



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

**SUMMARIZED MINUTES  
JULY 10, 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, July 10, 2008 at 4:03 PM.

**COUNCIL MEMBERS PRESENT**

Mayor Vernon B. Parker  
Vice Mayor Ron Clarke  
Council Member Mary Hamway  
Council Member ~~Eleet~~ Pam Kirby  
Council Member Virginia "Jini" Simpson

Council Member Scott LeMarr and Council Member Brian Cooney were not present.

**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  
Public Works Director Andrew Cooper  
Planning & Building Director Eva Cutro  
Chief of Police John J. Bennett

**DISCUSSION ITEMS**

**Discussion of APS Resource Planning**

Mr. Bacon introduced Angela Creedon of Arizona Public Service Community Development.

Ms. Creedon updated the Council on APS's near-term and long-term energy options and reported on the transition from traditional power generating resources to cleaner burning technologies. She noted that APS is holding similar sessions around the state to seek feedback from

community leaders. The comments will be presented to the Arizona Corporation Commission when APS requests approval for new power generation resources and associated rate structures.

She stated that APS is challenged by rapid growth and increasing energy demands, climate change concerns, volatility in fossil fuels and the fact that electricity is important to a growing economy.

It is expected that power consumption doubles ever 20 years. If no infrastructure improvements are made, APS will not be able to meet demand as early as 2016. In response to this demand, APS has number of programs to encourage energy efficiency; including incentives for compact fluorescent bulbs, and rebates/incentives for purchasing high-efficiency air conditioning systems.

APS is also investigating new generating facilities such as wind, landfill gas, solar, geothermal, and biomass. The Solana generating station under construction outside of Gila Bend will be the largest solar facility in the world. It will come online in 2011 and generate 280 megawatts enough for 70,000 homes.

She then reviewed the benefits and risks of current energy generation technologies including coal, nuclear, renewables, and natural gas.

APS is looking at all options to meet future electricity demand. The political will is changing with regard to nuclear power. Although the capital costs are high, there is no green house gas and little waste. She noted that Arizona does not have the right type of wind to substantiate wind turbines.

The Council generally supported nuclear energy balanced by solar energy projects. It was noted that nuclear technology has a long history of success in Europe. Moreover, there is not political will to allow new coal fired plants even if they are clean coal facilities. The only concern expressed was the location of a nuclear facility. It would be desirable to locate them away from major metro areas.

Council suggested that the Town consolidate all utility rebates and incentives from all companies and put them on the Town's website.

#### **Discussion of Sanitary Sewer Rate Adjustments**

Ms. Lancaster reviewed the Town's policy on sewer rates which includes:

- At a minimum, residents should pay the City of Scottsdale residential sewer household charge
- Sewer rate should encourage water conservation
- Rate structure should be simple to bill, understand and explain to customers
- Rates should be based on actual direct and indirect costs
- Rates should not deplete capital reserves except for capital sewer line replacement

She recommended an increase in the minimum monthly residential rate from \$56.25 to \$59.63, a \$3.38, or 6% increase, and maintain the \$.77 per 1,000 gallons over 15,000 gallons of water usage. The average residential rate would be \$73.21.

This proposed increase is based on an increase in the Scottsdale household charge from \$54.39 to \$57.65 plus \$1.00 for bill and payment processing charges, and \$.98 contribution toward other direct and indirect expenses.

She said the new rates would go into effect December 1, 2008.

There was Council discussion that the rate model does not encourage additional water conservation. Council proposed increasing the minimum charge and usage over 15,000 gallons by six percent. This would send a consistent message even though it will not generate much more revenue. Staff will bring this item back to Council on September 11, 2008 with further data on the impact of a 6% across the board increase and its impact on the average user.

#### **Discussion of Mayoral Selection Process**

Mr. Bacon stated that Mayor Parker requested that this topic be scheduled for discussion. He said that there are three ways for a mayor to be selected; direct election, Council selection, or a rotation process. Mr. Bacon also mentioned that former Mayor Marvin Davis sent an email suggesting that former mayors would be a good resource for a historical perspective on this matter.

Council discussion focused on the importance of allowing citizens to participate in the mayoral selection process. Also there may be value in allowing the mayor to serve a four-year term for continuity. On the other hand it was agreed that directly electing a mayor would change the dynamics of the Council. The mayor may no longer be thought of as one of seven councilmembers.

Responding to questions from the Council, Town Attorney Miller stated that under the State Constitution non-salaried offices are not impacted by the resign to run law. He continued that if a councilmember runs for mayor in the middle of his or her council term and wins, the council would have to fill the vacancy by appointment.

