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

**SUMMARIZED MINUTES**  
**MARCH 12, 2009**

**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, March 12, 2009 at 5:00 PM.

**COUNCIL MEMBERS PRESENT**

Mayor Vernon B. Parker  
Vice Mayor Ron Clarke  
Council Member Brian Cooney attended by telephone conference call  
Council Member Pam Kirby  
Council Member Scott LeMarr  
Council Member Virginia "Jini" Simpson arrived at 5:03 p.m.

Council Member Mary Hamway was not present

**STAFF MEMBERS PRESENT**

Town Manager James C. Bacon, Jr.  
Town Clerk Duncan Miller  
Town Engineer William Mead  
Planning & Building Director Eva Cutro  
Chief of Police John J. Bennett  
Public Works Director Andrew Cooper, Jr.  
Public Safety Director John D. Wintersteen  
Deputy Town Attorney Steven Zraick  
Human Resources Manager Jinnett Hancock  
Paralegal Nancy Davis

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**Discussion of Trash Collection**

Mr. Bacon reminded Council that this topic was discussed on September 11, 2009. It was clear from that discussion that the Town wanted to preserve the system of private competition that currently exists. However, it was equally clear that there was interest in minimizing the number of trips made by sanitation collection trucks on Town streets.

The Town met twice with the licensed service providers to explore ways to accomplish those two goals. He said the purpose of this meeting is to discuss two possible solutions which resulted from those meetings and obtain feedback from Council.

Currently the code requires twice per week collection of solid waste. Additionally, providers are required to offer recyclable collection at least semi-monthly. It is recommended that the twice per week requirement be changed to once per week and the recycling requirement would remain. This change in the minimum service requirement would not prevent twice per week service. If the Council is agreeable to this change Section 8-3-7(B) of the Town Code must be modified and the Town would have to apply for a variance from the Maricopa County Health Department.

There was Council discussion about the expectation that rates would be reduced if once a week collection is offered.

Mr. Bacon stated that the second idea is to explore the feasibility of establishing collection zones. Presently service providers are operating on Town streets five days a week. The Town proposes splitting the Town into collection zones and allowing all service providers to limit their collection activities to certain zones on certain days. If the Council concurs, Section 8-3-9 of the Town Code must be amended.

The Council reasserted that the overall goal is to increase the number of days neighborhoods would not have trash containers and collection vehicles on their streets without resorting to a master contract. There was discussion that maintaining competition among four licensed providers would allow the market to set the best prices.

Resident Ray Thurston discussed the disadvantages of allowing multiple haulers to operate in the Town. He offered statistics on the amount of pollution, noise and damage to streets caused by the presence of multiple vehicles in Town five days a week.

Resident Mike Wilson discussed the advantages of a master contract. He argued that the Town and its residents would benefit from economies of scale.

Resident Judith Kunkel agreed that the Town should bid out solid waste collection to one vender. She stated that the free market system also includes competition among multiple providers to bid on a master contract.

Resident Bill Wilhoit agreed that there should be only one provider and suggested that the Town provide the service.

Resident Robert Rasmussen stated the current system works well. He cautioned that there are many unknown issues associated with changing the collection system.

Dorothy Smith said she is one of many residents happy with the current system. She stated the Town should not be taking on additional services in this economy.

Mr. Bacon summarized that the Town will continue discussion with haulers, specifically related to a rate structure for once a week collection. The Town will also explore ways to collectively minimize number of days they operate in the Town. He noted that two other issues that will be discussed is collection at hillside properties and homeowners associations.

### **Report of Water Utility Committee Recommendation Regarding Arizona-American Water Rate Case**

Council Member Kirby introduced Water Utility Committee members Bill Mead, Eva Cutro, and Janice Stoney. She announced that applications to fill the seventh seat on the Committee are due tomorrow. She reported on the second Water Utility Committee meeting held on March 4, 2009. One of the key topics discussed was the pending Arizona-American Water Company rate case pending before the Arizona Corporation Commission. The Town is an intervener in that rate case. The Council directed the Committee to review the rate case and make recommendations regarding the Town's position. She summarized the list of Committee recommendations for Council action during the business meeting later in the evening.

