regardless of the amount of the premium the City pays for health insurance. Whether the rates increase or decrease, the broker's fee will not change. ESG is the only broker that quoted separately stated fees.

The bidders proposals were carefully reviewed. We looked at fees, services provided, and the involvement of the agent. The ESG bid was comprehensive, and included plans for an employee benefit program audit, employee benefit program resources, methods to secure the best medical rates, ways to mitigate trends, target cost drivers, and maintain compliance with regulations. ESG will be hosting an Employee Benefit Web Portal that will be built once the new benefits are determined thru the renewal process. ESG will also provide City of Willcox access to our on line portal referred to as HR Genius that is an employer resource.

We also looked at availability of representatives. Two of the bidders have representatives in Safford, BI and ESG. We have worked with both agencies, and each has been willing to send representatives for benefit fairs and planning meetings.

Al Thunberg has worked actively with BI and the City on its employee insurance needs for the last two years, and he has introduced innovative ideas for our employee insurance programs. The introduction of the HRA in FY10 allowed the City to keep premiums down by electing a higher employee deductible and keep the employees "whole" through HRA reimbursements. The FSA allows employees to determine the amount of their own compensation they wish to set aside on a before-tax basis to medical needs. A schedule of the City's HRA distribution experience to date is attached. Al has attended Council meetings and open enrollments for two years, and has been available by phone and e-mail. Our experience with the Health Reimbursement Arrangement (HRA), Flexible Spending Account (FSA), and COBRA programs that ESG administers has been that the information is timely and available, and questions are answered promptly. Jon Stewart will also be working with us. If ESG is selected to work with us on the health insurance all of our employee insurance services will be with one agent that will have a comprehensive view of our employee insurance needs.

The proposed ESG Contract is attached. The term is for twelve months at \$1,200 per month for the period from July 1, 2012 to June 30, 2013. If selected as our agent, ESG will be working with the City on the selection of its FY13 insurance plan.

The City procurement policy requirements have been met for this proposal.

Staff recommends entering into a with ESG, the Employee Services Group, to secure its services to act as the Licensed Insurance Broker for the employee health insurance plan offered by the City of Willcox for the 2012-2013 fiscal year. Selection of the health insurance plan will be made at a later date.

**RECOMMENDATION:**

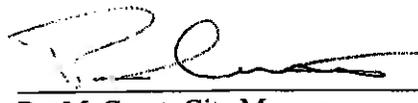
To enter into a Contract with ESG Corp. to secure its services to act as the Licensed Insurance Broker for the employee health insurance plan offered by the City of Willcox for the 2012-2013 fiscal year.

**FISCAL IMPACT:** 12 months @ \$1,200/month = \$14,400.

Submitted by:



Ruth Graham



Pat McCourt, City Manager

**RESOLUTION NO: 2012-34**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA APPROVING AND AWARDING THE BID CONTRACT TO EMPLOYEE SOLUTIONS GROUP (“ESG”) PURSUANT TO THE RFP BID FOR SPECIFIC EMPLOYEE INSURANCE BENEFITS PLAN AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.**

**WHEREAS**, the City of Willcox Common Council shall have control of the finances and property of the corporation pursuant to A.R.S. § 9-240 *et seq.*; and

**WHEREAS**, the City of Willcox published a Request for Proposals (“RFP”) to solicit and approve a provider of Selected Services Administration for Health Insurance Plan for its employees and ESG submitted a bid being recommended for the award; and

**WHEREAS**, the City of Willcox has discussed, considered and approved the Health Insurance Plan and employee benefits package to include plan benefits through ESG as presented in a City Council meeting and directs staff to present the formal contract documents to Mayor and Council for final approval and adoption; and

**WHEREAS**, the ESG will provide employee benefit package in the form of a Health Reimbursement Agreement Plan [“HRA”]; an expanded Flexible Spending Account Plan [“FSA”]; and third party administration of COBRA Plan; and

**WHEREAS**, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY, its employees and the citizens of the CITY to award the bid to ESG; and

**WHEREAS**, the CITY and the ESG desire to have this item presented at the Council Meeting on April 16<sup>th</sup>, 2012 for consideration and approval of the Bid Award for the Contract period of July 1, 2012 to June 30, 2013; and

**WHEREAS**, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely implementation of ESG services, and that this Resolution be effective immediately upon its passage and adoption.

**BE IT RESOLVED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally approves the Bid Award to ESG for HRA, FSA and COBRA benefits, authorizes the Mayor to execute this Resolution and directs City staff to take necessary action to prepare the contract documents for presentation to Mayor and Council.

**BE IT FURTHER RESOLVED** by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona this \_\_\_\_\_ day of April, 2012.

**APPROVED/EXECUTED:**

\_\_\_\_\_  
MAYOR, GERALD W. LINDSEY (or)  
VICE-MAYOR, MONIKA S. CRONBERG

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Clerk, Cristina Garcia Whelan, CMC

\_\_\_\_\_  
City Attorney, Hector M. Figueroa

**RESOLUTION NO: 2012-34**

**CITY OF WILLCOX  
HEALTH CARE (MEDICAL) SUMMARY OF RESULTS  
BASED ON CLAIM SERVICE DATES**

**SUMMARY COMMENTS:**

- ➔ **PLAN FOR 2009 | 2010 COMPLETED AND RAN WELL AT 93% OF EXPECTED CLAIMS FOR THE YEAR.**
- ➔ **PLAN FOR 2010 | 2011 COMPLETED AND RAN WELL AT 72% OF EXPECTED CLAIMS FOR THE YEAR.**
- ➔ **PLAN FOR 2011 | 2012 COMPLETED AND IS RUNNING WELL 50% OF EXPECTED CLAIMS 90 DAYS TO GO.**

**2009 BASE YEAR STATISTICS (FULLY INSURED)**

**2009 | 2010 TOTAL RENEWAL PREMIUM \$ 480,800.00 (Fully Insured Renewal)**

**RENEWAL STATISTICS (SINCE HRA INCEPTION)**

**2009 | 2010 TOTAL PREMIUM + HRA \$ 393,352.00 (Includes Actual HRA Claims)**  
**PERCENTAGE INCREASE (DECREASE) -18.19%**

**2010 | 2011 PREMIUM + HRA \$ 380,994.00 (Includes Actual HRA Claims)**  
**PERCENTAGE INCREASE (DECREASE) -3.14%**

**2011 | 2012 FUTURE YEAR PREMIUM + EXPECTED HRA \$ -370,054.00 (Includes Estimated HRA Claims)**  
**PERCENTAGE INCREASE (DECREASE) -2.87%**

**INSURED PARTICIPANTS**

	<u>HMO</u>	<u>PPO</u>	<u>TOTAL</u>
Single	22	0	22
Employee + Spouse	7	2	9
Employee + Children	19	0	19
Family	4	1	5
<b>Total Census</b>	<b>52</b>	<b>3</b>	<b>55</b>
<b>Total Deductibles</b>	<b>82</b>	<b>6</b>	<b>88</b>

**2009 / 2010 (PRIOR YEAR) STATISTICS:**

**EE DEDUCTIBLE (Per Insured) \$ 500.00**  
**CITY OF WILLCOX REIMBURSEMENT (Per Insured) \$ 2,000.00**

**TOTAL AT RISK DEDUCTIBLES \$ 176,000.00 100%**

**EXPECTED CLAIMS \$ 30,780.00 17.49%**

**ACTUAL CLAIMS \$ 28,679.70 16.30%**  
 (THUR 6/30/10)

**ACTUAL PERCENTAGE OF EXPECTED CLAIMS 93%**

**2010 / 2011 ACTUAL CLAIMS:**

**EE DEDUCTIBLE (Per Insured) \$ 500.00**  
**CITY OF WILLCOX REIMBURSEMENT (Per Insured) \$ 4,500.00**

**TOTAL AT RISK DEDUCTIBLES \$ 396,000.00 100%**

**EXPECTED CLAIMS \$ 71,820.00 18.14%**

**ACTUAL CLAIMS \$55,816.86 14.04%**

**ACTUAL PERCENTAGE OF EXPECTED CLAIMS 77%**

**2011 / 2012 ESTIMATED CLAIMS (OPEN YEAR)**

**EE DEDUCTIBLE (Per Insured) \$ 500.00**  
**CITY OF WILLCOX REIMBURSEMENT (Per Insured) \$ 4,500.00**

**TOTAL AT RISK DEDUCTIBLES \$ 378,000.00 100%**

**EXPECTED CLAIMS \$ 71,820.00 19.00%**

**ACTUAL CLAIMS \$35,555.88 9.41%**  
 (YEAR REMAINS OPEN)

**ACTUAL PERCENTAGE OF EXPECTED CLAIMS 50% (3 MONTHS REMAIN OPEN)**



## Employee Benefit Program Audit

### What

Our employee benefit plan audit is a comprehensive analysis of the financial and descriptive elements of your total employee benefits program. It's purpose is to provide senior management with a documented historical and current understanding of your benefit program, including an overview of products, plan designs, costs and status of each plan's compliance with respect to state and federal legislative requirements.