There was Council interest in inviting former mayors to a meeting in the Fall to discuss direct election of the mayor and to seek further input from the public.

#### **Discussion of Road Improvement in the Vicinity of McDonald Drive and 51<sup>st</sup> Place**

Mr. Mead stated that at the June 26<sup>th</sup> Council meeting, questions were raised regarding funding for potential safety improvements to the McDonald Drive and 51<sup>st</sup> Street intersection. Staff was

asked to brief the Council on this history of the proposed improvement project. He said this project was first discussed 17 years ago. In 1991, public hearings were held regarding improvements to McDonald Drive from Tatum Blvd. to Scottsdale Road. Although there were some design issues, the McDonald Drive and 51<sup>st</sup> Street and Rovey Avenue were concerned that there was not sufficient sight distance for cars approaching from the east to safely complete a turn onto McDonald Drive. They requested that the Town remove the crest of the hill to the east thereby lowering the road grade and fill in the dip at the 51<sup>st</sup> Street intersection raising it to increase the sight distance. It was recognized as a sight distance problem. After additional public input it was decided not to remove the crest or dip because it would change the character of the street. Instead the speed limit on that section of McDonald Drive was lowered to 25 MPH and secondary egress was available at Rovey Avenue.

Starting in 2001 with the Tatum Blvd/McDonald Drive curve project, a decision was made to terminate Rovey Avenue in a cul-de-sac eliminating access to Tatum Blvd. With the only access now at 51<sup>st</sup> Street some Rovey Avenue residents felt that the Town should make the intersection safer. As a result, the Council placed the 51<sup>st</sup> Street improvements in the Capital Improvements Program for future consideration but never funded the project because it received low priority ratings.

He noted that there has only been one vehicle accident at the intersection but it occurred after the Rovey Ave access was closed.

Mr. Mead offered the following potential solutions.

- Lower the crest immediately east of 51<sup>st</sup> Street
- Raise the first dip east of 51<sup>st</sup> Street
- Raise the 51<sup>st</sup> Street intersection
- Combination of above solutions

He noted that two driveways would be impacted by any improvements. Additionally culverts would have to be installed to carry drainage.

Mr. Mead recommended that the Town contract with a consulting engineer for preliminary study of improvement options and most cost effective and viable option. This could be done under the Town Manager's procurement authority.

Resident Pam Azin stated that traffic speeds increase on McDonald Drive as drivers approach Tatum Blvd. In a discussion with the Police Chief it was recommended that new signs be installed warning drivers that they are approaching a blind intersection. It was also suggested that the photo radar van move closer to the intersection.

There was Council consensus to install the new signage and ask the Police Department to possibly reposition the photo radar van when it patrols that area. There was also support to hire an engineer to study the intersection and make a recommendation.

**Discussion of Pending Agenda Topics**

Mr. Bacon stated that the pending agenda topics has been a tool used by the Town to provide information to the Council, staff, and community about what is upcoming on future Council work study sessions. The list identifies priorities and who is responsible for researching each topic. This document is reviewed by the staff on a regular basis and with the Mayor and Vice Mayor at the Wednesday breakfast meetings. It is at both these meetings when items are added to the topic list.

He said this is being discussed tonight because the question came up at the Council retreat how items are placed on the list. Tonight is also an opportunity for the Council to add items to the list. The preference is to schedule items a year in advance.

Feedback from the Council included interest in scheduling discussions on trash collection, water conservation, sustainability, committee creation, emergency management, reassignments of roles between police chief and public safety director, court building plan review, and quarterly financial updates.

It was announced that the Council will hold a retreat on August 4, 2008 at a local resort.

**Motion and vote** - Councilmember Clarke moved to go into executive session at 5:57 P.M. Councilmember Hamway seconded the motion which passed by a vote of

**EXECUTIVE SESSION**

- a. Discussion and consultation with Town Attorney regarding pending or contemplated litigation regarding **Husam Khazen v. Town of Paradise Valley, et. al., CV2008-013810** as authorized by A.R.S. §38-431.03.A.4.
- b. 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.
- c. Discussion and consultation with Town Attorney regarding **condemnation of property in the vicinity of Tatum Blvd and E. Mockingbird Lane** as authorized by A.R.S. §38-431.03.A.4.

**CALL TO ORDER**

Mayor Parker reconvened the meeting of the Town Council at 7:01 P.M.

