



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

**SUMMARIZED MINUTES
OCTOBER 23, 2008**

CALL TO ORDER

Mayor Parker called to order the Town Council meeting of the Town of Paradise Valley, Arizona, held at Town Hall 6401 E. Lincoln Drive, on Thursday, October 23, 2008 at 4:05 PM.

COUNCIL MEMBERS PRESENT

Mayor Vernon B. Parker
Vice Mayor Ron Clarke
Council Member Brian Cooney
Council Member Mary Hamway
Council Member Pam Kirby
Council Member Scott LeMarr
Council Member Virginia "Jini" Simpson

STAFF MEMBERS PRESENT

Town Manager James C. Bacon, Jr.
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Town Engineer William Mead
Management Services Director Lenore Lancaster
Planning & Building Director Eva Cutro
Chief of Police John J. Bennett
Public Safety Director John D. Wintersteen
Public Works Director Andrew Cooper, Jr.
Deputy Town Attorney Steven Zraick

Discussion of Berneil Channel

Mr. Bacon reminded Council that a briefing was held earlier in the year on this topic. Three alternatives were presented to Council. Staff was asked to meet with the neighbors and ask for feedback on the three alternatives and report back to Council. A neighborhood meeting was held in late September. The purpose of tonight's presentation is to report on the meeting with neighbors.

Mr. Mead introduced Scott Buchanan of Stanley Consultants who prepared the engineering designs for the Berneil Channel.

Mr. Mead said that 468 letters were mailed to neighbors about the project. He said approximately 20 or 30 people attended the meeting and another 20 to 30 provided feedback by telephone.

Mr. Mead reviewed the three alternatives. Alternative 1 would be designed to carry a 10-year event and cost \$2,760,000. Alternative 2 would be designed for a 100-year event and cost \$5,280,000. Alternative 3 would be designed to carry a 100-year event and include esthetic and landscaping improvements and cost \$10,950,000. Both alternatives 2 and 3 would require reconstruction of the bridge over Doubletree Ranch Road.

Mr. Mead reported that Alternative 3 was most favored by the residents. Those who attended the meeting and contacted the Town by telephone or email did not object to the closure of Doubletree Ranch Road for the removal and reconstruction of the bridge. Some neighbors asked that the Town also improve Doubletree Rd from Invergordon Rd to Scottsdale Rd. to maintain the same design features as the road west of Invergordon Rd.

Other comments included a request to delete the nodes and benches overlooking the channel. It was felt that it would be a gathering place for homeless and teenagers. However, the vast majority wanted enhanced landscaping to attract walkers, joggers and nature lovers.

Mr. Mead stated that the project could take five years or more before funding could become available.

Mr. Mead said the Town received an email from the County Flood Control District stating that the District is willing to cost share on the project. The standard cost sharing amount provided by the County is 50%.

Resident Judy Morrison said the Town has always done the right thing in other major construction projects and requested the same consideration on this project.

There was Council discussion about making minimal improvements now and authorizing additional improvements in the future since funding may not be available for many years. Mr. Bacon suggested that if the County participates in a 10-year design they will not participate in the 100-year design later. He noted that the current channel is only designed to carry a 3-year event so improving the channel to carry a 10 year event would increase protection by a significant amount.

Responding to a question from the Council, Mr. Mead responded that if alternative 2 is done now the esthetic and landscaping improvements contemplated in Alternative 3 could be added later.

Council asked Mr. Miller if the Town is liable if nothing is done and homes are damaged. Mr. Miller responded the Town would not be legally liable. There was Council discussion that even if the Town is not liable there is still some responsibility to make improvements.

It was suggested that this topic be revisited during the budget policy retreat in December. Council asked that staff provide more information about the differences between Alternatives 2 and 3. Also they asked that staff verify that Alternative 2 is designed such that it is upgradable to Alternative 3 at a future time.

Discussion of Mayor Selection

Mr. Bacon stated that at the last meeting when this topic was discussed, staff was asked to provide information on specific questions Council had identified. The responses were prepared and provided to Council.

Mayor Parker asked Mr. Bacon for his opinion of the various selection methods based on his experience in other communities. He responded that all have advantages and disadvantages but no matter which method is selected there may still be conflict.

Councilmembers debated the merits and costs of placing the question of direct election of mayor on the ballot, but no consensus was reached.

