



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

**SUMMARIZED MINUTES
DECEMBER 7, 2006**

CALL TO ORDER

Mayor Ed 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, December 7, 2006 at 5:01 P.M.

COUNCIL MEMBERS PRESENT

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

Council Member Virginia "Jini" Simpson was not present

STAFF MEMBERS PRESENT

Town Manager Thomas M. Martinsen
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Police Chief John Wintersteen
Public Works Director Andrew Cooper
Town Engineer Bill Mead
Management Services Director Lenore Lancaster
Planning & Building Director Eva Cutro
Capital Projects Administrator Robert Ciccarelli
Project Manager Susanne Wissel
Executive Assistant Natalie Montenegriano

DISCUSSION ITEMS**Arbor Day Tree Planting Ceremony**

To satisfy the recertification requirements of the Tree City USA award, a mesquite tree was planted on the Town Hall grounds. The Town has received the recognition from the State Forester's Office every year since 1997. In the 2005/06 fiscal year, the Town has planted 216 trees as part of the Invergordon Road reconstruction project, as well as replaced numerous damaged trees throughout the Town. Mayor Winkler read a brief statement on the origin of Arbor Day.

Discussion of Kiva Elementary School Athletic Field Improvement Project

Vice Mayor Hamway reviewed the fundraising progress that has been made with regard to the Kiva Elementary School Athletic Field Improvement project. The estimated funds required to complete the project is \$947,158. The Town has budgeted \$200,000, the youth sports groups have pledged \$203,000, the Kiva School has pledged \$44,300, and the community has pledged \$44,900 for a total of \$561,300. Vice Mayor Hamway reported that Currier Construction volunteered to build the restroom facility which reduces the estimated cost by \$200,000 for a new total of 747,158. This results in a shortfall of \$185,858.

Vice Mayor Hamway addressed the various actions taken to maintain the \$150,000 grant from the Arizona Sports and Tourism Authority.

She presented three options for scaling the project back to meet available funding. Plan A was the full project as has been discussed and designed. Plan B removes the restroom facility and requires the sports leagues to pay for the lights. The funding needed for Plan B was \$747,158. The estimated shortfall was \$318,819. Plan C removes the lights, restroom, and landscaping from the plan. The funding needed for Plan C was \$336,113. The shortfall was \$71,463.

The suggested action for Council consideration is to bid the total project with add alternates and to provide a formal response to the Arizona Sports and Tourism Authority regarding the grant.

There was Council consensus that the Town should guarantee any shortfall between the amount necessary to fund the project and the amount of contributions raised to fund the project. The Council believed that efforts should still be made to seek contributions.

There was also Council consensus that a new agreement should be negotiated with the Scottsdale Unified School District to protect the Town's investment should the SUSD ever remove the field from use and that any revenue from the possible location of cell towers on the field should be spend on field maintenance.

Discussion of Northern Avenue Road Closure

Mr. Mead stated that the contractor for the Northern Ave Improvements project has request the authority to completely close Northern Avenue from December 12 to December 23 in order to pave the street with rubberized asphalt. Completely closing the street would allow the contractor to work safely in a restricted work zone and allow the contractor to work on both sides of the street at the same time, thus improving efficiency. There is also concern that if the entire street is not closed that the project may not be completed before December 27 which is the last day rubberized asphalt will be available for the year.

He stated that staff conducted a survey of the neighbors in the area and there was 100% support to close the road.

If the road is closed the paving could be completed by December 27. If the road is not closed the final paving could not take place until March or April of next year.

Motion and vote - Councilmember Schweiker moved to go into executive session. Councilmember LeMarr seconded the motion which passed by a vote of 6-0.

EXECUTIVE SESSION

- a.** Discussion and consultation with the Town Attorney regarding **development agreement with Potomac Hotel Limited Partnership and/or Crown Opportunity Associates L.L.C.** as authorized by A.R.S. §38-431.03.A.4.
- b.** Discussion and consultation with the Town Attorney regarding **Ron Sobek Claim** as authorized by A.R.S. §38-431.03.A.4.
- c.** Discussion and consultation with the Town Attorney regarding **agreement between the Town of Paradise Valley and the Scottsdale Unified School District regarding the Kiva Elementary School Athletic Field** as authorized by A.R.S. §38-431.03.A.4.

