



City of Glendale, Arizona
Report on Applying Agreed-Upon Procedures
Biennial Certification of Land Use Assumptions,
Infrastructure Improvement Plan
and Development Impact Fees
For the Period August 1, 2014 through June 30, 2018

**CITY OF GLENDALE, ARIZONA
TABLE OF CONTENTS**

<u>CONTENTS</u>	<u>PAGE</u>
Independent Accountant’s Report on Applying Agreed-Upon Procedures	1
Results of Procedures	3
Appendix A – Progress of Infrastructure Improvement Plan Projects	5

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the City Council

We have performed this agreed-upon procedures engagement to assist management of the City of Glendale, Arizona (City), in complying with the requirement as set forth in Arizona Revised Statutes (A.R.S.) §9-463.05.G.2 “to provide for a biennial certified audit of the municipality’s land use assumptions, infrastructure improvements plan and development fees”. We have performed the procedures identified below, which were agreed to by the management of City of Glendale, Arizona, solely to assist management of the City in evaluating the City’s compliance with the progress reporting requirements of the infrastructure improvement plan for the period from August 1, 2014 through June 30, 2018, as specified in A.R.S. §9-463.05.G.2. Management is responsible for the City of Glendale, Arizona’s compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

We have applied the following procedures:

The progress of the infrastructure improvements plan.

- a. Compared growth projections for 2015 through 2018 related to population and residential housing units as reported in the Infrastructure Improvement Plan (IIP) to actual results. A list of all variances is reported.
- b. Obtained City-prepared report that summarizes the progress of each project identified in the Infrastructure Improvement Plan (IIP) and performed the following procedures:
 - i. Agreed expenditures as of June 30, 2018 to the underlying records.
 - ii. Agreed amounts reported as estimated cost to complete to underlying accounting records.

The collection and expenditures of development impact fees for each project in the plan.

- c. Selected a sample of 40 building permits issued and determined fees were charged in accordance with authorized fee schedules and that each permit holder is charged the same rate as another equivalent permit holder. Any inequities in the imposition of development fees are reported.
- d. Selected a sample of 25 expenditures and determined that the expenditure was associated with an approved project in the City of Glendale’s IIP.

Evaluating any inequities in implementing the plan or imposing the development impact fee.

- e. Determined each developer/unit was charged the same rate as another equivalent developer/unit by recalculating impact fees at the transaction level for the sample mentioned in step c. above.
- f. Determined there were no instances in which the City waived development impact fees, except as allowed under A.R.S. §9-500.18.

The accompanying Results of Procedures describes the items we noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of City of Glendale, Arizona, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
January 30, 2020

**CITY OF GLENDALE, ARIZONA
RESULTS OF PROCEDURES**

RESULT NO. 1

Variations were noted for growth projections related to population and residential housing units as reported in the Land Use Assumptions when compared to actual results. All variations are reported below.

2015				
	Projected	Actual	Variance	Variance %
Population	250,710	236,222	(14,488)	-6%
Residential Housing Units	101,502	101,037	(465)	-0%

2016				
	Projected	Actual	Variance	Variance %
Population	252,490	237,723	(14,767)	-6%
Residential Housing Units	102,223	101,154	(1,069)	-1%

2017				
	Projected	Actual	Variance	Variance %
Population	254,302	239,858	(14,444)	-6%
Residential Housing Units	102,956	101,620	(1,336)	-1%

2018				
	Projected	Actual	Variance	Variance %
Population	256,143	241,844	(14,299)	-6%
Residential Housing Units	103,701	101,822	(1,879)	-2%

RESULT NO. 2

For 1 of 40 building permits reviewed, the impact fees charged of \$3,322 were not in accordance with authorized fee schedules, which state that \$4,207 should have been charged. Documentation was not retained as to why the fees charged were different from the authorized schedules.

RESULT NO. 3

For one of 25 expenditures reviewed, the City did not maintain adequate documentation to support the reasoning behind the calculated portion of debt service payments paid from impact fee funds.

Date	Impact Fee Category	Project Description	Amount of Impact Fee Expenditures
6/30/2016	Parks and Recreation	GO Bond Principal and Interest Payments	\$209,713

**CITY OF GLENDALE, ARIZONA
RESULTS OF PROCEDURES**

RESULT NO. 4

For one of 25 expenditures reviewed, the City did not maintain adequate documentation to support that the expenditure was a result of growth. The City purchased a second set of turnout gear for each firefighter as shown below. It is recommended that the City improve documentation to demonstrate the correlation of this purchase to growth. For example, documentation could include why the additional gear was needed due to an increase in calls or increase in personnel.

Date	Impact Fee Category	Project Description	Amount of Impact Fee Expenditures
6/30/2017	Fire	Turnout Gear	\$517,949

City of Glendale, Arizona
Progress of Infrastructure Improvement Plan Projects-unaudited

Project Description	IIP Fund	Estimated Cost (a)	Expenditures as of 6/30/18 (b)	Estimated Cost to Complete
CS Dept. Master Plan Update	Parks Impact Fund	10,000	4,567	5,433
Bond Payments	Parks Impact Fund	419,426	419,426	-
FRAC Enhancements	Parks Impact Fund	30,000	30,000	-
Heroes Park Basketball Court	Parks Impact Fund	71,775	71,775	-
Heroes Regional Park	Parks Impact Fund	564,012	240,283	323,729
Heroes Regional Park Study	Parks Impact Fund	50,000	15,419	34,581
Turnout Gear	Fire Impact Fee Funds	518,834	518,834	-
Regional Wireless Cooperative	Police Impact Fee Funds	1,148,565	1,148,565	-
59th Ave & Olive Ave	Streets Impact Fee Funds	1,473,000	1,467,595	5,405
59th Ave & Glendale Ave.-DMS / ITS	Streets Impact Fee Funds	873,000		873,000
99th Ave. ITS/OMS: Camelback-Northern	Streets Impact Fee Funds	1,942,000		1,942,000
Camelback Rd DMS	Streets Impact Fee Funds	371,000		371,000
99th Ave/ Montebello	Streets Impact Fee Funds	125,000		125,000
Glendale Ave ITS: Litchfield-115th	Streets Impact Fee Funds	1,634,000		1,634,000
Incremental Outside Lane Widening	Streets Impact Fee Funds	6,100,000		6,100,000
Incremental Inside Lane	Streets Impact Fee Funds	1,800,000		1,800,000
Incremental Intersection Improvement	Streets Impact Fee Funds	2,300,000	942,648	1,357,352
Water Line Extension/Oversizing	Water Impact Fee Funds	1,500,000		1,500,000
White Mountain Apache Tribe 100 yr Lease	Water Impact Fee Funds	6,490,580		6,490,580
Sewer Line Extension/Oversizing	Sewer Impact Fee Funds	1,600,000		1,600,000
Glendale Ave 93rd-99th Ave	Sewer Impact Fee Funds	1,118,591		1,118,591

(a) The source of this information is the City of Glendale Infrastructure Improvement Plan.

(b) The source of this information is the City's financial records.