#### **Fire Flow Improvements and / or Public Safety Surcharges**

She said the Committee believes that fire flow is an important issue. However, fire flow improvements should be studied and prioritized Town-wide and not limited to only one of the water providers. Based on the need for further study, the proposed public safety surcharge for fire flow improvements should not be included in the rates to be implemented by the Arizona Corporation Commission.

#### **Water Conservation and Systems Benefit Surcharge**

She said the Committee recommended that the Town not support a system benefit surcharge at this time. The Town should encourage water conservation, but not through a system benefits surcharge levied solely against Arizona American customers to fund conservation programs to benefit all Town residents. The Committee identified two alternatives. First, the Town could fund a conservation program available to all Town residents that focuses on education of residents on methods that the users themselves can implement in order to conserve water. The second alternative is for the water company itself to craft and administer a program for their customers similar to those in other rate districts.

#### **Rate Tier Structure**

She said the Committee recommended that the Town not take an official position on which tier design is best. Although the use of rate tiers can be an effective tool to encourage conservation, the Town lacks the expertise necessary to comment on the merits or impact of the various rate tier designs proposed by ACC staff testimony.

**Consolidation of Arizona-American Rate Districts**

The Committee agreed that the Town should not take a position on the question of consolidation of Arizona-American's Arizona water system districts. The Committee discussed various advantages and disadvantages of consolidation but resolved that the Town lacks sufficient data and expertise to comment on the implications of consolidation given the number of variables, many of which are fluid.

Council asked for clarification about which tier system has been submitted for consideration by the Arizona Corporation Commission. Arizona-American Water Company President Paul Townsley responded that he misspoke at a previous community meeting. The Company has proposed a 5-tier system not a 3-tier system. There is currently a 3-tier system but a 5-tier is proposed. Additionally, Mr. Townsley said the arsenic surcharge which was ordered by Commission to pay for the construction of the removal plant and subsequent operating costs is rolled into the base rate in the current application. He said the fee will not be eliminated or reduced; rather it will be folded into the base rate.

Resident Robert Rasmussen argued that residential and commercial customers should pay the same water rates.

There were no suggested amendments to the recommendations or proposed resolution.

**Discussion of Phoenix Fire Department Contract**

Mr. Bacon stated that the decision to contract for fire service with City of Phoenix has proven to be a good one. The agreement will be one of the most significant budget items. It accounts for between 12% and 20% of next year's budget depending on whether capital improvements and debt service are included. He said it is important for Council to have a firm understanding the agreement's provisions.

Ms. Lancaster summarized the history behind the Town's decision to enter into an intergovernmental agreement with the City of Phoenix for fire protection services. Following Scottsdale's decision to terminate its contract with Rural/Metro and create their own fire department, the Town investigated its options. The Town considered continuing its contract with Rural/Metro, contracting with the City of Scottsdale, contracting with the City of Phoenix, or forming a Town fire department.

The Town compared the costs of the various options.

Rural/Metro (April 2005)	\$2,700,000
City of Scottsdale (cost of one station)	\$2,006,000
Town Fire Department (April 2006)	\$3,199,400
City of Phoenix (June 2006)	\$1,657,000

Mr. Wintersteen said the Town's responsibilities under the agreement are to provide land and construction and on going maintenance of the two fire stations; provide vehicles (2 fire pumpers, tender, brush truck) share in half the operating costs paid quarterly; and be responsible for start up costs including initial communications and dispatch equipment. Phoenix is responsible for management of day to day operations; developing and maintaining operational guidelines and procedures at similar service level as the City provides within its boundaries.