### Why

From the analysis we are able to identify the strengths of the current program, weaknesses and areas of concern, opportunities to improve the program and threats such as gaps in coverage, regulatory, fiduciary and compliance.

### Result

Senior management gains confidence that the benefit program is consistent with corporate goals and that they are regularly monitored for benefit design and cost competitiveness. The employees also benefit since savings and enhanced benefit offerings are often revealed through the process.

### Goal

The audit allows ESG's team of professionals to make sound, strategic benefit program recommendations for your consideration. The audit is a study that acts as a working platform which provides a model for moving forward for your benefit program which is an integral part of your successful business strategy.



## Information Requested and Reviewed During the ESG Benefit Audit

Employee Benefit Program	
<p><b>Booklets - Renewal Letters &amp; Billing Statements</b></p> <p>Core Ancillary Plans (Life, AD&amp;D, STD, LTD, LTC)            Voluntary Ancillary Plans (Life, AD&amp;D, STD, LTD, LTC)            Medical Plans (include Rx, HRA, UR, DM vendors, if separate)            Dental Plans            Vision Plans</p>	<p><b>Employee Contribution Schedules</b></p> <p>Core Ancillary Plans (Life, AD&amp;D, STD, LTD, LTC)            Medical Plans (include HSA contribution)            Dental Plans            Vision Plans</p>
<p><b>Vendors - Agreements / Contracts</b></p> <p>COBRA            HIPPA            FSA Administrator            HRA Administrator            HSA Administrator            Payroll Vendor and Pay Dates</p>	<p><b>Compliance - Agreements / Documents</b></p> <p>Name of Privacy Officer            Section 125 POP Agreement            Section 125 Health and Dependent Care Agreement            HRA Agreement            HSA Agreement            Business Associate Agreement</p>
<p><b>Value Add Benefits - Materials / Cost</b></p> <p>EAP Program            Commuter Program            Travel Assist Program            Other Value Add Benefits</p>	<p><b>Technology - Materials / Cost</b></p> <p>Customized Web Site Information            Online Enrollment            HRIS System            Carrier Integration</p>
<p><b>Communication - Materials / Cost</b></p> <p>Open Enrollment            Communication Campaign            Benefit Statements            Employee Surveys</p>	<p><b>Health Improvements - Materials / Cost</b></p> <p>Smoking Cessation / Weight Management Programs            Disease Management Programs            Other Programs            Biometric Screenings / HRA Programs            Workplace Safety Training</p>



## ESG Financial Strategy

Secure Best Medical Rates and Factors	
<p><u>Experience Rated Clients</u></p> <p>Medical Costs are based on Claim Experience</p> <p><u>Market &amp; Negotiate Fixed Costs</u></p> <p>Aggregate &amp; Stop Loss</p> <p>Administration Services</p> <p>Network, UR, DM, Nurse Line Fees</p> <p>Performance &amp; Multiple year rate guarantees</p> <p>IRA performs every year</p>	<p><u>Fully Insured Clients</u></p> <p>Medical costs are subject to Carrier Pooled Rates</p> <p><u>Market &amp; Negotiate Fully Insured Rates</u></p> <p><u>Groups with 2-50 Employees</u></p> <p>Base Rates based on demographics, SIC, Location</p> <p>Individually Medical Underwriting</p> <p>Final rates between Base Rates to +67.5%</p> <p><u>Groups with 51-150 Employees</u></p> <p>Proposed Rates based on demographics, SIC, Location</p> <p>Individually or Group Medical Underwriting</p> <p>Final rates - negotiated</p> <p><u>Groups with over 150 Employees</u></p> <p>Medical claim experience provided</p> <p>Under 400 employees are blended with manual rates</p> <p>Over 400 employees are 100% credible</p> <p>Final rates derived by underwriting formula</p> <p>IRA negotiated final rates</p> <p>IRA performs every year</p>
<p><u>PPO Medical Network Analysis</u></p> <p>Discounts - largest overall amount</p> <p>Density - number of physicians and hospitals</p> <p>Disruption - degree of change from current network</p> <p>Decide - select best network(s)</p> <p>IRA performs every 3 years or as needed</p>	<p><u>PPO Medical Network Analysis</u></p> <p>Discounts - largest overall amount</p> <p>Density - number of physicians and hospitals</p> <p>Disruption - review key providers</p> <p>Decide - select best carrier network(s)</p> <p>IRA performs every year</p>
<p><u>Prescription Benefit Management (PBM) Analysis</u></p> <p>Discounts for Retail and Mail Order</p> <p>Blendeding Fees</p> <p>Rebates</p> <p>IRA performs every 3 years or as needed</p>	<p><u>Expected Claim Liability Factors</u></p> <p>Under 400 employees are blended with manual rate</p> <p>Over 400 employees are 100% credible</p> <p>Final factors derived by underwriting formula</p> <p>IRA negotiates final expected claim factors</p> <p>IRA performs every year</p>



# ESG Financial Strategy

## Mitigate Health Insurance Trend

### Medical Inflation Facts

#### Trend Drivers

- Aging Population
- Lifestyle Management Issues
- Higher Claim Costs
- Advances in Technology
- Rx Patient Expirations
- Specialty / Bio-tech Drugs
- Health Care Reform

#### Historical Annual Trend

##### Percentage Increase

Plan Year	PPO Plans	Prescription Retail
2006	12.4%	13.8%
2007	11.6%	11.9%
2008	10.6%	10.7%
2009	10.6%	10.8%
2010	10.8%	9.1%
2011	11%	9.2%

Source - 2011 Segal Health Plan Cost Trend Survey

### Program Strategies

- Dependent Eligibility Management
- Dependent Audit (Hewitt Study - 11% ineligible enrolled)
- Spousal Surcharge
- Contribution Modeling
- Employee Cost Sharing
- Increasing deductible and out-of-pocket limits
- Shifting plan designs from co-pays to coinsurance
- Raising employee contributions
- Consumer Directed Products
- Health Savings Account (HSA)
- Health Reimbursement Arrangement (HRA)
- Financial and Benefit Modeling Tools
- Created financial savings for traditional plans
- Benefit design favorable to all employees
- Created purchasing behavior change
- Healthcare provider cost partnerships
- Vendor Management
- Consolidate vendor relationships for volume discounts
- Look for "Best in Class" vendors
- Rank all vendors with related delivered results



