



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

**SUMMARIZED MINUTES
APRIL 24, 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, April 24, 2008 at 4:05 PM.

COUNCIL MEMBERS PRESENT

Mayor Ed Winkler
Vice Mayor Scott LeMarr
Council Member Ron Clarke was not present
Council Member Brian Cooney arrived at 4:27 p.m.
Council Member Mary Hamway
Council Member Dan Schweiker
Council Member Virginia "Jini" Simpson arrived at 4:15 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

DISCUSSION ITEMS

Presentation by Arizona-American Water

Mr. Bacon stated that Arizona American Water requested an opportunity to update the Town on various water quality and quantity issues. He introduced Paul Townsely, President of Arizona American Water.

Mr. Townsley introduced Joe Gross, Vice President of Engineering, Tom Broderick, Director of Rates and Regulatory Affairs, Todd Walker, Manager of Community Affairs, Troy Day, Vice President for Operations, and Kevin Tilden, Vice President for External Affairs.

Mr. Townsley stated that Arizona American Water (AAW) has improved its customer outreach and communications. Following the January 25th meeting with Council, AAW placed an “open letter” ad in three area newspapers and mailed a letter to all customers. The company reimbursed customers for costs incurred as a result of the incident. He estimated that the cost to date was \$40,000.

He said AAW has reviewed its emergency contact protocol. The company included inserts in customer bills asking for updated contact information; they met with officials of Maricopa County Emergency Services regarding the use of their emergency response programs, and provided additional training and guidance to the customer service department.

He announced that AAW has made modifications to the treatment plant. It was decided to permanently disconnect the PCX-1 well from the drinking water system. Additionally, the company reached an interim operating agreement with Motorola on this issue and others. Arizona American Wells PV-14 and PV-15 are set to start up next week. PV-15 will run through the Miller Road Treatment Facility Tower 1 before entering the drinking water system. Motorola will run PCX-1 will run through the Miller Road Treatment Facility Tower 2 before being discharged to the Arizona Canal. Additionally, the plant will be staffed at all times when Arizona American wells are operating.

Mr. Townsley reported that Motorola conducted an investigation and filed a report with the EPA on April 18, 2008. An outside consultant is conducting a separate investigation. Once both reports are available, Arizona American will work with ADEQ to determine if further changes are warranted.

The City of Scottsdale held a meeting on March 18 regarding the water incident. The Council previously asked staff to research options for acquiring all or part of the PV / Scottsdale system. Arizona American stated that they would work with the city to address all concerns, but that the water system is not for sale and would oppose condemnation.

Mr. Gross reviewed the upcoming fire flow improvement projects. The Tatum Blvd & Lincoln Drive water main replacement project is scheduled to start construction in May and be completed in October for an estimated cost of \$2.3 million. The existing 6” line along Lincoln Drive from Tatum to Quartz Mountain will be replaced with a 16” line. Also the 4” line along Tatum from Lincoln to Joshua Tree Lane will be replaced with an 8” line.

Tom Broderick stated that the Town, the resorts and Arizona American Water agree that the High Block and Public Safety Surcharge should be reduced. Under the consensus plan,

residential rates would decrease of 14.4% for 25,000 gallons of consumption and up to 36.3% for higher consumption. The hearing will be May 15.

He also said Arizona American Water will file a new application to adjust rates in May. The Corporation Commission required Arizona American to file a new rate case by May 31, 2008 to eliminate the arsenic surcharge by placing it in base rates. The case will seek to begin recovery of new investment from 2005 to 2007 and increased operating expenses. The hearings will take place in early 2009 with a final decision expected in September 2009, the company will propose in the next rate case to eliminate high block surcharge.

Update on Pay Plan and Employee Benefit Programs

Mr. Bacon stated that the purpose of this work session topic was to update the entire Council on the work of two different benefit committees. The first committee made up of Councilmembers LeMarr, Schweiker and Simpson is considering various pay plan alternatives. The committee has not finalized a recommendation but there is agreement that actual salary and market numbers be used instead of estimates which have been the basis for decision making in past years. The committee requested actual data from January through January from the Town's eight comparable cities. That data shows that the lowest increase year over year was Peoria at 2.5%, and the highest was Scottsdale at 6%. The average was 3.6%.

