



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

**SUMMARIZED MINUTES
MAY 15, 2008**

CALL TO ORDER

Mayor Winkler called to order the Town Council meeting of the Town of Paradise Valley, Arizona, held at Town Hall 6401 E. Lincoln Drive, on Thursday, May 15, 2008 at 4:10 PM.

COUNCIL MEMBERS PRESENT

Mayor Ed Winkler arrived at 4:50 p.m.
Vice Mayor Scott LeMarr
Council Member Ron Clarke
Council Member Brian Cooney
Council Member Mary Hamway
Council Member Dan Schweiker
Council Member Virginia "Jini" Simpson was not present
Council Member Elect Pam Kirby arrived at 4:40 p.m.

STAFF MEMBERS PRESENT

Town Manager James C. Bacon, Jr
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Town Engineer William Mead
Chief of Police John D. Wintersteen
Management Services Director Lenore Lancaster
Public Works Director Andrew Cooper
Senior Planner Molly Hood
Deputy Town Attorney Steven Zraick
Accounting Supervisor Karen Gregoire
Assistant Chief Larry Scott
Communications Supervisor Jim Tortora

DISCUSSION ITEMS

Discussion of Water Conservation

Councilmember Hamway stressed the need for development of a water conservation program in

Paradise Valley. She provided data showing that water users in Paradise Valley consume far more water per day than the average American. She offered preliminary ideas about water conservation strategies in Paradise Valley. She stated that the goals of the proposed conservation program are to raise awareness through education, reduce outdoor water use, and reward conservation actions with rebates and incentives.

She suggested that one method of raising awareness is to update the Town's website with conservation education and links to useful information on other sites. She noted some information has already been added to the Town's site.

The incentive program would apply to Arizona American Water customers only and involve a process whereby customers would replace high water landscaping with desert landscaping. Once the new landscaping has been inspected, the customer would be eligible for a rate reduction for a specified period of time.

Her final suggestion was a rebate program modeled after the City of Scottsdale. Rebates would be available to all residents but be subject to funding by the Council. Residents would submit evidence to the Town showing replacement of high water plumbing fixtures, installation of hot water recirculation devices, landscape irrigation controllers and turf removal.

There was Council interest in developing a water conservation pilot program, perhaps at Mountain Shadows.

Discussion of Police Radio Project Update

Chief Wintersteen provided an update on the police radio project. Phase I and Phase II are in process. Phase III is in the planning stage. The Phase I estimated cost is \$320,000. This includes the remodeling and expansion of the equipment and electrical rooms. Phase II is estimated at \$400,000 and includes the remodeling of the communications room, replacement of work stations and radio control equipment.

Phase III is the selection and implementation of the radio system. Phoenix has decided to be a member of the regional wireless cooperative. It is, therefore, prudent for the Town to use the same system since the Town must integrate with Phoenix Fire Department. This system would likely include construction of a radio tower at the municipal complex. The specifications are yet to be determined, however, the expectation is that it would be a 40 foot monopole.

Chief Wintersteen described the proposed future budgets. In FY 2008-2009 only the portable radios for police service will be replaced at a cost of \$194,000. In FY 2009-2010 funds have been budgeted for the design the Town's portion of the regional wireless cooperative.

Motion and vote – Councilmember Schweiker moved to go into executive session at 5:00 p.m. Vice Mayor LeMarr seconded the motion which passed by a vote of 6 - 0.

EXECUTIVE SESSION

- a. Discussion and consultation with Town Attorney regarding **development agreement with DC Paradise LLC regarding Mummy Mountain Norte subdivision** 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 **lease agreement with Verizon Wireless for personal wireless service facility in the vicinity of Tatum Blvd and E. Mockingbird Lane** as authorized by A.R.S. §38-431.03.A.4.
- d. Legal advice from the Town Attorney regarding **referendum law and rezoning law with regard to The Ritz-Carlton, Paradise Valley** as authorized by A.R.S. §38-431.03.A.3.
- e. Discussion and consultation with Town Attorney regarding pending or contemplated litigation regarding **Steven & Alexis Stone v. City of Phoenix CV2007-3661 Town as intervener** as authorized by A.R.S. §38-431.03.A.4.
- f. Legal advice, discussion, and consultation with Town Attorney regarding **reopening of the Arizona-American rate case** as authorized by A.R.S. §38-431.03.A.3 and A.R.S. §38-431.03.A.4.
- g. Discussion and consultation with Town Attorney regarding contract negotiations related to **Chief of Police employment agreement** as authorized by A.R.S. §38-431.03.A.4.
- h. Discussion of **Town Manager goals and objectives for 2008** as authorized by A.R.S. §38-431.03.A.1.