It was decided to schedule this topic as an Action Item on the November 6, 2008 regular meeting to vote on the following questions:

1. Should the question be placed on the ballot?
2. When will the election occur?
3. Will the term of office be 2 years or 4 years?
4. When would direct election go into effect?
5. How would vacancies in the office of mayor be filled?
6. Does the Council wish to amend Section 2-2-4 to clarify, expand, or limit the powers and duties of mayor?

Discussion of Arizona-American Water Company Rate Increase Application before the Arizona Corporation Commission

Mr. Bacon stated that the Arizona-American Water Company filed a new rate case with the Arizona Corporation Commission this Spring. He noted that there are three seats open on the Corporation Commission so whoever is elected and hears the case will be unfamiliar with the previous rate cases.

He said Council suggested it would be appropriate to have an outside expert evaluate the case and give a presentation to the Council and the Community about what is in the rate case, and equally important, what is not in the rate case so the Town retained John Thornton.

Mr. Thornton started by saying the report was meant to be a summary of the rate case as it affects the Paradise Valley Water District. It neither makes recommendations nor provides advice. It does not comment on the merits of the case and does not fill in or speculate on what is not in the case.

Mr. Thornton distilled the proposed rates for residential and commercial customers into the following chart which he discussed.

AAWC Paradise Valley Water District			
Current Approved vs Proposed Rates			
Monthly Charges			
	Current	Proposed	
Meter Size	Approved Rates	Rates	Change
5/8 x 3/4	\$26.75	\$28.00	\$1.25
3/4	\$27.68	\$28.97	\$1.29
1	\$44.62	\$46.71	\$2.09
1 1/2	\$90.09	\$94.31	\$4.22
2	\$143.59	\$150.30	\$6.71
3	\$266.06	\$278.49	\$12.43
4	\$442.73	\$463.43	\$20.70
6	\$886.86	\$928.31	\$41.45
Commodity Rates			
<i>Residential</i>			
0-25,000	\$1.29		
25,001-80,000	\$2.18		
80,0001 +	\$2.71		
0-4,000		\$1.2883	
4,001-20,000		\$2.2332	
20,001-65,000		\$2.7960	
65,001-125,000		\$3.3588	
125,001 +		\$3.8786	
<i>Commercial</i>			
0-400,000	\$1.80	\$2.2332	\$0.44
400,001 +	\$2.09	\$2.9798	\$0.89
All commodity rates per 1,000 gallons per month *Includes ACRM surcharges 1 and 2 (12 month portion included). Does not include any Public Safety Surcharge or other surcharges			

He said residential rates are proposed to increase from three rate tiers to five rate tiers with significant rate increases for those customers consuming over 65,000 gallons per month. An average 5/8" meter residential customer who consumes 20,493 gallons per month will see a \$17.12 bill increase (from \$53.14 to \$70.26). An average 1" meter residential customer who consumes 56,575 gallons per month will see a \$44.27 bill increase (from \$145.59 to \$189.86).

Commercial rates maintain their current two-tier system but will see significant rate increases for both blocks. The first tier of water consumption will increase by \$0.44 per 1,000 gallons. Tier two will increase \$0.89 per 1,000 gallons. An average 2" meter commercial customer who consumes 264,036 gallons per month will see a \$121.62 increase (from \$618.32 to \$739.95).

He summarized the surcharge issues in the case. He said that the current \$1.00 High Block Usage Surcharge imposed on residential Tier 3 and commercial tier 2 would terminate. A low-income discount is proposed. It would be a \$4.00 discount off the monthly basic service charge on water bills. It would be funded by an increase in the upper three residential blocks.

The water company proposes to make \$1,930,000 in capital improvements to Well 12 which is only operating at 50% capacity due to a casing failure. The well is expected to be replaced and online by December 2008.

The water company proposes a new system-benefits charge applicable to consumption in residential rate tier 5 (consumption exceeding 125,001 gallons per month). The program would fund improvements such as the new residential landscape conversion program that the Town intends to propose later in the case. There are no details on how this would be funded.

The water company proposes that the Public Safety Surcharge to recover fire flow improvements for phases 3 through 7 be applied to all commodity rates. The company expects to invest approximately \$3.5 million per year over the next four years in fire flow improvements. There are no details on how this would be funded. The high block surcharge revenues that have been collected to this point will offset costs for completion of Phase 3A. Phase 3B has been put on hold. Phases 4-7 will cost approximately \$3.5 million dollars each. It is believed the company could complete one phase a year. These charges would appear in the Public Safety Surcharge. The company expects to add an additional \$14 million in current dollars on to the \$40 million in the base rate. It will result in a very large surcharge. The details are not included in the rate case.