# ESG Financial Strategy

Target Health and Expense Plan Cost Drivers	
Claim Experience & Performance	Lifestyle & Wellness
<p><b>Areas of Review</b></p> <ul style="list-style-type: none"> <li>Enrollment</li> <li>Plan Cost Sharing</li> <li>Medical Claims Detail</li> <li>Top ICD - 9 Diagnostic Categories</li> <li>Inpatient Facility</li> <li>Outpatient Facility</li> <li>Professional Services</li> <li>Pharmacy</li> <li>High Cost Claimants</li> <li>Top Facility and Professional Report</li> <li>Network Utilization and Discount</li> <li>Disease Management Programs</li> <li>Lifestyle Management Programs</li> </ul>	<p><b>Reason Firms DO NOT Develop Strategy</b></p> <ul style="list-style-type: none"> <li>Won't see any changes in my lifetime</li> <li>Resources are scarce</li> <li>Don't feel like we have the expertise</li> <li>Not sure what we should evaluate</li> <li>Program is not properly designed</li> </ul> <p><b>Data Collection</b></p> <ul style="list-style-type: none"> <li>Health Risk Assessment</li> <li>Biometric Screening</li> <li>Medical &amp; Rx Utilization Data</li> <li>Employee Surveys</li> </ul> <p><b>Target Areas</b></p> <ul style="list-style-type: none"> <li>Wellness - Smoking, weight, nutrition, stress, fitness</li> <li>Disease Management - asthma, diabetes, CHF, CAD, COPD</li> <li>Preventative Health</li> <li>Workplace Safety</li> </ul> <p><b>Keys to Success</b></p> <ul style="list-style-type: none"> <li>Management Support - practice what you preach</li> <li>Good Collection of Data - needs and interests</li> <li>Carefully Crafting Operating Plan - roadmap of efforts</li> <li>Realistic Expectations - don't over promise</li> <li>Strong Communications - promote, educate, support</li> <li>Evaluating Outcomes - health risks, cost, satisfaction</li> </ul>
<p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>Benchmarking Normative Data</li> <li>Identify Claim Trends</li> <li>Analyze Problem Areas</li> <li>Uncover Cost Saving Opportunities</li> <li>Evaluate Benefit Design Impact - financial &amp; employees</li> <li>Predictive Modeling</li> <li>Disease Management &amp; Lifestyle initiatives</li> <li>Provide Financial Reporting &amp; Projections</li> </ul>	



# ESG Financial Strategy

Compliance	Regulatory Body	ESG Support Services
<p><u>Department of Labor (DOL)</u></p> <ul style="list-style-type: none"> <li><i>Employee Benefit Security Administration (EBSA)</i></li> <li><i>Employee Retirement Income Security Act (ERISA)</i></li> <li><i>Pension Benefit Guarantee Corporation (PBGA)</i></li> <li><i>Wage &amp; Hour Division (WHD)</i></li> <li><u>Health &amp; Human Services (HHS)</u></li> <li><i>Agency for Healthcare Research &amp; Quality (AHRQ)</i></li> <li><i>Centers for Medicare / Medicaid Services (CMS)</i></li> <li><i>Health Resources &amp; Services Administration (HRSA)</i></li> <li><i>National Institute of Health (NIH)</i></li> <li><u>Internal Revenue Department (IRS)</u></li> </ul>	<p><u>Compliance A</u></p> <ul style="list-style-type: none"> <li>Reference Guide - timeline chart for each requirement</li> <li>Group Health Plan Checklist</li> <li>Employer Model Notice Review</li> <li>HIPPA Review</li> <li>Medicare Requirements</li> <li>COBRA Review</li> <li>FMLA Checklist</li> <li>Pension Plan Checklist</li> <li><u>Health Care Reform (ACA)</u></li> <li>Employer Action Timeline</li> <li>Legislative Updates of Rules and Guidelines</li> <li>Modelling Tools (Grandfathering, Excise Tax, Tax Credits)</li> <li>Section 125 Qualifying Events Review</li> <li>Employer Model Notices</li> </ul>	
<p><u>State</u></p> <ul style="list-style-type: none"> <li>Department of Insurance (DOI)</li> <li>Department of Labor (DOL)</li> <li>Comprehensive Health Insurance Program (CHIP)</li> <li>Health Benefits for Workers with Disabilities</li> </ul>	<p><u>Other Services</u></p> <ul style="list-style-type: none"> <li>Document Preparation</li> <li>Carrier and Administrative Agreements</li> <li>Business Associate Agreements with HIT/IT language</li> <li>Department Audit</li> <li>Legislative Alerts and Bulletins</li> <li>Coordinate Schedule A 5500 Documents</li> <li>ERISA Attorneys - access to outside legal counsel</li> </ul>	
<p><u>Non-Compliance Penalties</u></p> <ul style="list-style-type: none"> <li>Fine per day ranging from \$25 to \$1,100</li> <li>Dollar fines up to \$250,000</li> <li>Up to 10 years in prison</li> <li>Criminal and civil action</li> <li>Plan disqualification of favorable tax status</li> </ul>		

## **Disclosure Statement**

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Our proposal is an outline of the coverage offered by the insurers, vendors, and/or administrators based on the information provided by current and proposed carriers, vendors and/or administrators which we have utilized in preparing this proposal. All census and/or plan design changes are subject to review and acceptance by the insurance carrier, vendor and/or administrator selected. This proposal does not constitute a contract and does not illustrate all of the contractual terms, coverage provisions, exclusions, limitations and/or conditions of the actual contact language. Please refer to the specimen contracts which are available upon request.

As is common practice in the industry, Insight Risk Advisors, Inc. will receive compensation in the form of fees or commissions from the companies in which business is placed. In addition to commission, ESG CORP may also receive commission based on firm wide premium volume and/or underwriting profitability with various insurance companies.



## EMPLOYEE BENEFIT ADVOCATE SERVICE APPLICATION

### (1) EMPLOYER / LICENSEE INFORMATION

Contact Name <b>Ruth Graham</b>	Business Federal ID # <b>86-6000270</b>	Date of Application <b>04/09/2012</b>
Company Name <b>City of Willcox</b>		Telephone Number <b>( 520)384-4271</b>
Address (Street – No P.O. Boxes, City, State & Zip Code) <b>101 S. Railroad Ave., Suite B, Willcox, AZ 85643</b>		
Email <b>rgraham@willcoxcity.org</b>	SIC Code	Fax Number <b>( 520)384-2590</b>

Type of entity:  C-Corp  S-Corp  Partnership  Sole Proprietor  Non-Profit  LLC  Other Municipality

Do you own interest in any other business?  No  Yes If yes, Name \_\_\_\_\_

Address if different \_\_\_\_\_ Federal ID # \_\_\_\_\_

Affiliated Co. included in plan?  Yes  No (Please provide a separate sheet for information on additional affiliated companies.)

Number of employee Health Insurance Participants: 54 Total number of employees: 60

Do you currently have an HRA Plan?  Yes  No If yes, original plan effective date \_\_\_\_\_

Do you have a Flexible Spending Plan (FSA)?  Yes  No

Do you have a Premium Only Plan (FSA)?  Yes  No

Do you have a union?  Yes  No

If less than 20, do you offer COBRA benefits?  Yes  No N/A - > 20 EE

Do you have an Employee Web Portal or Intranet?  Yes  No No Web Portal Currently – See Exhibit 1 Attached

Have you filed all Form 5500 Health & Welfare filings?  Yes  No (Please furnish copy of prior year returns) N/A

### (2) AVAILABLE BENEFITS AND QUALIFIED PLANS

ESG, and its affiliate Insight Risk Advisors, Inc. will provide all brokerage services including but not limited to, selection of carrier, negotiation, employee enrollment support, claims support, employee advocacy and employer advisory services. The current benefit plans include:

**Benefit (Check all in force plans currently):**

- Medical Plan (named health insurance plan): **HealthNet**
- Dental Plan (named health insurance plan): **United Health Care | AFLAC**
- Vision Plan (named health insurance plan): **HealthNet | VSP**
- EAP Plan (named health insurance plan): **HealthNet**
- HRA / FSA / HSA Plan (named administrator): **Employee Solutions Group**
- Discount or Other Rx / Vision / GAP/ ADD Plan (named plan): **AFLAC**
- HR Online (Web Based HR Resource): **See Exhibit 1 Attached - By Agreement**
- ESG | WBD Web Design (employee web portal): **See Exhibit 1 Attached – By Agreement**

### (3) PAYMENT

ESG, will initiate debit entries from the checking account and financial institution named below (This option must be chosen for ESG administration). Attach a copy of a voided check to this Application.

Bank Name AGREEMENT ON FILE Routing Number: AGREEMENT ON FILE Account #: AGREEMENT ON FILE

Setup Fee: \$0 Minimum Monthly Brokerage Service Fee: \$1,200 Per Participant Fee Over Current Headcount: \$20 per month

### (4) AUTHORIZATION

I have read, understand and agree to the ESG Terms and Conditions stated on page 2 of this document as attested by the signature below, effective on the date of the signature.