CALL TO ORDER

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

COUNCIL MEMBERS PRESENT

Mayor Ed Winkler
Vice Mayor Scott LeMarr
Council Member Ron Clarke
Council Member Brian Cooney
Council Member Mary Hamway
Council Member Dan Schweiker
Council Member Virginia "Jini" Simpson

STAFF MEMBERS PRESENT

Town Manager James C. Bacon, Jr.
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Town Engineer William Mead
Police of Chief John Wintersteen
Public Works Director Andrew Cooper
Management Services Director Lenore Lancaster
Planning & Building Director Eva Cutro
Human Resources Manager Jinnett Hancock

PLEDGE OF ALLEGIANCE

Councilmember Schweiker led the Pledge of Allegiance.

PRESENTATIONS

There were no presentations.

CALL TO THE PUBLIC

Resident Dr. Howard Fleishon requested assistance from the Council in resolving a dispute over a non-conforming wall that was removed by a contractor working on a neighboring property.

Resident and former mayor Ed Lowry recognized retiring councilmembers Ed Winkler and Dan Schweiker for their distinguished service to the Town. He said they should be congratulated, commended, and thanked for their time on the Council.

Doug Jorden echoed the sentiments of Mr. Lowry.

MAYOR / COUNCIL / MANAGER REPORT

Mr. Bacon announced that next Saturday is the Town's birthday. The Town will be 47.

Mayor Winkler thanked the Council for the tremendous honor of serving as mayor for the last two years. He also thanked the staff for their support.

CONSENT AGENDA

- a. Minutes of Town Council Meeting April 24, 2008**
- b. Minutes of Town Council Work Study Session May 6, 2008**
- c. Cancellation of Town Council Meeting for May 22, 2008**
Recommendation: Cancel the regularly scheduled May 22, 2008 Council Meeting.
- d. Approval of Special Event Liquor License for Cystic Fibrosis Foundation**
Recommendation: Approve the Special Event Liquor License application for the Cystic Fibrosis Foundation, subject to the stipulations in the Action Report.
- e. Approval of Contract Amendment for Sales and Use Tax Audit Services**
Recommendation: Authorize the Town Manager to enter into a three year contract with Albert Holler & Associates for supplementary local sales tax auditing and consulting services in the Amount of \$60,000.
- f. Adoption of Resolution Number 1167; Authorizing the Mayor to Execute a Development Agreement with DC Paradise LLC Related to the Proposed Improvements to the Property Known as the Mummy Mountain Norte Subdivision**
Recommendation: Adopt Resolution Number 1167, approving the development agreement with DC Paradise, LLC.
- g. Approval of Purchase and Installation of Six Base Station Radios and Associated Equipment for Police Communications Center**
Recommendation: Approve the purchase and installation of six base station radios and associated racks, electronics, antennas and cabling from Creative Communications Sales and Rentals, Inc., for an amount not to exceed \$97,113.
- h. Adoption of Resolution Number 1169 Transfer of Funds within the 2007-2008 Budget**

Recommendation: Finalize the Fiscal Year 2007-08 budget by adopting Resolution Number 1169 transferring funds from contingency funding and approving the transfer of funds between departments as authorized by the Town Manager or Council in conformance with Town Council Financial Policy.

Mr. Bacon summarized the consent agenda.

Motion and vote – Mayor Winkler moved to adopt the Consent Agenda as submitted. Councilmember Simpson seconded the motion which passed by a vote of 7-0.

PUBLIC HEARINGS

There were no public hearings.