Responded to a question from the Council, Mr. Thornton said the details of the plan would have to be developed by the Commission staff and the interveners. The staff and interveners could choose to do nothing. He noted that the Town of Paradise Valley has been accepted as an intervener. He underscored that the rates he discussed earlier do not include the \$14 million for fire flow improvements.

Council asked if the proposed tiers follow an industry standard. Mr. Thornton replied that there is no industry standard.

Resident Janice Stoney commented that, even though the details of the surcharges have not been designed, it is possible to see how rates would be impacted by an additional \$14 million for the improvements based on the proposed rates design described by Mr. Thornton.

Todd Walker of Arizona-American Water Company announced that there will be a community meeting on Tuesday, October 28 to discuss the rate case. Residents can ask to have their bill calculated based on current rates and proposed rates to see how they will be impacted.

Andrew Miller introduced attorney Tim Sabo who was retained by the Town to give legal advice on the rate case and represent the Town before the Corporation Commission.

Discussion of Council Committees

This topic was not discussed.

Motion and vote - Councilmember Simpson moved to go into executive session at 6:15 P.M. Councilmember Hamway seconded the motion which passed by a vote of 7-0.

EXECUTIVE SESSION

- a. Discussion and consultation with Town Attorney regarding pending litigation or contract negotiations related to the application by **Arizona-American Water Company to the Arizona Corporation Commission for approval of a rate increase for the Paradise Valley Water District** DOCKET NO. W-O1303A-08-0227 as authorized by and A.R.S. §38-431.03.A.4 and legal advice as authorized by A.R.S. §38-431.03.A.3.
- b. Legal advice from the Town Attorney as authorized by A.R.S. §38-431.03.A.3 regarding **enforcement of Mountain Shadows Property Maintenance Standards** and discussion and consultation with Town Attorney regarding **development agreement with MTS Land LLC with regard to Mountain Shadows** as authorized by A.R.S. §38-431.03.A.4.
- c. Discussion and consultation with Town Attorney regarding **Morning Glory Road cost participation agreement with Morning Glory Investment Co., LLC and KL-998 Trust** as authorized by A.R.S. §38-431.03.A.4.
- d. Discussion and consultation with Town Attorney regarding pending or threatened claims and litigation **relating to the La Posada/Montelucia Special Use Permit** as authorized by A.R.S. §38-431.03.A.4.

CALL TO ORDER

Mayor Parker reconvened the meeting of the Town Council at 7:05 P.M.

COUNCIL MEMBERS PRESENT

Mayor Vernon B. Parker
Vice Mayor Ron Clarke
Council Member Brian Cooney
Council Member Mary Hamway
Council Member ~~Elect~~ Pam Kirby
Council Member Scott LeMarr
Council Member Virginia "Jini" Simpson

STAFF MEMBERS PRESENT

Town Attorney Andrew Miller
Town Clerk Duncan Miller
Town Engineer William Mead
Police of Chief John J. Bennett
Management Services Director Lenore Lancaster
Planning & Building Director Eva Cutro
Public Safety Director John D. Wintersteen

PLEDGE OF ALLEGIANCE

Bronwyn McGary, daughter of Dave and Molly McGary, led the Pledge of Alliance. Bronwyn is a 6th grader at Tesseract School.

PRESENTATIONS

Recognition of Joan Lincoln

Mayor Parker announced that Mayor Lincoln was not able to attend the meeting tonight so her recognition will be rescheduled.

Recognition of Robert McCall

Mayor Parker recognized former Mayor Ed Winkler to thank local artist Robert McCall for lending his works of art for exhibit in Town Hall from October 2007 through September 2008. The Mayor also thanked Mr. McCall for donating his painting called "Mars Outpost 2075" to the Town.

Recognition of Paradise Valley Police Officers for Life Saving Medal and Meritorious Service

The Mayor recognized the following Paradise Valley Police Officers and Detectives for their meritorious achievements:

LIFE SAVING MEDAL - Police Officers Emily and Porras for thwarting a suicide attempt of an 18 year old man.

LIFE SAVING MEDAL. - Detective Schrimpf for resuscitating a cardiac arrest victim who collapsed at a party.

UNIT CITATION - Midnight shift police officers for stopping a suspicious vehicle with stolen merchandise in it. The suspects were arrested and linked to numerous burglaries in Paradise Valley.