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 Mary Hamway
Council Member Brian Cooney
Council Member Ron Clarke
Council Member Scott LeMarr
Council Member Dan Schweiker

Council Member Virginia "Jini" Simpson was not present.

STAFF MEMBERS PRESENT

Town Manager Thomas M. Martinsen
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Police Chief John Wintersteen
Public Works Director Andrew Cooper
Town Engineer Bill Mead
Management Services Director Lenore Lancaster
Planning & Building Director Eva Cutro
Senior Planner Molly Hood
Capital Projects Administrator Robert Ciccarelli

PLEDGE OF ALLEGIANCE

Lenore Lancaster led the Pledge of Allegiance.

PRESENTATIONS

Recognition of David and Jill Christenholz for their Donation to the Mummy Mountain Preserve Trust

The Mayor recognized David and Jill Christenholz for their generous donation to the Mummy Mountain Preserve Trust. In September the Christenholz family donated approximately 10-acres in conservation easement to the Trust. The Mayor and Trust Chairman Bernie Barry presented them with a certificate and a Soleri Bell.

Recognition of Sanctuary on Camelback Mountain (Michael Surguine, General Manager)

The Mayor recognized Michael Surguine, General Manager of the Sanctuary on Camelback Mountain for being named as the best resort in the United States in the November 2006 issue of *Conde Nast Traveler* magazine. The Mayor presented him with a certificate and a Soleri Bell.

CALL TO THE PUBLIC

There were no public comments.

MAYOR / COUNCIL / MANAGER REPORT

Councilmember LeMarr asked if the Town is preparing a response to letters from residents regarding the Arizona-American Water Company rate increases. The Mayor reported that the attorney drafted a letter for the Mayor's and Vice Mayor's signature.

The Mayor reported that he and the Chief of Police along with a representative from Congressman Shadegg's office met with U.S. Postal officials regarding mail delivery in the Town. There had been a pattern of late mail delivery in the Town creating possible safety issues for Letter Carriers and for residents. Postal Officials committed to re-allocating resources to improve delivery times.

CONSENT AGENDA

- a. Minutes of Town Council Meeting November 16, 2006**
- b. Report on Investments**
Recommendation: Receive and file the report.
- c. Approval of Use of Town Hall for Annual Martin Luther King Celebration**
Recommendation: Approve the use of the Town Hall Council Chamber for the Martin Luther King Day Celebration on Monday, January 15, 2007.
- d. Approval of Rewards for Construction Site Burglaries and Thefts**
Recommendation: Approve a \$2,500 donation to the Phoenix Silent Witness, Inc, for the purpose of offering rewards for burglaries of and thefts from construction sites in the Town and authorize the Town Manager to sign a Supplemental Reward Fund Agreement for this purpose.
- e. Approval to Lease Purchase Truck Scales**
Recommendation: Approve the lease-purchase of one set of four interconnecting Haenni Portable Static WL101 truck scales for \$15,607.68.

- f. Adoption of Resolution Number 1137 Authorizing Right-of-Way Abandonment in the Vicinity of Cheney Drive and Mockingbird Lane**
Recommendation: Adopt Resolution Number 1137, authorizing the abandonment of public right-of-way adjoining 6721 E. Cheney Drive subject to the stipulations in the action report.
- g. Approval of 2008 Super Bowl Host Committee Funding**
Recommendation: Approve a contribution to the 2008 Super Bowl Host Committee in the amount of \$23,748.
- h. Award of Contract for Annual Slurry Seal Program**
Recommendation: Award the annual slurry seal contract for Fiscal Year 2006/07 to Southwest Slurry Seal, Inc in an amount not to exceed \$120,704.
- i. Award of Contract for Testing and Repair of Intelligent Traffic System Infrastructure**
Recommendation: Award a contract to ITS Engineers and Constructors, Inc. for the testing and repair of the Intelligent Traffic Systems (ITS) infrastructure in an amount not to exceed \$29,694.
- j. Authorization to Close Northern Avenue for the Northern Avenue Improvements Invergordon Road to Mockingbird Lane**
Recommendation: Authorize the complete closure of Northern Avenue between Invergordon Road and Mockingbird Lane for the placement of rubberized asphalt pavement.

Mr. Martinsen summarized the items on the consent agenda.