Employer (sign here) \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Exhibit 1**

**PROPOSER COVER SHEET & BUDGET NARRATIVE  
GENERAL INFORMATION**

<b>Vendor Name:</b>	ESG CORP d/b/a Employee Solutions Group		
<b>Mailing Address:</b>	60 E. Rio Salado Parkway - Suite 900		
<b>City:</b>	Tempe	<b>State:</b> AZ	<b>Zip Code:</b> 85281
<b>Name &amp; Title of Contact Person:</b>	Al Thunberg - Managing Director		
<b>Telephone Number:</b>	877.668.8522	<b>Fax Number:</b>	866.668.1592
<b>Email Address:</b>	athunberg@esgcorp.biz		

**BUDGET NARRATIVE**

<b>Service Category:</b>	City of Willcox Insurance Broker Services
<b>Proposed Hourly Rate:</b>	See Discussion in Proposed Remuneration Below
<b>Proposed Monthly Rate:</b>	\$ 1,200.00
<b>Initials:</b>	AT

**Proposed Remuneration Associated With Brokerage Services:**

Employee Solutions Group respectfully submits the proposed cost for all brokerage services at a flat monthly rate of \$1,200. The rate will be honored, without exception for the duration of the stated contract period, running from July 1, 2012 to June 30, 2013.

Employee Solutions Group will waive commissions on the medical plans, which will lower future renewals. ESG believes that waiving commissions, results in the lowest possible cost of premiums for City of Willcox because the commissions (normally 5%) have the effect of compounding premium rates.

In addition, our monthly fees, will include at "**no additional charge**", our full and complete annual benefit audit as described in detail ESG Scope of Work Statement.

ESG also proposes establishment of an Employee Benefit Web Site, referred to as the "Employee Advocate" Web Portal at "**no additional charge**".

ESG includes at "**no additional charge**", a complete benefit interpretation process designed to coordinate enrollment meetings, one on one counseling sessions, and other publications necessary to deliver the entire employee benefit election process.

## **EMPLOYEE ADVOCATE SERVICE AGREEMENT**

ESG is an organization devoted solely to eliminating the confusion of employee benefits for the employees we serve, while adding financial value to the companies we serve. Employee Benefit Advocate Service (EBAS) is a comprehensive and innovative approach which integrates web tools, human resource advocacy, and benefits information into a unique employee advocate model.

ESG is an industry innovator providing covered employees with fast, personal and unrestricted access to benefit information and provider contact in the delivery of employee benefit solutions. This is because our streamlined and highly experienced program administration team allows us to devote more of our clients' resources directly to program services for covered employees. We have devoted years of experience in training, building and delivering a cost-effective brand of high-touch benefit advocacy program services.

EBAS, will provide clients with the following services, which are generally recognized as the keys for improved employee benefit satisfaction:

1. Provide tools to support information and recommendations of employee benefit plans, designed to motivate and retain best in class employees at all levels of the organization.
2. Secure annual quotes and advise management of industry trends, options and other information needed to make an informed decision regarding employee benefits programs, costs, and limitations.
3. Technical guidance on HIPAA, PHI and tax advisory services, web based tools, direct employee advocate counseling, support information, claims processing, claims support, and resolutions.
4. Employee education of benefit plans, using internet and live-person base enrollment meetings to guide and counsel employees, assisting employees achieve their best benefit solutions.
5. Advise and council management, in the strategies, product options, tax advice, ERISA, and non discriminatory testing of benefit decisions.
6. Quarterly, update management on the feedback of employees regarding benefit plans, and recommend, advise, and plan strategies to consider in future renewals.
7. Offer client a protected status relating to Health Insurance Portability and Accountability Act of 1996 (HIPAA), and Protected Healthcare Information (PHI), the intent to reduce liability and exposure on management while counseling and advising employees of their protected right to unbiased and accurate benefit advice.

ESG, and its assigned service teams, will direct employees to appropriate resources, provide expertise and guidance for medical claims, adjudication, and education / carrier resources. These support tools will be delivered, thru direct employee contact, counseling, benefit advocacy and coaching instructions to reach timely and efficient solutions to employee benefit challenges.

ESG will complete an optimization review to balance size and requirements of the advocacy plan with costs, and recommend the optimal combination of tools, size, experience, responsiveness, efficiency, satisfaction, positive employee outcomes, affordability and return on investment. The EBAS service solution will recommend the right decision for your employees balanced with your financial objectives.

## **EMPLOYER RESPONSIBILITIES**

The Employer shall provide to the EBAS information necessary to administer the Plans in a timely manner. This information should include the employee census data. The Employer agrees to EBAS's procedures related to the operation of the Benefit Plan, including but not limited to enrollment, claims, account maintenance, disputes, error corrections, reporting, eligibility, and any other processes involved in supporting the EBAS.

## **TERMINATION**

This Plan may be terminated by proper notice of one party to the other. The term of this agreement is for 12 months. Following the termination of the Plan, this agreement shall automatically terminate, and all benefits shall be paid and final reports prepared. Terms by which this Plan can be terminated are by written notice sixty (60) days in advance from either party or by written notice fifteen (15) days in advance to the Employer for failure to forward to the EBAS funds service fees. Upon this sooner termination, EBAS shall use any funds in its possession for the payment of benefits, for its own fees and expenses. EBAS has no responsibility to enforce the Employer's funding of benefits required under the Plan. Upon and after the expiration or termination of this Application, the rights granted to the employer pursuant to this Agreement shall revert to EBAS. Within 20 days after termination or expiration of this Application, the employer shall return to all manuals, brochures, computer programs, customer and vendor databases, and any other documents regarding the programs and systems and any copies thereof. In addition, the employer shall refrain from any further direct or indirect use of or reference to the EBAS systems, publications, manuals, brochures, documents, computer programs and computer databases. Finally, the termination of this Application shall not affect the duty of the employer not to infringe on EBAS's trademarks and copyrights and not to disclose and keep confidential all said Confidential Information supplied to the employer by EBAS.

## **LIMITATION OF WARRANTIES AND LIABILITIES**

Except as expressly set forth in this Agreement, EBAS disclaims any and all express warranties, warranties of fitness for a particular purpose and implied warranties of merchantability. EBAS will not be liable for any loss of business or profits, or for any consequential, incidental, punitive, or similar damages, or, other than as set forth in this Agreement, for claims of damages made by any third party for any cause whatsoever, regardless of the form of action, whether in contract or in tort, including negligence, even if it has been advised of the possibility of such damages. Each party acknowledges that this limitation of liability reflects an informed, voluntary allocation between the parties of the risks (known and unknown) that may exist in connection with this Agreement. In no event will the EBAS's liability exceed the payments by Plan Sponsor to EBAS within the previous six months for services provided under this Agreement. This shall be the Plan Sponsor's exclusive remedy. No action, regardless of form, arising out of the services provided under this Agreement, may be brought by the Plan Sponsor more than two years after the date the last services are provided under this Agreement.

## **EMPLOYEE WEB BENEFIT TERMS OF USE AGREEMENT**

### **1. Permitted Use**

Under this Terms and Use Agreement (herein referred to as "the Agreement"), ESG CORP & Web Benefits Design Corporation, (herein referred to as 'ESG or WBD'), agrees to provide an Employee Benefits Internet Service Application (herein referred to as 'EBISA') hosted by WBD, and set up a private employee benefits information system for the exclusive use by the broker/consultant and/or employer (herein referred to as 'Client').

The EBISA is to be used only by the Client and users authorized by the Client. The Client will have the ability to assign user logins and passwords to selected individuals. The Client will have full control over who is authorized to access / use this EBISA. All use of the EBISA is provided via the Internet through a standard Internet browser and/or email client. In order to use the EBISA, the Client and Client authorized users (herein referred to as 'Users') are responsible, at their own expense, to acquire access to the Internet and to provide all equipment and software needed.

### **2. Client Responsibilities and Warranty**

By entering data (herein referred to as 'Data') into the employee benefits information system, the Client warrants that: (1) the Client is authorized to submit the Data to the EBISA; and, (2) the storage of such Data by WBD and its affiliates will neither infringe on nor misappropriate the property rights of or otherwise violate the rights of any third party.

### **3. Client Proprietary Data Rights**

The Data submitted to the EBISA is for the exclusive use of the Client. ESG & WBD agrees not to use, distribute or disclose any of the data maintained as a result of the Client using this EBISA. The Client agrees to evaluate and bear all risks associated with the use of any Data, including any reliance on the accuracy and usefulness of such data.