**COUNCIL MEMBERS PRESENT**

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

Council Member Scott LeMarr and Council Member Brian Cooney were not present

**STAFF MEMBERS PRESENT**

Town Manager James C. Bacon, Jr.  
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Police of Chief John J. Bennett  
Public Works Director Andrew Cooper  
Management Services Director Lenore Lancaster  
Planning & Building Director Eva Cutro  
Public Safety Director John D. Wintersteen

**PLEDGE OF ALLEGIANCE**

Amber Kelly, Cole Kelly, and Ian Parker led the pledge of allegiance.

**PRESENTATIONS**

**Introduction of Chief of Police John J. Bennett and Oath of Office**

Mr. Bacon formally introduced new Police Chief John J. Bennett. He noted that Chief Bennett had a long and successful career in law enforcement in suburban Philadelphia.

Presiding Judge John Philip Grace administered the oath of office to John Bennett.

**CALL TO THE PUBLIC**

Terri Mansfield, Executive Director and Co-founder of the Arizona Department of Peace Campaign, spoke on behalf of the campaign to create a U.S. Department of Peace. The Department would research, articulate, and facilitate nonviolent solutions to domestic &

international conflicts. She asked the Council to consider being the first Arizona town or city to endorse the Department of Peace.

Jane Cole stated she appreciates the landscaping on Lincoln Drive but asked the Council to budget funds to water the landscaping instead of placing the requirement on property owners. She said landscape maintenance and watering places a burden on the churches on Lincoln Drive.

Hamid Hafiz spoke in favor of the Department of Peace. He asked that the Town join the 36 other local and county governments who have endorsed creation of the department.

Dilara Hafiz, Youth Director of the Arizona Interfaith Movement, encouraged the Town to endorse the legislation creating a Department of Peace.

Susan French spoke in favor of the Department of Peace. She also said it would be a point of pride to display a peace pole on the Town's municipal campus.

Steve McCartney thanked the Mayor and the Council for their service. He spoke in favor of the Department of Peace, noting that Presidents Washington and Eisenhower supported a Department of Peace.

Trish McCartney of Star Shine Academy a charter school for at-risk youth, spoke in favor of the Department of Peace. It would make a huge statement around the state if the Town of Paradise Valley endorsed the creation of a Department of Peace.

**MAYOR / COUNCIL / MANAGER REPORT**

There were no reports.

**CONSENT AGENDA**

- a. Minutes of Town Council Meeting June 26, 2008**
- b. Report on Investments**  
*Recommendation:* Receive and file the report.
- c. Adoption of Resolution Number 1174 Intent to Reimburse Certain Capital Items**  
*Recommendation:* Adopt Resolution Number 1174 declaring the Town's intention to reimburse certain capital items through capital lease.
- d. Approval of Payment for Operating Expenses to the City of Phoenix for Fire Stations 1 and 2**

*Recommendation:* Approve the payment to the City of Phoenix of \$1,921,631.76 for operating expenses.

**e. Approval of Property, Liability, and Excess Land Use Liability Insurance Coverage and Workers Compensation Insurance**

*Recommendation:* approve the property, liability and excess land use liability insurance coverage in the amount of \$399,490 plus workers compensation coverage for approximately \$197,000 for fiscal year 2008-09.

**f. Approval of Lease Agreement with Verizon Wireless**

*Recommendation:* Authorize the Town Manager to enter into a lease agreement with Verizon Wireless which allows Verizon to construct a personal wireless service facility on a portion of the property located at the Paradise Valley Fire Station Number 1.

**g. Approval of Change Orders for Fire Stations #1 & #2**

*Recommendation:* Approve change orders not to exceed \$76,755.01 for Fire Station #1 and \$39,698.08 for Fire Station #2.

**h. Authorization to Establish Utility Fee Contingency for Fire Stations #1 and #2**

*Recommendation:* Authorize establishment of a contingency in the amount of \$200,000 for both fire stations under construction for impact and other fees charged by utilities providers.

**i. Authorization for Town Manager with Consent of the Mayor to Approve Construction Change Orders and Utility Fees in Excess of \$25,000 During the Months of July and August 2008**

*Recommendation:* Authorize the Town Manager, with the consent of the Mayor, to approve construction change orders and utility fees in excess of \$25,000 during the months of July and August, 2008, when there will be no regular Town Council meetings.

**j. Authorization to Increase the Construction Contingency for Fire Stations #1 & #2**

*Recommendation:* Authorize increasing the construction contingency for Fire Stations #1 & #2 from \$200,000 to \$250,000.

Mr. Bacon summarized the consent agenda.

Vice Mayor Clarke asked to remove items 11g, 11h and 11j.

Resident Jane Cole asked that item 11i be removed.

Andrew Miller asked that item 11f be removed.