UNIT CITATION - General Investigative Bureau for serving a search warrant that resulted in the recovery of over a million dollars in stolen items.

CERTIFICATE OF MERIT - Officer Emily for arresting two suspects responsible for a construction site burglary. All stolen items were recovered and returned to the construction company. The two suspects were determined to be in the country illegally and were deported.

CERTIFICATE OF MERIT - Officer Oliveri for initiating traffic stop on a vehicle where drugs, drug paraphernalia and a handgun were recovered. The suspect had an extensive 38 page RAP sheet of charges. Detectives were able to incarcerate the suspect under the Repeat Offender Program.

CALL TO THE PUBLIC

Mountain Shadows residents Joy Gaarde-Morton, Theresa Gramm, Ian Grant-Whyte, and Ritch Steven each commented on the poor condition of the closed Mountain Shadows Resort. They asked Council to investigate and address landscape maintenance, rat infestation, and potential fire hazards. They expressed dissatisfaction with the length of time it has taken to redevelop the resort. Mayor Parker referred the concerns to the Town Manager and stated that this may be discussed in a public meeting in the future.

Resident Jane Cole submitted a statement requesting that the Town water the trees along the newly constructed Lincoln Drive sidewalk.

MAYOR / COUNCIL / MANAGER REPORT

Vice Mayor Clarke announced that the 4th Annual Antique Car Show will be held on Saturday, November 8, 2008 from 8:00 a.m. to Noon. Proceeds from the event will be donated to Relay For Life and D.A.R.E.

Mayor Parker announced that the Franciscan Renewal Center will be holding its annual “blessing of the animals” on October 27 and 28.

CONSENT AGENDA

- a. Minutes of Town Council Meeting September 25, 2008**
- b. Minutes of Town Council Special Meeting October 2, 2008**
- c. Minutes of Town Council Special Meeting October 13, 2008**
- d. Approval of Planning Commission Chair**
Recommendation: Confirm the election of Dolf Strom by the Planning Commission to serve as Chair from October 2008 to October 2009.
- e. Approval of Matching Funds by the Town for Contributions to the United Way**
Recommendation: Authorize Town contributions to the 2008 United Way Campaign to match 100% of the contributions made by Town employees, and also match contributions made by volunteers up to \$100.00.
- f. Approval of Use of Town Hall for Annual Martin Luther King, Jr. Day Celebration**
Recommendation: Approve the use of the Town Hall Council Chamber for the Martin Luther King Jr. Day Celebration on Monday, January 19, 2009.
- g. Appointment of Citizen Member to the Hillside Building Committee**
Recommendation: Confirm Mayor Parker’s appointment of Jane Jozoff as the citizen member to the Town’s Hillside Building Committee.
- h. Award of Trenching Contract for Underground Utility Conversion District 31**
Recommendation: Award a contract to Pauley Construction, Inc. for \$426,185.28 to install underground conduits for Underground Utility Conversion District 31.
- i. Approval of APS Utility Fees for Fire Stations 1 and 2**
Recommendation: Approve payment of \$104,539.54 for Arizona Public Service electrical “local facilities” fees for both fire stations under construction.
- j. Approval of Lease Purchase of Physical Fitness Equipment for Fire Stations**
Recommendation: Approve a sole source lease/purchase of physical fitness equipment not to exceed \$38,023.71 for Fire Station #1 and \$44,443.26 for Fire Station #2 for a total of \$82,466.97 from Advantage Fitness Products.
- k. Approval of Bluebird Vistas Lot Split**

Recommendation: Approve the Bluebird Vistas Lot Split, subdividing approximately 2.54 acres into 2 residential R-43-zoned lots, subject to the stipulations in the Action Report.

l. Approval of Lease Purchase of Police Department Vehicles

Recommendation: Approve the lease purchase of five vehicles for the Police Department as shown in the Action Report.

m. Award of Contract for Annual Street Resurfacing Program

Recommendation: Award the annual street resurfacing contract on a unit cost basis to M.R. Tanner Construction at a cost not to exceed \$1,313,500; and award additional funds to resurface one linear mile of streets on a unit cost basis to M.R. Tanner Construction at a cost not to exceed \$141,350.

Mr. Bacon summarized the consent agenda.

Councilmember Simpson asked that item 11M be removed.

Mayor Parker asked that item 11J be removed.

Councilmember Kirby asked that item 11L be removed.

Councilmember LeMarr asked that item 11G be removed.