### **4. ESG / WBD Account Information and Data**

ESG & WBD does not own or have any rights to any Data that the Client submits as a result of using this EBISA. WBD will not monitor, edit, or disclose any information regarding the Client or Client's database without the Client's express written permission except in accordance with this Agreement or as may be required by law. ESG & WBD may access the Client database in order to respond to service or technical problems when requested to do so by the Client.

### **5. ESG / WBD Proprietary Rights**

The Client acknowledges and agrees that the EBISA contains proprietary and confidential methods and information that is protected by applicable intellectual property and other laws, and agrees not to disclose such information to any third party without ESG & WBD's prior permission. The Client agrees not to copy, sell, rent, license or to redistribute any portion of the EBISA, use of the EBISA, or access to the EBISA to any individual or group. Standard ESG & WBD website Terms and Conditions for unauthorized use and access penalties apply to this EBISA.

### **6. Availability of EBISA**

WBD will make commercially reasonable efforts to ensure that the quality of the service we provide is of at least prevailing industry standards, and that access to the EBISA is available 24 hours a day, 7 days a week. However, although ESG & WBD will use all reasonable efforts in good faith to avoid interruption of the EBISA, the Client acknowledges and agrees that access to the EBISA may be unavailable from time to time for any reason, including without limitation, interruption of major network connectivity, network and server outages, and backup and regular maintenance by WBD and any operators of our servers.

## 7. Client Assigned Administrator(s)

The Client will select one or more WBD primary Administrators to manage the Client's use of the EBISA, to authorize users to access the EBISA, to access employee data records, and to serve as the primary technical interface with ESG & WBD Client Service Representatives.

## 8. Client Support Services

ESG & WBD will provide quality technical support to the Client. ESG / WBD's Client Support Representatives will be available to assist Clients Monday through Friday on a best efforts basis. While it is often our business practice to assist, support and resolve client requirements, often times technical support is required available on normal business hours Monday thru Friday. We will make every effort to resolve these matters in a timely and normal business response timeline.

## 9. User Conduct

The Client agrees not to use the EBISA or information from the EBISA to (a) transmit any material that may infringe the intellectual property rights or other proprietary rights of third parties, including trademark, copyright or right of publicity; (b) interfere with or disrupt the integrity of any data or computer-based information or any servers or networks connected to the EBISA or violate the regulations, policies or procedures of such networks; (c) attempt to gain unauthorized access to the EBISA, other accounts, computer systems or networks connected to the EBISA, through password mining or any other means.

## 10. Employee Information Confidentiality

ESG & WBD follows and agrees to continue to follow as set forth herein policies and procedures to protect the confidentiality of member information. It is important to note that all records containing confidential medical and insurance data are handled and discarded in a way that is designed to protect the privacy and security of the information. ESG & WBD respects the need for security regarding your personal information. Whenever you provide personal information, your information will be protected using Secure Sockets Layer (SSL) technology. SSL is an industry standard that encrypts the information you provide, to avoid the decoding of that information by anyone other than ESG & WBD. Information you submit directly to us will remain on our servers, secured by various industry approved technologies to prevent unauthorized access to your personal information.

## 11. Information Security, Integrity, and Reliability Disclosure

ESG & WBD uses and agrees to continue to use as set forth herein multi-layered security architecture to prevent unauthorized access to the building and data center. Formal security measures are in place to protect access to WBD systems and the corporate network. Users of networks and applications are provided a unique use name, and the use of a password is required for both network and application access. ESG & WBD employs a firewall, which control and limits access to the internal network. Logical access to the firewall is limited to authorized system administrators. All network access to WBD internal network is restricted to only specific ports that are necessary for application usage. Outbound access is also managed via the firewall. All Client data is stored behind the firewall on protected network segments.

ESG & WBD uses a multi-tiered approach for information Back-up and Recovery. Full server backups occur weekly with differential backups occurring nightly between each weekly backup session. Full backups of critical databases containing client data are executed on a nightly basis. Database transaction logs are backed up hourly to facilitate targeted rollback in the event of processing or database errors.

ESG & WBD uses McAfee VirusScan Enterprise protection as the corporate standard for protection against viruses, worms and Trojan software. Updates are acquired nightly and are distributed across the network with no interaction from our end users. Authorized personnel monitor potential virus outbreaks and have monitoring software in place to accommodate any virus or security threat. ESG & WBD employs regular desktop operating systems updates and security patches at regular intervals to ensure all systems are protected.

## 12. Service Fees

The Client agrees to pay all applicable fees as specified in the Client's signed Service Agreement. Fees are invoiced on the first of the month for the current month use. ESG & WBD reserves the right to suspend the EBISA of Clients who fail to make timely payments for their customized EBISA package. Payments will be considered past due if not received within thirty (30) days from the day the payment is due.

## 13. Renewal / Termination of EBISA

The Agreement and invoicing will remain in place unless ESG & WBD is notified by Client to terminate the EBISA. Unless terminated for cause by ESG & WBD or Client pursuant to Section 14. of the Agreement. This Agreement will continue for the duration of the

annual term as set forth in the Agreement. The Term of Service shall continue on an annual basis, renewing a new 12 month contract on the annual renewal date, unless a thirty (30) day written notification of intent to terminate service is given by either party, or until terminated as specified.

The Client acknowledges and agrees that ESG & WBD, in its sole discretion, may suspend or terminate the EBISA and/or deny the Client access to, use of, or submission of Data for all or part of the EBISA, without prior written notice for the following reasons: (a) violation of the letter or spirit of any term or provision of the AGREEMENT; or (b) violation of the rights of ESG, WBD or third parties. Upon termination, WBD will allow Client's files to be downloaded and, after this point, will bar any further access to the EBISA. Furthermore, the Client agrees that ESG & WBD shall not be liable to the Client or any third party for any termination of the Client's access to the EBISA pursuant to this section.

#### 14. Termination for Cause

Any unauthorized access, copying, disclosure, distribution, or sublicensing by Client or with Client's aid or consent of the EBISA or Data or any related methods, techniques, or processes will be deemed a material breach of this Agreement. ESG & WBD in its sole discretion may terminate the password, account or use of the EBISA if Client breaches or otherwise fails to comply with this Agreement.

ESG & WBD will not share, rent, sell, or trade personal information (including email addresses) that identifies our Clients or users to third parties. Any disclosure or distribution of the Data outside of the above exceptions to a third party by ESG & WBD will be deemed a material breach of this contract and constitute grounds for Client to terminate the Agreement for cause.

#### 15. Warranties, Disclaimers, and Representations

Subject to the terms set forth in the "Availability of EBISA" section, the Client expressly agrees that: (a) The use of the EBISA is at the sole risk of the Client and is provided on an 'as is' and 'as available' basis. ESG, WBD and its affiliates expressly disclaim all warranties of any kind, whether express or implied, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement, (b) ESG & WBD makes no warranty that:

(1) the EBISA will meet the Client's requirements or result in revenues or profits; (2) the EBISA will be uninterrupted or error-free; and (3) the results that may be obtained from the use of the EBISA will be accurate or reliable. While ESG & WBD will use commercially reasonable efforts to prevent unauthorized access to data entered into the EBISA, ESG & WBD makes no warranty that such fields will be secure against such unauthorized access or other security breaches. ESG & WBD makes no representations or warranties of any kind whatsoever, express or implied, in connection with the Agreement or the EBISA, including but not limited to, warranties of merchantability, fitness for a particular purpose and non-infringement.

#### 16. Indemnity

The Client agrees to indemnify and hold harmless ESG & WBD, its subsidiaries and affiliates, and its and their directors, officers, agents, and employees ("Indemnitees") from any claim or demand, including reasonable attorneys' fees, made by any third party to whom the Client has allowed access (either inadvertently or wittingly) to the EBISA due to or arising out of the Data; the Client's use of the EBISA; the Client's connection to the EBISA; the Client's violation of the Agreement; or, the Client's violation of any proprietary or other rights of another. The Client further agrees and acknowledges that the Indemnitees are not liable or responsible in any way for any errors, omissions or any other action arising out of or related to the use of the EBISA. The Client further agrees to indemnify, defend and hold harmless the Indemnitees from and against any and all claims, damages liabilities, costs and expenses (including reasonable legal expenses) arising out of, or related to, the Client's use of the EBISA or the placement or transmission of any message, information, software, or other materials through the EBISA by the Client or user of the Client's account or related to any violation of any term of the Agreement by the Client or users of the Client's account.