Councilmember Clarke asked that item 11g be removed.

Councilmember Clarke stated he did not believe that the Town should contribute any money to the Super Bowl Host Committee. He stated that he did not believe that the public sector should be contributing funds to a private enterprise unless there was a direct benefit to the Town. The reason the Town is contributing to the Fiesta Bowl is because occupancy of the Town's hotels are directly impacted by the event since Scottsdale and Paradise Valley are the host cities. Moreover, occupancy would otherwise be down when the Fiesta Bowl takes place. However during the Super Bowl the Town's resorts are already at full capacity because of the FBR Open, the Arabian horse shows, and various car auctions.

Councilmember LeMarr stated he could not support what basically amounts to a fundraiser for a for-profit organization. He noted that there is a big difference between supporting the Fiesta Bowl and the Super Bowl. As a host city for the Fiesta Bowl there is a direct benefit to the Town, but there is no benefit to the Town for supporting the Super Bowl Host Committee.

Councilmember Schweiker stated that letters were received from all the resorts asking the Council to support the Super Bowl Host Committee. As the Town's representative on the board of the Scottsdale Convention and Visitors' Bureau he noted that ten years ago the Town did not contribute to the Super Bowl Committee and it is still talked about to this day. He said it is a disservice to the Town's resorts if the Town did not offer some support. He said there may not be a direct benefit to the Town during the event but the Super Bowl does attract the right demographic that would likely bring business to the Town in the future.

Councilmember Cooney stated it would be unreasonable not to donate something.

Motion and vote – Councilmember Schweiker moved to approve item 11g. Councilmember Cooney seconded the motion which passed by a vote of 4 to 2 with Councilmembers Clarke and LeMarr voting “no”.

Motion and vote – Mayor Winkler moved to approve the Consent Agenda with the exception of item 11g. Councilmember Cooney seconded the motion which passed by a vote of 6-0.

ACTION ITEMS

Consideration of the Kiva Elementary School Athletic Field Improvement Project; Authorization of Formal Response to the Arizona Sports & Tourism Authority; and Authorization to Bid the Project

Vice Mayor Hamway stated that the goal of the improvement project: “As part of a collaboration, to renovate, improve and maintain the 8-acre athletic field adjacent to Kiva Elementary School so that it can serve the public by adequately meeting the diverse recreational needs of students, children's and youth sports groups and community members.”

She stated that much had been accomplished. A task force was formed, an intergovernmental agreement between the Town, Scottsdale and the Unified school district had been approved, the Town was awarded a grant from the Arizona Sports and Tourism Authority, site plans had been completed, and money had been raised.

She reported the in-kind donations and the funding that had been received and pledged. The estimated funds required to complete the project is \$947,158. The Town has budgeted \$200,000, the youth sports groups have pledged \$203,000, the Kiva School has pledged \$44,300, and the community has pledged \$44,900 for a total of \$561,300. Vice Mayor Hamway reported that Currier Construction volunteered to build the restroom facility which reduces the estimated cost by \$200,000 for a new total of 747,158. She said the funding shortfall equaled \$185,858.

She presented three options for scaling the project back to meet available funding. Plan A was the full project as has been discussed and designed. Plan B removes the restroom facility and requires the sports leagues to pay for the lights. The funding needed for Plan B was \$747,158. The estimated shortfall was \$318,819. Plan C removes the lights, restroom, and landscaping from the plan. The funding needed for Plan C was \$336,113. The shortfall was \$71,463.

Rev. Jack Zoellner, 4937 82nd Street, Scottsdale, stated that his grandson's soccer practice had to be moved to Phoenix because the Kiva field is unusable. He supported the improvement project.

Mark Swartz, 6722 N. 60th Street, asked for the Town's commitment to fund the project. The Town has not done anything to provide recreational facilities for children in the Town. The Town has always relied on Scottsdale and this would be an opportunity to provide a safe place for area children to play.

Scott Graham, 10651 E. San Salvador Drive Scottsdale, stated that he represents the ASUSC. He reported that there are over 300 kids in the program from Paradise Valley. The soccer club had been avid users of Kiva field until it was judged unsafe. There are 210 teams in the club and there is a desperate need for lighted practice fields.

Clay Baldwin, 5709 N. Monte Vista, objected to process that was followed to improve the field. He did not feel that the neighbors' voices were heard.