The agreement has an indefinite term. However, each party may terminate the agreement upon 365 days written notice. There are also 90 day termination provisions for both parties if the other party fails to meet its primary responsibilities under the agreement. The Town is also authorized to conduct audits of Phoenix's records, which the Town has done and will do again this year.

The agreement also provides for extending service to include the Franciscan Renewal Center and Clearwater Hills county islands. They are billed annually for service and the revenue is share equally between the Town and City.

The remaining tasks include finalizing the fire stations, reporting (call volume, etc), and setting up a permanent coordination process.

Finally, he summarized the emergency medical transportation contract with PMT Ambulance. The term of the agreement expires in 2011 with three 2-year automatic renewals. There is no cost to the Town and PMT reimburses for Phoenix Fire paramedics who accompany victims in the ambulance. Any revenue received from PMT is equally divided.

**Motion and vote** – Vice Mayor Clarke moved to go into executive session at 6:30 p.m. Mayor Parker seconded the motion which passed by a vote of 6 – 0.

### **EXECUTIVE SESSION**

Legal advice from Attorney regarding **Town noise ordinances and code violations** as authorized by A.R.S. §38-431.03.A.3. Discussion and consultation with Attorney regarding pending or threatened claims and litigation related to **potential code violations** in the vicinity of Lincoln Drive and 56<sup>th</sup> Street and Lincoln Drive and Tatum Blvd as authorized by A.R.S. §38-431.03.A.4.

**CALL TO ORDER**

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

**COUNCIL MEMBERS PRESENT**

Mayor Vernon B. Parker  
Vice Mayor Ron Clarke  
Council Member Brian Cooney attended by telephone conference call  
Council Member Pam Kirby  
Council Member Scott LeMarr  
Council Member Virginia "Jini" Simpson

Council Member Mary Hamway not present

**STAFF MEMBERS PRESENT**

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

**PLEDGE OF ALLEGIANCE**

Mayor Parker led the pledge of allegiance.

**PRESENTATIONS**

There were no presentations.

**CALL TO THE PUBLIC**

There were no public comments.

**MAYOR / COUNCIL / MANAGER REPORT**

Mr. Bacon reported that tomorrow is the last day for the six employees who were laid off. He thanked them for their service. Secondly, he recognized some of his former coworkers from the City of Puyallup, Washington.

**CONSENT AGENDA**

- a. Minutes of Town Council Work Session February 19, 2009**
- b. Minutes of Town Council Meeting February 26, 2009**
- c. Report on Investments**  
*Recommendation:* Receive and file the report.  
*Staff Contact:* Lenore P. Lancaster, Management Services Director, 480-348-3532
- d. Authorization to Enter into an Agreement with Wedbush Morgan Securities for Financial Advisor Services**  
*Recommendation:* Authorize the Town Manager to enter into an agreement with Wedbush Morgan Securities for services as financial advisor in an amount not to exceed \$35,000.  
*Staff Contact:* Lenore P. Lancaster, Management Services Director, 480-348-3532
- e. Authorization to Enter into an Agreement with Ballard Spahr Andrews & Ingersoll, LLP for Bond Counsel Services**  
*Recommendation:* Authorize the Town Manager to enter into an agreement with Ballard Spahr Andrews & Ingersoll, LLP for bond counsel services in an amount not to exceed \$45,000, plus expenses.  
*Staff Contact:* Lenore P. Lancaster, Management Services Director, 480-348-3532
- f. Approval of Replacement of Portable Radios**  
*Recommendation:* Approve the lease purchase of 34 new Motorola XTS 5000 portable radios and associated accessories from Motorola, Inc. in the amount of \$164,846.21.  
*Staff Contact:* John J. Bennett, Chief of Police, 480-948-7418
- g. Approval of Replacement of Police CCTV and Door Control System**  
*Recommendation:* Approve the replacement of the current CCTV system and door control system to be supplied by Netsian Technologies in the amount of \$26,878.83.  
*Staff Contact:* John J. Bennett, Chief of Police, 480-948-7418
- h. Appointment of Municipal Court Judges**  
*Recommendation:* Make appointments to the Town's Municipal Court for the term April 1, 2009 through April 1, 2011 as listed in the Action Report.  
*Staff Contact:* James C. Bacon, Jr., Town Manager, 480-348-3690
- i. Adoption of Resolution Number 1185; Water Utility Committee Recommendations**  
*Recommendation:* Adopt Resolution Number 1185.  
*Staff Contact:* Andrew M. Miller, Town Attorney, 480-348-3691