ESG & WBD agrees to indemnify and hold harmless Client, its subsidiaries and affiliates, and its and their directors, officers, agents and employees from any claim or demand, including reasonable attorneys' fees, made by any third party arising out of any disclosure or distribution of the Data as described in Section 14 of the Agreement.

#### 17. Limitation of Liability

In no event shall ESG or WBD be liable for any direct and/or indirect, incidental, special, consequential or exemplary damages, including but not limited to damages for loss of profits, goodwill, use, data or other intangible losses incurred resulting from: (a) the use or the inability to use the EBISA; (b) transactions entered into through or from the EBISA; (c) unauthorized access to or alteration of the Client's transmissions or data; (d) statements or conduct of any third party on the EBISA; or, (e) any other matter relating to the EBISA.

The Client agrees that ESG & WBD will not be liable for any: (a) interruption of business; (b) access delays or access interruptions to the EBISA; (c) data non-delivery, corruption, destruction or other modification; (d) unauthorized access to data entered in, or breach of any security mechanisms utilized in, the EBISA or in any field or file therein; or, (e) events beyond ESG & WBD's reasonable control. ESG & WBD's aggregate liability for damages hereunder shall in no event exceed the amount of fees paid by the

Client under this Agreement for the relevant service, up to a maximum amount equal to service charges for six (6) months of the EBISA.

## 18. Nondisclosure

By virtue of this Agreement, Client, ESG and WBD may have access to information that is confidential ("Confidential Information"). Client, ESG and WBD agree not to make each other's Confidential Information available in any form to any third party or to use each other's Confidential Information for any purpose other than the implementation of the EBISA. Client, ESG and WBD agree to take all reasonable steps to ensure that Confidential Information is not disclosed or distributed by its employees or agents in violation of the provision of this Agreement.

## 19. Governing Law

Except as otherwise provided herein, this Agreement shall be governed by the laws of the State of Arizona.

## 20. Notices

Notices to the Client may be made either via email, regular mail, overnight courier or facsimile at the contact address of record for the EBISA. If the Client provides notice to ESG & WBD, such notice should be sent to: ESG CORP, 60 E. Rio Salado Parkway, #900, Tempe, AZ 85281 and Web Benefit Design Corporation, P.O. Box 1568, Windermere, FL 34786.

## 21. Entire Agreement

This Agreement constitutes the complete Agreement between the parties and, except as provided, supersedes all previous agreements or representations, written or oral, with respect to the Services described herein.

## 22. General

The Agreement does not limit any rights that ESG & WBD may have under trade secret, copyright, patent, trademark, or other laws. The failure of ESG & WBD to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision. If any provision of the Agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give meaning to the parties' intentions as reflected in the provision, and the other provisions of the Agreement shall remain in full force and effect. The Client agrees that any claim or cause of action arising out of or related to the use of the EBISA or the Agreement must be filed within three months after such claim or cause of action became known or should have become known or be forever barred. The Agreement will inure to the benefit of ESG & WBD and its successors and assigns. All representations, warranties, terms, disclaimers, and limitations in the Agreement shall survive the termination of the Client's account or access to the EBISA.

## HR GENIUS TERMS OF USE AGREEMENT

HR Genius is designed to provide business managers, employees, and their advisors—attorneys, accountants, insurance agents, consultants and others—with the practical and legal information they need to effectively and efficiently deal with the many compliance and other issues they encounter on a day-to-day basis, in their business and personal lives. ***By using HR Genius, you agree to respect all Copyrights and abide by these Terms of Use.***

### Terms & Conditions

By using this website, you acknowledge your agreement to the following conditions of use without limitation or qualification. Please read these conditions carefully before using this website. These terms and conditions may be revised at any time by updating this posting. You are bound by any such revisions and should therefore periodically visit this page to review the then current terms and conditions to which you are bound.

All articles and other information and materials on this site and through the 'Ask the Experts' service (collectively, "Information") are provided for general information purposes only and are not intended to constitute legal, accounting or tax advice or opinions on any specific matters. Transmission of the materials and information contained herein is not intended to create, and receipt thereof does not constitute formation of, an attorney-client relationship. Laws and regulations change frequently and their application can vary widely based upon the specific facts and circumstances involved; accordingly, information on this website and, responses to questions provided through the 'Ask the Experts' service, are not promised or guaranteed to be correct or complete. All information provided through the 'Ask the Experts' does not represent an official position of the publisher. If legal advice or other expert assistance is required, the services of a competent professional should be sought. The opinions expressed in information are those of the author(s) and not necessarily those of HR Genius & ESG.

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You, and not HR Genius or ESG, are responsible for the applicability and accuracy of Information as it relates to your company, employees or clients. Your use of Information does not relieve you of responsibility, including those to any third party, for matters involving your company, employees or clients (e.g., preparation of tax returns, etc.) and you may not rely upon HR Genius or ESG for advice regarding same. The provision of Information by HR Genius and ESG is not intended to create, and your use does not constitute, any form of relationship between HR Genius, ESG or the author(s) and you.

The parties hereby agree as follows:

## **License**

1. Licensor hereby grants, and Licensee hereby accepts, a non-exclusive and nontransferable license to access and use Licensed Content. Licensee acknowledges that Licensed Content may be used only by clients and prospects that have been provided a unique username and password by Licensee to access the Licensed Content.
2. Licensor agrees to and grants to the Licensee a license to access the Licensed Content on the terms and conditions set forth in this Agreement.
3. If Licensee requires more than one Admin System due to multiple branches or separate databases, additional costs will be incurred.
4. Licensee may not resell the licensor's content without the express written permission of Licensor.
5. Licensee shall not distribute subscriptions to any company which is not a part of the Licensee's business units or branches.
6. Licensee shall not distribute subscriptions to General Agents, Brokers or Benefits Consultants.
7. Licensee shall submit to Licensor an approximate number of clients and prospects who will access the Licensed Content within two weeks of signing this Agreement.
8. Licensee shall have the right to make available Licensed Content as part of its normal business process. Licensee agrees that its use of the Licensed Content will be of such style, appearance and quality as to protect the Licensed Content and the goodwill pertaining thereto. Licensee shall not modify or otherwise create derivative works of the Licensed Content, except with the express written permission of Licensor.
9. Licensor maintains the copyright in and to the Licensed Content at all times.
10. Licensee shall be permitted to display the Licensed Content with a button on the Home Page.
11. Licensor may, from time to time, develop enhancements to Licensed Content. Any new product or service offerings and/or product modules that may be developed, may be made available to Licensee for additional fee(s).
12. Licensed Content Price. The "Ask an Expert" service is limited to 3 free requests per subscription per year. Each additional "Ask an Expert" question is billed at \$125.00.

## **Term and Termination.**

1. This Agreement shall commence on the Effective Date and shall continue in full force and effect for 12 months, unless terminated earlier in accordance with this Agreement. This Agreement will be automatically renewed for successive one year periods. This Agreement may be terminated by either party upon 60 days notice to the other party.
2. If either party materially breaches any provision of this Agreement, the other party may give written notice to the breaching party that if the default is not cured within 30 days of the date of such notice, the Agreement may be terminated. If the non-breaching party gives such notice and the breach is not cured during such 30-day period, then this Agreement may be terminated by such other party immediately upon written notice.
3. Upon the termination of this Agreement and any extension beyond termination, all rights to the Licensed Content granted to Licensee under this Agreement will cease.
4. Termination of this Agreement, for any cause whatsoever, will in no manner interfere with, affect or prevent the collection by Licensor of any and all sums of money due to it under this Agreement. Upon termination, any unpaid amounts become due and payable immediately.

## **Title.**

Licensee recognizes that Licensor retains all right, title and interest in the Licensed Content, as well as any and all tangible and intangible rights, copyrights, moral rights, trademark, trade secret rights, patents, industrial property rights, and all other proprietary rights of every kind as well as all registrations, applications, renewals, extensions, continuations, divisions, or reissues of the foregoing now or hereafter in force with respect thereto. Licensee agrees that it shall not claim any title to or right to the

Licensed Content except pursuant to this Agreement, and it shall not at any time attack or challenge the right of Licensor or its licensor(s) in and to the Licensed Content. Licensor shall display the copyright information where it currently exists now at the bottom of the page.

