



**TOWN COUNCIL MEETING
6401 E. LINCOLN DRIVE
PARADISE VALLEY, ARIZONA 85253
SUMMARIZED MINUTES**

FEBRUARY 24, 2011

CALL TO ORDER

Mayor LeMarr called to order the Town Council meeting of the Town of Paradise Valley, Arizona, held at Town Hall 6401 E. Lincoln Drive, on Thursday, February 24, 2011 at 4:00 PM.

COUNCIL MEMBERS PRESENT

Mayor Scott P. LeMarr
Vice Mayor Mary Hamway
Council Member Michael Collins
Council Member Paul E. Dembow
Council Member Pam Kirby
Council Member Vernon B. Parker arrived at 4:15 p.m.
Council Member Lisa Trueblood

STAFF MEMBERS PRESENT

Town Manager James C. Bacon, Jr.
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Public Works Director Andrew Cooper
Budget & Finance Director David Andrews
Senior Planner Molly Hood
Planner George Burton
Police Chief John Bennett
Town Engineer William C. Mead

General Plan Advisory Committee Progress Report

Councilmember Collins updated the Council on the progress of the General Plan Advisory Committee. He said the Committee is made up of three Councilmembers (Collins, Hamway, Dembow), three Planning Commissioners (Mahrle, Strom, Werner), and three Town residents (John Meunier, Linda Perterson-Warren, David Sherf). The 2003 General Plan had six elements including: Land Use & Growth Area; Circulation; Open Space & Environmental Planning; Water Resources; Public Facilities/Services & Cost of Development; and Major Amendments. The 2012 General Plan will include the 2003 elements plus Community Character & Housing and Sustainability.

Thus far the Committee has reviewed the 2003 Plan and is preparing drafts of the various elements for the 2012 Plan. By the end of March, vision statements will be integrated into the draft document. In mid-April the preliminary draft will be made available to the public on the Town's website. The Planning Commission will consider the draft during the summer and the Council will review it in the fall. The Plan will then be presented to the voters at the March 13, 2012 Election.

He said both general and element-specific vision statements will be directly incorporated into the 2012 General Plan narrative. Existing goals and policies will be reviewed for consistency with Vision Statements and new goals or policies will be added as necessary. He said the "conversation" about the Town's goals and priorities started by the Visioning Committee will be carried forward by the GPAC, Planning Commission, Town Council and residents. Throughout the entire process there will be a number of opportunities for residents to participate and provide feedback.

Responding to a question, Councilmember Collins stated that the land use map will be ready by May.

Fiscal Year 2011-2012 Budget Topic Update

Mr. Bacon stated that the Fiscal Year 2010-2011 adopted budget is \$15,781,200. The actual revenue estimate has been revised down based on the first half of fiscal year to \$15,591,400. There were no changes in resort sales tax and bed tax estimates. He said there was a net increase in construction-related revenues (sales tax, building permits, and plan review fees) of \$20,000. Fines revenue estimates were increased by \$50,000 based on an increase in collections. Sales taxes generally were down \$38,000. Finally, interest income estimates were reduced by \$15,000 based on declining rates.

He said staff is comfortable that this estimate will hold. Moreover, he was confident that the types of assumptions used to target this year's revenues could be used to develop estimates for next year. Mr. Bacon advised that the next year's revenue estimate of \$15,152,190 was consistent with the Town's experience in FY 2010-11.

Responding to a question from Council, Mr. Andrews stated that as of the end of December, actual expenditures are slightly below budget. He also responded that photo enforcement fines account for more than 80% of all Court fines collected.

Mr. Bacon reported that estimated reserves by fund at the end of June 30, 2011 will equal:

General Fund = \$14.5 million

Highway Fund = \$1.7 million

Capital Projects Fund = \$1 million

Debt Service Fund = \$7.4 million fully funded through final maturity on January 1, 2019

Mr. Bacon explained that the current governmental funds reserve policy applies to the sum of General Fund and HURF reserves, but the policy should only apply to the General Fund. He recommended that existing HURF reserves should be eliminated as eligible projects are identified.

He said HURF reserves are estimated to be \$1.7 million at June 30, 2011. All current HURF reserves could be used for eligible projects. An option would be to apply the "90% to 110% Policy" requirement to HURF. This would result in \$900,000 to \$1 million being available for eligible projects. Eligible projects include street construction, street maintenance, and acquisition of right-of-way. He said HURF revenues are never adequate to fully fund the Public Works Department so its funding is supplemented by operating budget revenue.

Mr. Bacon stated that debt service reserves will be fully funded with \$7.4 million this year. If current revenues are available in FY 2011-12, debt service reserves of \$6.4 million could be transferred to the capital budget.