Maria Ruttle, 6316 N. Quail Run Road, asked if the pledges were in writing or just verbal promises. Vice Mayor Hamway responded that the pledges were in writing.

Kathy Dalzell, 6726 N. 63rd Place, thanked those responsible for making the project viable. She said in some respects the project should be considered an obligation for the Town. Town has relied on the generosity neighbors like Scottsdale for recreational opportunities and this is a way for the Town to thank them.

Councilmember Clarke stated that plan A is the only plan worth pursuing. The history of the Town shows that when the Council decides a project is worth pursuing it must be done well.

Councilmember Schweiker stated that any money invested in this field would be well worth it if even one child was helped on the right path in life as a result. He supported Plan A. The Council should guarantee the short fall but still solicit contributions.

Councilmember Cooney stated that Paradise Valley is often not considered a family oriented community. He said this project may help to reject that image. He stated that the Town would lose too much if the project was abandoned. He supported Plan A.

Mayor Winkler thanked Vice Mayor Hamway for her efforts.

Motion and vote - Vice Mayor Hamway moved to 1) authorize a response to the Arizona Sports and Tourism Authority regarding the Youth and Amateur Sports Committee Grant stating that the Town is willing to fund any shortfall between the amount necessary to fund the project and the amount of contributions raised to fund the project; and 2) authorize the Town Manger to complete the plans for the project and bid out the project, save and except for the restroom improvements, which will be built by an in-kind contribution from Currier Construction. Councilmember Schweiker seconded the motion which passed by a vote of 6-0.

Councilmember LeMarr departed the meeting.

Presentation of Comprehensive Annual Financial Report and Report on Examination of Annual Expenditure Limitation

Ms. Lancaster stated that the Comprehensive Annual Financial Report consists of three sections: introductory section, the financial section and the statistical section. The Town's auditors, Cronstrom, Osuch & Company, P.C. found that the financial statements for the year ending June 30, 2006 present fairly in all material respects, the financial.

She reported that the total governmental fund balance was \$26,314,719 and that total governmental expenditures were \$19,498,191. Total general governmental revenues were up 15.1% this year. Local tax revenue was up 10.5%. The hospitality industry accounts for 53.6% of total local taxes and the construction industry accounts for 30.1% of total local taxes. Licenses and permits were up 9.6%, Intergovernmental Revenues were up 14.1% and Interest income was up 63.1%.

She said that the expenditure limitation was \$17,046,302.

Motion and vote – Vice Mayor Hamway moved that we receive and file the Comprehensive Annual Financial Report for fiscal year ending June 30, 2006 and the Report on Examination of Annual Expenditure Limitation Report. Mayor Winkler seconded the motion which passed by a vote of 5-0.

PUBLIC HEARINGS

Adoption of Ordinance Number 586 and Resolution Number 1136, Adopting the 2007 Tax Code Amendments

Mr. Miller stated that the Town is a "model city" under the Model City Tax Code (MCTC). Periodically the Department of Revenue, the Unified Audit Committee, and the MCTC Commission meet to review changes in state tax law and discuss other local tax related issues.

The MCTC proposed amendments resulting from those meetings must then be adopted by model cities across the state.

He announced that there are three categories of amendments this year. They deal with state tax preemptions, tax treatment of the hotel industry, and statutory reference changes. He noted that the proposed amendments will have little impact on the Town. The provisions either do not apply or they clarify existing practices and administrative rulings.

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

Motion and vote – Mayor Winkler moved to adopt Resolution Number 1136 and Ordinance Number 586. The motion was seconded by Councilmember Clarke which passed by a vote of 5-0.

ADJOURNMENT

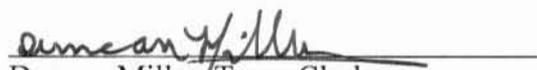
Motion and vote – Councilmember Clarke moved to adjourn. Vice Mayor Hamway seconded the motion which passed by a vote of 5-0.

Mayor Winkler adjourned the meeting at 8:23 p.m.



Ed Winkler, Mayor

ATTEST:



Duncan Miller, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of Paradise Valley held on then 7th day December 2006. I further certify that the meeting was duly called and held and that a quorum was present.



Dated this 12 day of January, 2007.

Duncan Miller
Duncan Miller, Town Clerk