### **Confidentiality.**

1. Licensee acknowledges that Licensed Content is valuable intellectual property of Licensor containing trade secrets and proprietary information developed by Licensor. Licensee will not modify or attempt to modify Licensed Content in any manner.
2. Licensor acknowledges that Licensee intends to use Licensed Content services. Except as necessary to conduct such efforts, Licensee agrees to serve confidentially with regard to all non-public aspects of Licensed Content. Licensee agrees that it will not download, decompile, disassemble or reverse engineer Licensed Content or any of its component parts unless with the express permission of the Licensor.
3. Licensee acknowledges that the breach by it of any provision of this Section will give rise to irreparable injury to Licensor, that the remedy at law for such breach will be inadequate and that monetary damages resulting from such breach will not be readily susceptible to measurement. Licensee acknowledges that, upon Licensee's violation of any provision of this Section Licensor will be entitled to immediate injunctive relief and a temporary order restraining any threatened or future breach of this Section. Nothing in this Section will be deemed to limit Licensor's remedy at law or in equity for any breach by Licensee of any provision of this Section.
4. Licensor acknowledges that all information created as a result of Licensee's use of Licensed Content including all names and all related information of individual companies in Licensee's customer base who are using Licensed Content (and the names of any associated participants, beneficiaries or trustees) is confidential and Licensor will not disclose such information to any party or organization other than Licensee.
5. The obligations of Licensor and Licensee under this Section will survive the termination of this Agreement.

### **Warranty.**

1. Subject to the limitations set forth in this Section, Licensor warrants that it has the full right and authority to grant the license as provided in this Agreement.
2. Parties stipulate and agree that the information and materials provided on this site and the information provided through the 'Ask the Experts' service are for general information purposes only and are not intended to constitute legal or other advice or opinions on any specific matters. A competent attorney or other appropriate professional should be consulted on all legal compliance matters. The information provided and the opinions expressed are not necessarily those of HR & Benefits Essentials, its officers, partners or owners. Laws and regulations change frequently and their application can vary widely based upon the specific facts and circumstances involved. A particular reader, subscriber or member's situation may involve Federal, State or local laws, and/or application of company Plan documents, Employee Handbook or other company policies. As such, Licensor does not warrant or guarantee the accuracy of any statement or other information and materials provided in the Licensed Content or through the 'Ask the Experts' service. We provide references and links to websites not affiliated with HR & Benefits Essentials as a service to our readers. While we believe these sites to contain valuable information, we cannot guarantee their accuracy. All site visitors are cautioned to refer to the Terms of Use, Privacy, Copyright and other information on this and all sites visited.
3. This warranty (a) constitutes the sole and exclusive warranty of Licensor with respect to Licensed Content. Except for such warranty, Licensor makes no express or implied warranties or representations with respect to any software or services to be provided to Licensee under this Agreement, including, without limitation, any express or implied warranty of merchantability or fitness for a particular purpose or intended use. The remedies set forth in this Section, subject to the limitations set forth in this Section, are the sole remedies available to Licensee in the event that Licensed Content does not perform in accordance with specifications.
4. In no event, other than for trademark or copyright infringement, will Licensor be liable for any consequential, exemplary, incidental or punitive damages, including, without limitation, lost profits, even if Licensee has been advised of the possibility of such damages. In no event will the cumulative liability of Licensor for any breach of this Agreement exceed the Annual Licensing Fee paid to Licensor by Licensee under this Agreement.
5. Licensee further acknowledges that any Internet encryption technology employed in connection with Licensed Content may be defeatable. Licensor assumes no liability under this Agreement to Licensee or any third party as a result of a violation or failure, for any reason, of any such encryption.
6. Licensee further acknowledges that any Internet encryption, anti-spam, anti-virus technology, and the like, employed in connection with Licensed Content may be defeatable. Licensor assumes no liability under this Agreement to Licensee or any third party as a result of a violation or failure, for any reason, of any such encryption.

### **Indemnity.**

Each party agrees to indemnify, save and hold harmless the other from and against any and all loss, claim, liability; cost, damage or expense, including, without limitation, costs of litigation and reasonable attorney's fees, arising out of or by reason of any breach of warranty, representation or agreement made to the other party hereunder. If either party asserts a claim with respect to which it is

entitled to indemnification hereunder, the indemnified party shall promptly notify the indemnifying party and the indemnifying party shall be entitled at its expense to participate in the defense of any claim, lawsuit or proceeding. No claim asserted by a third party for which indemnification is sought shall be settled without first obtaining the written consent of the indemnifying party, which consent shall not be unreasonably withheld.

#### **Miscellaneous.**

Neither this Agreement nor the license granted hereunder may be assigned (by operation of law or otherwise), sublicensed or otherwise transferred by Licensee without the prior written consent successors and permitted assigns.

**Complete Agreement.** This Agreement constitutes the complete and exclusive statement of the agreement between Licensee and Licensor with respect to a license to use Licensed Content and supersedes all proposals, oral or written, and all other communications or agreements between the parties relating to the subject matter of this Agreement.

**Amendments.** This Agreement may not be altered, amended or modified except in a writing signed by both parties.

**Notices.** Any notice or other communication required under this Agreement will be given in writing by certified or registered mail, return receipt requested, by personal delivery, or by facsimile transmission (with confirmation of receipt) to such addresses and facsimile numbers as are provided by each party to the other in writing. Any notice will be deemed given upon receipt, if personally delivered or delivered by facsimile, or three days after mailing, if delivered by certified or registered mail.

**Governing Law; Venue.** This Agreement will be governed by and interpreted in accordance with the laws of the State of Connecticut without regard to principles of conflicts of law. The Licensee agrees and consents to the exclusive jurisdiction of the courts of the State of Connecticut for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the State of Connecticut.

**Severability.** If any term of this Agreement is invalid or unenforceable under any statute, regulation, ordinance or other rule of law, such term will be deemed reformed or deleted and the remaining provisions will remain in full force and effect.

**No Implied Waiver.** The failure of either party at any time to require performance by the other party of any provision, or to deliver notice of a default by the other party of any provision, of this Agreement will in no way affect the right to require such performance or deliver such notice of default at any time thereafter, nor will the waiver by either party of a breach of any provision of this Agreement constitute a waiver of any succeeding breach of the same or any other provision.

**CITY OF WILLCOX  
REQUEST FOR COUNCIL ACTION**

Agenda Item: 16  
Tab Number: 11  
Date: 4-16-2012

**Date Submitted:**  
4-10-12  
**Date Requested:**  
4-16-12

**Action:**  
 Resolution  
 Ordinance  
 Formal  
 Other

**Subject: Approve a contract between the City of Willcox and Severn Trent for operation of the City's Waste Water Treatment Plant**

**TO: MAYOR AND COUNCIL**

**FROM: City Manager**

**DISCUSSION:** The City of Willcox has been exploring entering into a Private/Public partnership for operation of the City of Willcox's Waste Water Treatment Facility (WWTF). This was discussed with the Council in greater detail during the Work Session on April 16, 2012.

This was done under Section 3-1-3(J) "Competitive Sealed Proposals", of the City of Willcox Procurement Policy.

The estimated cost of operation of the WWTP will be higher than direct operation by City employees. The major advantage gained is both in the short term operation of the existing facility and long term acquisition of knowledge, experience and consultation on the selection, design and operation of the future WWTP.

**RECOMMENDATION:** Approve the Contract with Severn Trent

**FISCAL IMPACT:** Estimated \$382,182 Sewer Fund per year

**Prepared by:** \_\_\_\_\_

**Approved by:**  \_\_\_\_\_

**City Manager**



**RESOLUTION NO: 2012-35**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND AWARDING THE WASTE WATER TREATMENT PLANT (“WWTP”) BID TO SEVERN TRENT ENVIRONMENTAL SERVICES, INC. (“CONTRACTOR”), AUTHORIZING THE EXECUTION OF THIS RESOLUTION AND CONTRACT DOCUMENTS AND DECLARING AN EMERGENCY TO EXIST.**

**WHEREAS**, the CITY is empowered pursuant to A.R.S. § 9-240 (A) and (B) to control the finances and property of the corporation; and

**WHEREAS**, the CITY is empowered pursuant to A.R.S. §§ 9-240 and 9-276 to establish and define sewer districts and construct sewers therein; to regulate, build and repair sewers, tunnels and drains; and

**WHEREAS**, the CITY is empowered pursuant to A.R.S. § 9-511 to engage in any business or enterprise which may be engaged in by persons by virtue of a franchise from a municipal corporation, and may construct, purchase, acquire, own and maintain within and without its corporate limits any such business or enterprise, including plants and pipelines for sewage; and

**WHEREAS**, the CITY and AZDEQ have reached an agreement pursuant to an AZDEQ Consent Order to perform certain steps to assure actions are taken to come into compliance with State and Federal laws related to the City’s Waste Water Treatment Plant; and

**WHEREAS**, the City of Willcox Mayor and Council, desire to have this item presented at its next Council meeting on April 16, 2012; and

**WHEREAS**, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure approval of the bid award to CONTRACTOR, and that this Resolution be effective immediately upon its passage and adoption.