Motion and vote – Councilmember Simpson moved to approve to approve the Consent Agenda with the exception of items 11G, 11J, 11L and 11M. Vice Mayor Clarke seconded the motion which passed by a vote of 7-0.

G. Appointment of Citizen Member to the Hillside Building Committee

Recommendation: Confirm Mayor Parker’s appointment of Jane Jozoff as the citizen member to the Town’s Hillside Building Committee.

Councilmember LeMarr stated that he was delighted with Jane Jozoff’s appointment but would like to postpone confirmation of the appointment until after the planned discussion of Council committees and the Hillside Committee specifically.

Councilmember Simpson said the citizen member is a permanent position and not part of the committee rotation. The position gives the Committee some stability. Mayor Parker stated Ms. Jozoff was recommended by two other Councilmembers. He met with Ms. Jozoff and she was committed to attending the meetings. Councilmember Hamway stated that it has been difficult to find a quorum for the committee. If this action is delayed it will make it even more difficult to have a quorum. Councilmember Cooney said Ms. Jozoff is flexible and would adapt to whatever reorganizational changes the Council may make in the future.

Motion and vote – Councilmember Simpson moved approval of item 11G. Councilmember Hamway seconded the motion which passed by a vote of 7-0.

J. Approval of Lease Purchase of Physical Fitness Equipment for Fire Stations

Recommendation: Approve a sole source lease/purchase of physical fitness equipment not to exceed \$38,023.71 for Fire Station #1 and \$44,443.26 for Fire Station #2 for a total of \$82,466.97 from Advantage Fitness Products.

Mayor Parker asked for clarification on the fitness equipment price. Mr. Wintersteen responded that a budget was developed for this equipment. During the design phase, the architects met with the Fire Department and their wellness coordinator to design the fitness room accordingly. The equipment is necessary because fire fighters have strength testing requirements annually and it is appropriate to have same equipment as other fire stations. Mr. Wintersteen added that the City of Phoenix buys a large amount of equipment and the Town was given the same bulk rate price.

Councilmember LeMarr asked if other employees can use this fitness equipment. Mr. Wintersteen responded no because the equipment is located in private quarters. Employees have always been allowed to use the equipment at the Police Department which is open 24 hours a day seven days a week. Councilmember LeMarr requested a spreadsheet showing what was budgeted for the fire stations and what has been spent.

Motion and vote – Councilmember LeMarr moved to approve item 11j. Councilmember Hamway seconded the motion which passed by a vote of 7-0.

L. Approval of Lease Purchase of Police Department Vehicles

Recommendation: Approve the lease purchase of five vehicles for the Police Department as shown in the Action Report.

Councilmember Kirby asked for clarification on the criteria used for purchasing new vehicles. Mr. Bacon responded that the criteria is seven years of age or older, miles in excess of 100,000 or an operational and maintenance cost greater than \$0.12 per mile. Councilmember Kirby asked when was the criteria last updated? Mr. Bacon responded five years ago and it will be updated this year also. Councilmember Kirby stated that the criteria should be reassessed periodically.

Motion and vote – Councilmember Kirby moved to approve item 11L. Councilmember Simpson seconded the motion which passed by a vote of 7-0.

M. Award of Contract for Annual Street Resurfacing Program

Recommendation: Award the annual street resurfacing contract on a unit cost basis to M.R. Tanner Construction at a cost not to exceed \$1,313,500; and award additional funds to resurface one linear mile of streets on a unit cost basis to M.R. Tanner Construction at a cost not to exceed \$141,350.

Councilmember Simpson asked for clarification of item 11m. Mr. Bacon responded that, consistent with Council direction during the budget process, the number of streets to be resurfaced was increased to meet the budget available. The resurfacing bid came in below the engineer's estimate so streets were added to the list to be resurfaced.

Motion and vote - Councilmember Simpson moved to approve item 11m. Councilmember Hamway seconded the motion which passed by a vote of 7-0.

PUBLIC HEARINGS

Consideration of Adoption of Resolution Number 1177 Amending the Fee Schedule Regarding Sewer User Fees

Ms. Gregoire summarized the sewer rate policy:

- Each customer should pay, at a minimum, the charge paid by the Town to City of Scottsdale
- Rate should encourage conservation
- Rate should be simple to bill, understand and explain to customers
- Rate structure should be based on actual direct and indirect costs
- Rate structure should not deplete capital reserve except for capital sewer line replacement

She stated that the current rates were implemented in December 2007. The City of Scottsdale raised rates charged to the Town by 6% effective July 1, 2008. She noted that residential water use, which is used to determine sewer rates, decreased 6.3% compared to the same measurement period in the previous year. She also stated that the Town's administrative expenses have increased.