ACTION ITEMS

Adoption of Resolution Number 1168 Approving the Tentative Budget for Fiscal Year 2008-2009

Ms. Lancaster stated that the budget had been discussed in two prior work sessions, a budget policy retreat and a detailed budget review. The Tentative Budget for Fiscal Year 2008-2009 was developed according to Council's direction at those meetings.

She stated that, as in past years, a zero-base budget model was used. She explained that the Base Operating Budget is presented as the cost to continue operations as they currently are and the cost of Enhanced Services, Special Projects and the Capital Improvement Program are presented as "layers" or optional additions to the budget.

She said the total budgeted operating expenditures will be approximately \$22.7 million and are well below the projected revenues of approximately \$25.4 million. The fiscal year 2008-2009 budget includes a \$20.1 million base budget for departmental operations. Enhanced services total \$249,512 and special projects total \$1,026,854. Next year's planned capital projects total \$11.3 million, some of which will be debt financed. Debt service totals \$1,191,043.

She highlighted the following enhanced services:

- Expanded sales tax audit services
- Information technology additional position
- Facilities maintenance additional position
- Increase in scope of maintenance services Kiva Field
- Capital lease payments on radio system

Fiscal Year 2008-2009 special projects include:

- Host city for League of Arizona Cities & Towns conference
- Salary, benefits, expenses for Public Safety Director
- Set-aside for potential changes in salary plan
- Network design evaluation for MDTs
- Contract planning and consulting for resort development
- Replacement of cabinets in squad room
- Parking lot seal coat and striping
- Rewire traffic signals at 2 intersections
- Capital lease of traffic signal system controller hardware upgrade
- Fire service start-up costs

Notable capital projects include:

- Sanitary sewer west pump back
- Underground projects
 - APS districts 18, 31, 36
- Road Improvements
 - Residential street resurfacing
 - 56th St, Lincoln Drive to McDonald Drive
 - Video detection system
 - Town entry monument construction
- Continuation of construction of fire stations
- Design of municipal court building

Motion and vote – Councilmember Schweiker moved to adopt Resolution Number 1168. Vice Mayor LeMarr seconded the motion which passed by a vote of 7-0.

Approval of Renewal of Group Medical, Dental, Health Reimbursement Account (HRA) and Approval for Payroll Deduction for New Voluntary Benefit Plans for Fiscal Year 2008/09

Ms. Hancock stated that Town's group medical, dental, life, accidental death and dismemberment and disability insurance contracts and HRA administrative contracts are renewed annually. Traditionally, the Town has used employee focus groups to review health benefit plans and develop recommendations for Council consideration. The year the group recommended approval of a three tiered option plan which, it is believed, will reduce the Town's overall costs. Moreover, the focus group recommended switching from the United Healthcare 2001 Certificate Series to the 2007 Certificate Series. With the change the Town's premium will only increase by 9.6%. The two additional plan options recommended by the focus group will reduce the premium more depending on the number of employees who select the other options.

She said Delta Dental provided the Town with a 0% increase for fiscal year 2008.2009. She also recommended renewal of the Health Reimbursement Account plan. Finally, she explained that the focus group elected to introduce two new voluntary benefit plans including a vision plan and AFLAC. These plans would be voluntary with no cost to the Town. Employees who enroll in the plans would have the premiums deducted from their payroll.

She reported that the cost to the Town for the proposed medical plan with United Healthcare and Delta Dental will be approximately \$1,020,400 for fiscal year 2008-2009. The expenditure for the HRA plan is approximately \$130,400, including the cost for administrative services.

Motion and vote – Mayor Winkler moved to approve renewal of the Group Medical Insurance contract with United Healthcare, the group dental insurance contract with Delta Dental, and the Health Reimbursement Account; and approve employee payroll deductions for two newly introduced voluntary benefits plans, which include a vision plan and AFLAC insurance plans. It was seconded by Councilmember Schweiker and passed by a vote of 7-0.

ADJOURNMENT

Motion and vote – Mayor Winkler moved to adjourn. Councilmember Schweiker seconded the motion which passed unanimously.

Mayor Winkler adjourned the meeting at 7:57 p.m.



Mayor

ATTEST:



Duncan Miller, Town Clerk