He reviewed the schedule for the remainder of the budget season. March 10 will be devoted to review discussions. Council will review the budget on March 24 and March 31. Decisions on revenue options must be made by April 28 if they are to be included in the budget. The tentative budget will be approved on May 12 and the final budget hearing will be on May 26.

Legislative Update

Councilmember Parker departed at 5:10 p.m.

Mr. Andrews reported that it has been a busy legislative session with over 1,334 bills introduced, many of which directly affect cities and towns. He said two bills that would have significantly impacted Town finances were killed in committee. SB 1220 would have repealed the Model City Tax Code and SB 1221 would have frozen urban revenue sharing for 20 years.

He said several bills to reform the public pension systems have also been introduced. HB 2726 is sponsored by Speaker of the House Kirk Adams. It is the most comprehensive of the bills. Mr. Bacon suggested that it would be appropriate for the Council to engage lawmakers and express support for the bill.

Mr. Andrews said there are three separate bills that would eliminate photo enforcement in Arizona. The bills have been introduced in the past, but this year there seems to be more momentum to push them through the legislative process.

He said HB 2500 would preempt local authority to regulate signs in the public right-of-way. It would allow a political sign to be placed in any area, regardless of town ordinances or regulations. He and Andrew Miller met with the bill's sponsor to try to get an exemption for towns under a certain population threshold, but the meeting was unproductive.

Mayor LeMarr recessed the meeting at 5:30 p.m.

Motion and vote: Vice Mayor Hamway moved to go into executive session at 5:45 p.m. Councilmember Trueblood seconded the motion which passed by a vote of 7-0.

EXECUTIVE SESSION

- a. Legal advice from the Town Attorney regarding medical marijuana as authorized by A.R.S. §38-431.03.A.3.
- b. Discussion and consultation with the Town Attorney regarding pending or potential litigation and current development agreement with **Potomac Hotel Limited Partnership and/or MTS Land LLC related to Mountain Shadows and potential future development agreements** as authorized by A.R.S. §38-431.03.A.4 and legal advice **regarding redevelopment zone laws** as authorized by A.R.S. §38-431.03.A.3.
- c. Town Manager Performance Evaluation as authorized by A.R.S. §38-431.03.A.1.

RECONVENE FOR REGULAR BUSINESS MEETING

CALL TO ORDER

Mayor LeMarr reconvened the meeting of the Town Council at 7:08 P.M.

COUNCIL MEMBERS PRESENT

Mayor Scott P. LeMarr
Council Member Michael Collins
Council Member Paul E. Dembow
Council Member Pam Kirby
Council Member Vernon B. Parker
Council Member Lisa Trueblood

Vice Mayor Mary Hamway was not present

STAFF MEMBERS PRESENT

Town Manager James C. Bacon, Jr.
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Police Chief John Bennett
Budget & Finance Director/Assistant Town Manager David Andrews
Public Works Director Andrew Cooper, Jr.

PLEDGE OF ALLEGIANCE

Madison Kirby led the Pledge of Allegiance.

PRESENTATIONS

There were no presentations.

CALL TO THE PUBLIC

There were no public comments.

MAYOR / COUNCIL / MANAGER REPORT

Councilmember Kirby announced that on Thursday, February 17, she, along with Mayor LeMarr and Town Manager Bacon, met with representatives from EPCOR, USA which is seeking regulatory approval to purchase Arizona-American Water.

CONSENT AGENDA

- a. Minutes of Town Council Meeting February 10, 2011**
- b. Renewal of Police CAD/Records Management System Maintenance Agreement**
Recommendation: Authorize the Town Manager to approve payment for annual software maintenance support of the computer-aided dispatch / records management system in the amount of \$39,339.

Mr. Bacon summarized the items on the Consent Agenda.

Motion and vote –Councilmember Collins moved to approve the Consent Agenda as submitted. Councilmember Kirby seconded the motion which passed by a vote of 6 – 0.

PUBLIC HEARINGS

There were no public hearings.

ACTION ITEMS

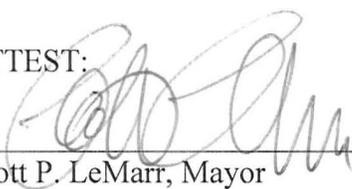
There were no action items.

ADJOURNMENT

Motion and vote – Councilmember Dembow moved to adjourn. Councilmember Parker seconded the motion which passed by a vote of 6-0.

Mayor LeMarr adjourned the meeting at 7:11. p.m.

ATTEST:



Scott P. LeMarr, Mayor



Duncan Miller, Town Clerk