**Motion and vote** – Councilmember Simpson moved approve Consent Agenda items 11a – 11e. Vice Mayor Clarke seconded the motion which passed by a vote of 5-0.

**f. Approval of Lease Agreement with Verizon Wireless**

**Recommendation:** Authorize the Town Manager to enter into a lease agreement with Verizon Wireless which allows Verizon to construct a personal wireless service facility on a portion of the property located at the Paradise Valley Fire Station Number 1.

Andrew Miller alerted the Council that there was a modification to paragraph 7(a) of the lease agreement. The modification clarifies who will be responsible for certain construction costs since the work is being done in conjunction with the construction of the fire station.

**Motion and vote** - Mayor Parker moved approve the lease agreement with Verizon Wireless which allows Verizon to construct a personal wireless service facility on a portion of the property located at the Paradise Valley Fire Station Number 1 and that the Town Manager is authorized to fill in the Exhibit E costs prior to signature. Councilmember Simpson seconded the motion which passed by a vote of 5-0.

**g. Approval of Change Orders for Fire Stations #1 & #2**

**Recommendation:** Approve change orders not to exceed \$76,755.01 for Fire Station #1 and \$39,698.08 for Fire Station #2.

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**j. Authorization to Increase the Construction Contingency for Fire Stations #1 & #2**

**Recommendation:** Authorize increasing the construction contingency for Fire Stations #1 & #2 from \$200,000 to \$250,000.

Vice Mayor Clarke asked for an explanation of the change orders and the increase in contingency amounts.

Mr. Wintersteen responded that it is not uncommon for change orders to be submitted at the beginning of a project. He detailed the three change orders.

- Fire Station 1 septic system leach field removal (approved by Town Manage) for \$21,432
- Fire Station 1 included additional sewer line, toilet accessories change, APS electrical service for fire station, additional gas line, deletion of TV brackets, hardware changes, and APS electrical service for wireless facilities for \$76,755.01
- Fire Station 2 included Lincoln Drive median and driveway curb changes, additional sewer line, toilet accessories change, APS electrical service for fire station, additional gas line, and deletion of TV brackets for \$39,698.08

Regarding Item 11h Mr. Wintersteen stated that during the fire station design process it was not known that there would be some costs related to connection of utilities for both buildings not covered by the construction contract. The unanticipated fees include City of Phoenix charges a water resources acquisition fee (\$3,400), water development fee (\$900), water installation (meter) fee (\$4,152), fire line tap fee (\$622) and fire line inspection fee (\$240), and that these fees are not waived for other municipalities. Arizona American Water charges a \$1,555 meter fee. There may be additional fees for cable connection (if the distance exceeds 300' from the nearest pedestal), for telephone and data lines, etc.

Finally, regarding Item 11i, Mr. Wintersteen said that during the Council's summer break the Town Manager, with the consent of the Mayor will approve construction change orders and utility fees in excess of \$25,000. Any such approvals will be ratified by the Town Council at the September 11, 2008 meeting. This action is necessary to keep the construction projects on schedule so that they can be occupied by the end of December.

**Motion and vote** - Vice Mayor Clarke moved to approve items 11g, 11h, 11i, and 11j. Councilmember Simpson seconded the motion which passed by a vote of 5-0.

### **PUBLIC HEARINGS**

There were no public hearings.

### **ACTION ITEMS**

#### **Approval of Agreement with Scottsdale Convention and Visitors Bureau**

Mr. Bacon reminded the Council that there was extended discussion of this topic at a study session two weeks ago. He said the agreement calls for the Town to provide \$625,000 in funding for general marketing purposes and \$75,000 in funding for Fiesta Bowl marketing.

Councilmember Kirby posed two questions. She asked if the Town's historical investments produced a return that can be directly attributable to the SCVB. Secondly, what is the right level of the investment? She said that although the Town has incrementally increased SCVB funding, bed taxes have decreased since 1999. However, resort books through the SCVB at Paradise

Valley resorts have increased during the same period. She said this indicates that the SCVB has been providing a return.

On the second point, Councilmember Kirby noted that the Town does not have a measureable SCVB funding formula. It was suggested that the Town evaluate options and develop a formula for use in future years. Such a formula would be fiscally responsible and provide a level of predictability.

Mike Surguine, General Manager of Sanctuary Camelback Mountain, spoke in favor of the funding for the Scottsdale Convention and Visitors Bureau. Has worked with SCVB for 21 years and it is one of the best and most successful marketing organizations in the country. The resort community values the alliance with SCVB. He said their marketing strategies are cutting edge. They have also been quick to adjust to the changing market and loss in the dollars value by focusing on international travelers. He concluded that now is not the time to be shy or timid.