**THEREFORE, BE IT RESOLVED** by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally approves the bid award to CONTRACTOR for the WWTP contracted services.

**BE IT FURTHER RESOLVED** by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Willcox,  
Cochise County, Arizona this \_\_\_\_\_ day of April, 2012.

**APPROVED/EXECUTED:**

\_\_\_\_\_  
MAYOR, GERALD W. LINDSEY (or)  
VICE-MAYOR, MONIKA S. CRONBERG

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Clerk, Cristina Garcia Whelan, CMC

\_\_\_\_\_  
City Attorney, Hector M. Figueroa

**RESOLUTION NO: 2012-35**

# CLEAN UP DAY

## ***Keep Willcox Beautiful 2012***

The City of Willcox and the Willcox Chamber of Commerce and Agriculture are proud to announce that the Spring Clean up day will be on Saturday April 28<sup>th</sup> beginning at 7:30 AM. The day will start in Railroad Park with a rousing welcome speech by Chamber Director, Kathy Smith, followed by an all out assault on the trash and litter accumulated since last September's Fall Clean up!

Bags for the clean up will be available at Railroad Park from 7:30 AM until 9:00 AM and a dumpster will be located on the lot at the corner of Stewart Street & Railroad Avenue.

We encourage everyone to participate and assist us in making Willcox a cleaner, more attractive place to visit, and to live.



***For Additional Information, Contact the Willcox Chamber of Commerce  
at 520-384-2272***

# **CITY VOLUNTEER CLEAN UP DAY**

**Help make Willcox a cleaner, more attractive place to visit, and to live.**

The City of Willcox is currently responsible for cleaning and maintaining two (2) Zones within the City limits. Our City Manager is enlisting the assistance of employees who would like to spend the morning of Friday, April 27, 2012 cleaning our zones. The cleaning of these areas will be during normal working hours and subject to your Supervisor and Director's approval.

Cleaning crews will be assigned to each zone and will begin cleaning at 8:00 a.m. Participation is not mandatory.

If you would like to assist the City in this endeavor, please contact Sherry at extension 4204 by Tuesday, April 24, 2012 at 4:00 p.m.





Janice K. Brewer  
Governor

State of Arizona  
Governor's Office of Energy Policy

Leisa Brug  
Director

April 4, 2012

Via email: [pmccourt@willcoxcity.org](mailto:pmccourt@willcoxcity.org)

Mr. Patrick McCourt  
City Manager  
City of Willcox  
101 South Railroad Avenue, Suite B  
Willcox, AZ 85643

APR 5 2012

Re: RFGA No. EW-ESA-12-2213-00  
Energy Efficiency Conservation Block Grant

Dear Mr. McCourt:

Your grant application was received and evaluated in accordance with A.R.S. §41-2701, et.seq., and the evaluation criteria set forth in the Request for Grant Application (RFGA) solicitation materials. Your grant application was not selected for award. We appreciate your interest in this solicitation and invite your response to other solicitations that may be offered in the future. A hard copy of this notice will be mailed April 4, 2012.

If you wish to conduct a contract file review, please contact Sarah Bean to schedule a date and time by email to [sbean@az.gov](mailto:sbean@az.gov). File reviews may be scheduled after May 3, 2012. A.R.S. §41-2702(G) states the evaluator assessments shall be made available for public inspection no later than thirty (30) days after a formal award is made.

Ten grant awards were made to the applicants whose grant applications conformed to the RFGA and were determined to be the most advantageous to the State in accordance with the Arizona Grant Code, A.R.S. §41-2701, et.seq.

Grant awards were made to the City of Bisbee; Town of Chino Valley; Town of Clarkdale-Library; Town of Clarkdale-Police Department/Courts; City of Globe; Town of Payson; Town of Sahuarita; City of San Luis; City of Show Low-Park; and the Town of Taylor.

If you should have any questions, please contact me at [sbean@az.gov](mailto:sbean@az.gov).

Sincerely,

Sarah Bean  
Procurement Manager

cc: Lisa Henderson, EECBG Program Administrator



NEWLY ELECTED  
**OFFICIALS**  
TRAINING

June 1<sup>st</sup> & 2<sup>nd</sup>, 2012 at the Wigwam Resort, Litchfield Park

[Invitation](#)

[Friday's Agenda](#)

[Saturday's Agenda](#)

[Rates & Lodging](#)

[Register](#)

**Dear City/Town Official:**

The League of Arizona Cities and Towns, in partnership with Arizona State University, is pleased to announce the 15th annual Newly Elected Officials Program. The program will be held Friday, June 1 and Saturday, June 2, 2012 at the Wigwam Resort in Litchfield Park. It will begin at 8:30 a.m. on Friday and will conclude at 12:00 p.m. on Saturday.

Established in 1998, the purpose of the program is to assist newly elected officials to be more effective in their new policy-making role. The program will be similar to that offered in past years and provide participants with an opportunity to:

- Learn the basics of municipal government in Arizona
- Review Arizona government structure
- Learn about general issues of municipal budgeting
- Discuss ethical and legal issues facing elected officials
- Review the public policy process

The information is presented in a practical format with time for questions. In addition, all participants will receive materials that will serve as a useful reference when they return to their communities.

We encourage all newly elected city and town officials as well as local elected officials who are currently in office but wish to brush up on the basics of municipal government to join us. The cost of the program is \$170.00 per person and includes meals and materials. Registration materials are included in this site.

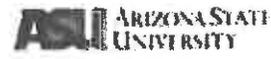
If you have questions about registration, please contact **Matt Lore** at the League of Arizona Cities and Towns, 602-258-5786.

We look forward to working with you.

Sincerely,

**Ken Strobeck**

Executive Director  
League of Arizona Cities and Towns  
(602) 258-5786





## NOTICE OF EXECUTIVE SESSION

### CITY COUNCIL

In accordance with Resolution No. 370 of the City of Willcox, and Section 38-431.01 of the Arizona Revised Statutes **NOTICE IS HEREBY GIVEN** that the **MAYOR AND COUNCIL** of the City of Willcox, County of Cochise, Arizona, will hold an **EXECUTIVE SESSION**, if approved, during the **REGULAR** meeting on **MONDAY**, the **16<sup>TH</sup>** day of **APRIL** 2012 at **7:00 p.m.**, in the **CITY COUNCIL CHAMBERS, 300 W. REX ALLEN DRIVE, Willcox, AZ**

Item for Consideration and Discussion are:

**A.R.S. §38.431.03A(3) DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY,**  
Consideration and/or discussion regarding consultation for legal advice with the Attorney or Attorney's of the public body.

**DATED AND POSTED this 11<sup>th</sup> day of APRIL 2012, at 4:00 P.M.**

**CITY OF WILLCOX, ARIZONA**

**/s/ Cristina Garcia Whelan, CMC**  
**City Clerk Cristina Garcia Whelan, CMC**

**"Mine, Yours, Ours"**

**CITY OF WILLCOX  
EXECUTIVE SESSION**

**AGENDA**

**MONDAY, APRIL 16, 2012**

**7:00 p.m.**

**300 W. REX ALLEN DRIVE**

**Willcox, Arizona**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. CONSIDERATION OF ARIZONA REVISED STATUTES 38-431.03(A)(3) – DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY**  
Consideration and/or discussion pursuant to Arizona Revised Statutes §38-431.03(A)(3), as stated relating to consultation with the City Attorney(s) of the public body.
- 4. ADJOURN**

***"Mine, Yours, Ours"***