Mr. Bacon summarized the consent agenda.

A member of the public asked that item 11i be removed.

Vice Mayor Clarke asked that item 11h be removed.

**Motion and vote** - Councilmember Simpson moved to approve the Consent Agenda with the exception of items 11h and 11i. Councilmember LeMarr seconded the motion which passed by a vote of 6 -0.

**11h. Appointment of Municipal Court Judges**

**Recommendation:** Make appointments to the Town's Municipal Court for the term April 1, 2009 through April 1, 2011 as listed in the Action Report.

Vice Mayor Clarke stated that the Town is fortunate to have the largest pro bono municipal court. He thanked Presiding Judge Phil Grace and Court Services Manager Elsa Lynch for their leadership and the other judges for their donation of time and talent.

**Motion and vote** – Vice Mayor Clarke moved to make the following appointments to the Paradise Valley Municipal Court:

- Presiding Judge J. Philip Grace
- Associate Judge John L. Auran
- Associate Judge J. Tyrrell Taber
- Associate Judge Sandra L. Slaton
- Associate Judge Stanley Marks
- Associate Judge Steven A. Cohen
- Associate Judge Jeffrey R. Timbanard

Councilmember LeMarr seconded the motion which passed by a vote of 6-0.

**11i. Adoption of Resolution Number 1185; Water Utility Committee Recommendations**

Resident Robert Rasmussen suggested that the proposed Resolution for submittal to the Arizona Corporation Commission docket regarding the Arizona-American Water rate case include a recommendation to standardizing the rate structure for residents and commercial customers. He argued that residents are paying more for water and are subsidizing commercial customers.

Council responded that per capita water use at resorts is less than residential water use.

**Motion and vote** – Councilmember Simpson move to approve Resolution Number 1185, Water Utility Committee recommendations. Councilmember Kirby seconded the motion which passed by a vote of 6 - 0.

**PUBLIC HEARINGS**

There were no public hearings.

**ACTION ITEMS**

**Adoption of Resolution Number 1184**

Mr. Bacon stated that there is an opportunity for the Town to save approximately \$500,000 over the next ten years by refinancing the Municipal Property Corporation Excise Tax Revenue Bonds and the new fire station capital leases. He said Resolution 1184 provides authorization to take the steps necessary to consummate the refunding.

**Motion and vote** – Councilmember LeMarr moved to adopt Resolution Number 1184. Councilmember Simpson seconded the motion. The Mayor noted that the Resolution includes an emergency clause so a roll call vote was taken.

Vice Mayor Clare	aye
Councilmember Cooney	aye
Councilmember Hamway	not present
Councilmember Kirby	aye
Councilmember LeMarr	aye
Mayor Parker	aye
Councilmember Simpson	aye

The motion passed by a vote of 6 – 0.

**ADJOURNMENT**

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

Mayor Parker adjourned the meeting at 7:19. p.m.



Vernon B. Parker, 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 Paradise Valley Town Council held on then 12<sup>th</sup> day March 2009. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27<sup>th</sup> day of March, 2009.

  
Duncan Miller, Town Clerk



OFFICIAL SEAL  
OFFICE OF THE TOWN CLERK  
TOWN OF PARADISE VALLEY  
DUNCAN MILLER, TOWN CLERK