**Motion and vote** - Vice Mayor Clarke moved to approve an agreement with the Scottsdale Convention and Visitors Bureau through which the Town will provide funding in the amount of \$625,000 for promotion of the Town's resorts, convention and tourism businesses, and \$75,000 in special funding to support the Fiesta Bowl. Councilmember Kirby seconded the motion which passed by a vote of 5-0.

**Adoption of Resolution Number 1171 Calling for a Special Election on November 4, 2008**

Town Clerk Miller stated that on June 4, 2008 a sufficient number of valid petitions signatures had been filed against Ordinance Number 603, The Ritz-Carlton Special Use Permit. Once a measure has been certified for the ballot the Clerk is obligated to place the measure on the next Town General Election, which in this case is not until May 18, 2010. However, Section 2-3-6 of the Town Code allows the Council to call a special election to resolve the matter sooner. He said Resolution 1171 authorizes two actions. First it calls a special election for November 4, 2008. The second action authorizes the Clerk to collect a \$25 deposit for publicity pamphlet arguments.

He said that the Town's Proposition 411 will be consolidated on to the county's November election ballot. Due to limited space on the ballots only the "tag line" text will appear on the actual ballot but the full text will appear in the publicity pamphlet mailed to voters in late September.

He announced that publicity pamphlet arguments are due by 5:00 PM on Wednesday, August 6. There is a 300 word maximum and it must contain an original signature of the sponsor. A fee of \$25 must be paid at the time the argument is submitted to the Clerk's Office.

Paradise Valley resident Hamid Hafiz encouraged residents to be active members of the democratic process. He stated that the partnership between the resorts, the Town, and the residents is very important. He said that fact should be stressed during this election.

**Motion and vote** - Councilmember Hamway moved to adopt Resolution Number 1171. Vice Mayor Clarke seconded the motion which passed by a vote of 5-0.

**Approval of Human Services Funding Agreements**

Mr. Bacon recommended that the Council award funding to the following human services agencies in the amounts listed.

**2009 Funding Summary**

<b>Anti Graffiti Hotline</b>	<b>\$1,000</b>
<b>Area Agency on Aging</b>	<b>\$15,000</b>
<b>Arizona Nat'l Guard Family</b>	<b>\$5,000</b>
<b>Beatitudes Center DOAR</b>	<b>\$5,000</b>
<b>CASS</b>	<b>\$27,500</b>
<b>Constitution Commemoration Committee</b>	<b>\$1,500</b>
<b>Maricopa County Animal Control</b>	<b>\$1,000</b>
<b>Northwest Block Watch</b>	<b>\$500</b>
<b>Scottsdale Prevention Institute</b>	<b>\$22,000</b>
<b>Southwest Center for HIV/AIDS (Body Positive)</b>	<b>\$5,000</b>
<b>Valley Fever Center For Excellence</b>	<b>\$1,250</b>
<b>Total</b>	<b>\$84,750</b>

**Motion and vote** - Councilmember Hamway moved to authorize the Town Manager to distribute \$84,750 to the human services agencies identified in the Action Report. Councilmember Simpson seconded the motion which passed by a vote of 5-0.

**Authorize the Town Manager to Execute a Cost Sharing Agreement to Construct Improvements on Morning Glory Road**

Mr. Bacon said the final action item is authorization for the Town Manager to execute the cost sharing agreement road improvements on Morning Glory Road.

Mr. Miller stated that this is a unique agreement because the improvement area goes beyond the adjacent boundaries of the two properties, which are the Cornell Lot Split/Losch Family Trust and the Morning Glory Meadows Plat. The road improvements are necessary to resolve flooding problems in that area. The Town agreed to work jointly with these two entities to share the improvement costs. The said the Town's cost is capped at \$35,000 because that is what the Town had budgeted originally to do some work in that area. The two parties are willing to pay the difference.

**Motion and vote** - Councilmember Hamway moved to authorize the Town Manager to execute the cost sharing agreement between the Town of Paradise Valley, MGI, and the Losch Family Trust. Councilmember Simpson seconded the motion which passed by a vote of 5-0.

**ADJOURNMENT**

**Motion and vote** – Vice Mayor Clarke moved to adjourn. Councilmember Simpson seconded the motion which passed unanimously.

Mayor Parker adjourned the meeting at 8:22 p.m.



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Vernon B. Parker, Mayor

ATTEST:

  
\_\_\_\_\_  
Duncan Miller, Town Clerk