He said the second committee is an employee committee which is reviewing health, dental and vision programs. Ms. Hancock stated that the main consensus was that employees preferred to stay with United HealthCare. The committee reviewed different plan designs with different premiums. The committee will recommend United HealthCare 2007 Certificate Series which will be a 9.6% increase over the current year. The Town budgeted for a 15% increase.

Ms. Hancock reported that the Town has not received renewal information from Delta Dental but it is estimated that the increase will be between 5% and 7%.

The committee will also recommend two new voluntary benefit programs. The first is a 100% vision program. Currently, the Town offers a discount program through United. The second voluntary benefit is to offer AFLAC insurance. This would be at no cost to the Town.

Motion and vote – Councilmember Schweiker moved to go into executive session at 5:32 p.m. Vice Mayor LeMarr seconded the motion which passed unanimously.

EXECUTIVE SESSION

- a.** Discussion and consultation with Town Attorney regarding **contract with New Path Networks** as authorized by A.R.S. §38-431.03.A.4.
- b.** Legal advice from the Town Attorney regarding **planning commissioner appointment process** as authorized by A.R.S. §38-431.03.A.3.
- c.** 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.
- d.** Discussion and consultation with Town Attorney regarding **development agreement with Crown Development with regard to Mountain Shadows** as authorized by A.R.S. §38-431.03.A.4 and legal advice from the Town Attorney regarding **rezoning law** as authorized by A.R.S. §38-431.03.A.3.
- e.** 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 7:06 P.M.

COUNCIL MEMBERS PRESENT

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

Council Member Ron Clarke not present

STAFF MEMBERS PRESENT

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

PLEDGE OF ALLEGIANCE

Evan Guidera from Boy Scout Troop 644 led the Pledge of Allegiance.

PRESENTATIONS

Recognition of Planning Commissioner Jane Jozoff

Mayor Winkler recognized Jane Jozoff for her dedication and service to the community as a member of the Planning Commission from October 2003 to April 2008.

CALL TO THE PUBLIC

There were no public comments.

MAYOR / COUNCIL / MANAGER REPORT

There were no reports.

CONSENT AGENDA

a. Minutes of Town Council Meeting April 10, 2008

b. Award of Contract to Replace Damaged Utility Collars

Recommendation: Award a contract to CPC Construction, Inc to replace damaged utility collars at various street locations at a cost not to exceed \$40,765.

c. Approval of Lease Purchase of a Police Department Patrol Vehicle

Recommendation: Approve the lease purchase of a 2008 For Crown Victoria Police Patrol Interceptor from Five Star Ford in an amount not to exceed \$26,725.

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 6-0.

PUBLIC HEARINGS

Adoption of Ordinance Number 604 and Resolution Number 1166, Adopting the 2008 Tax Code Amendments

Mr. Bacon said the recommendation is to adopt Resolution Number 1166 declaring the 2008 Tax Code Amendments a public record and Ordinance Number 604 amending the Town Tax Code.

The Mayor opened the public hearing. There were no public comments. The Mayor closed the public hearing.

Motion and vote – Councilmember Hamway moved to adopt Resolution Number 1166 and Ordinance Number 604. The motion was seconded by Vice Mayor LeMarr and passed by a vote of 6-0.

ACTION ITEMS

There were no action items.

ADJOURNMENT

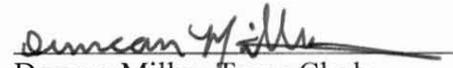
Motion and vote – Vice Mayor LeMarr moved to adjourn. Councilmember Simpson seconded the motion which passed unanimously.

Mayor Winkler adjourned the meeting at 7:18 p.m.



Ed Winkler, Mayor

ATTEST:


Duncan Miller, Town Clerk