Ms. Gregoire said the proposal is to increase the residential minimum rate to \$59.63 and the variable rate per 1,000 gallons to \$.82 over 15,000 gallons. She said non-residential rates would increase to the following:

Schools, Churches, and Public Buildings \$3.65
Commercial with Dining \$4.42
Medical Facilities \$3.88

Mayor Parker opened the public hearing. There was no public testimony.
Mayor Parker closed the public hearing.

Motion and vote – Councilmember Hamway moved to adopt Resolution Number 1177. Vice Mayor Clarke seconded the motion, which passed by a vote of 7-0.

ACTION ITEMS

Presentation of the Comprehensive Annual Financial Statements Examination of Expenditure Limit Report, HURF Compliance Report, LTAF II Report, and SAS 114 Letter for Fiscal Year 2008

Mr. Bacon stated that this presentation is a key element in the Council's new public policy approach to budgeting and financial management. The report is not only about last year's audited financials but also relevant to the Town's current financial position.

Ms. Lancaster stated that in the current global financial climate audited financials are even more important to the Town's creditors, banks, and residents.

She said the Statement on Auditing Standards 114, a new report this year, addresses the financial policies of the Town, the working relationship with the auditors and what was found in a general sense. She reported that the statement found nothing significant. There were no material misstatements, no disagreements between the auditors and management, and no concerns with the financial policies. She said the Town received a clean audit opinion from the auditors.

Ms. Lancaster detailed the Town's financial position as of the Fiscal Year ending June 30, 2008.

General fund revenues compared to budget had a favorable variance of 1.2% or \$247,977. The HURF fund had an unfavorable variance of 9.5% or \$107,315. Specifically, she said construction sales tax revenues were up 13%, hospitality sales tax was down 17.4%, bed tax was down 8.1%, licenses and permits were down 7.7%, and state shared revenues were down 5.7%.

She then reported on the expenditure limitation. She said total expenditures subject to the limit were \$22,958,154. This fiscal year that number increased to \$23,701,201. She clarified that actual expenditures can exceed the expenditure limitation. Adjustments are permissible for payments on bonds and capital leases, involuntary court judgments, amounts from state or federal government, grants and donations, LTAF revenues, excess HURF revenues (over \$171,550), expenditures from interest revenues, and unspent HURF and interest revenues from prior years.

She summarized the General Fund expenditures for Fiscal Year 2007-08.

	Budget	Actual	Variance
General government	\$6,802,246	\$6,472,440	\$329,806
Police	6,647,836	\$6,325,694	\$322,142
Fire Service	\$2,894,948	\$2,473,737	\$421,211
Total	16,345,030	\$15,271,871	\$1,073,159

She summarized Capital Expenditures for Fiscal Year 2007-08.

Capital Budget	\$5,433,513
Actual Expenditures	\$3,946,895
Capitalized Leases (fire stations)	\$1,352,839
Net Expenditures	\$2,594,056
Favorable Budget Variance	\$2,839,457

She stated the actual fund balance as of June 30, 2008 was \$29,643,183.

She said the Council will receive a first quarter financial update on November 20, 2008. The budget policy retreat is scheduled for December 10, 2008

There was Council discussion regarding next year's budgeting process. A significantly different approach will be followed. The policy retreat will be held much earlier than in past years and will start with sensitivity testing of major revenue sources. Council will also take a more active role in developing funding priorities for capital projects.

Motion and vote – Councilmember Hamway moved to receive and file the Comprehensive Annual Financial Report for Fiscal Year ending June 30, 2008, the Report on Examination of Annual Expenditure Limitation, the HURF Compliance Report, the LTAF II report and the SAS 114 Letter. Councilmember Cooney seconded the motion, which passed by a vote of 7-0.

Motion and vote – Vice Mayor Clarke moved to go back into Executive Session at 8:43 p.m. Councilmember Simpson seconded the motion which passed by a vote of 7-0.

ADJOURNMENT

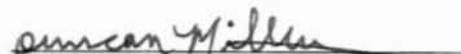
Motion and vote – Councilmember Kirby moved to adjourn. Vice Mayor Clarke seconded the motion which passed by a vote of 7-0.

Mayor Parker adjourned the meeting at 9:17 p.m.



Vernon B. Parker, Mayor

ATTEST:


Duncan Miller, Town Clerk