

TOWN

Of

PARADISE VALLEY



**TOWN COUNCIL MEETING
6401 E. LINCOLN DRIVE
PARADISE VALLEY, ARIZONA 85253
SUMMARIZED MINUTES
SEPTEMBER 10, 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, September 10, 2009 at 4:00 PM.

COUNCIL MEMBERS PRESENT

Mayor Vernon B. Parker
Vice Mayor Virginia "Jini" Simpson
Council Member Bernie Barry
Council Member Ron Clarke was not present
Council Member Mary Hamway
Council Member Pam Kirby
Council Member Scott LeMarr

STAFF MEMBERS PRESENT

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

Preliminary Report on Year End Revenues & Expenses

The Council discussed unaudited revenue and expenses for Fiscal Year 2008-2009. Mr. Bacon reported that there was a greater fund balance contribution than anticipated. The rate of decrease in revenues was more than expected, but the Town was able to respond by making deeper cuts in expenditures. He said staff will report on the first quarter of 2009-10 as soon as final numbers are available. He concluded that this report will provide a good baseline for the Council's budget policy retreat for 2010-11.

Ms. Lancaster reported that General Fund and HURF fund fell short by \$2.6 million. Sales tax revenue was impacted the most. However, the Town enjoyed favorable impacts from Montelucia building permits and a very large state audit.

She said the construction sector was significantly impacted by the current economic climate resulting in a significant reduction in permit revenues for the Town. State shared income tax, interest, and miscellaneous revenues are the only three revenue categories that met or exceeded their budgeted levels. Fines and forfeitures were also lower than in previous years.

She stated that there were some large savings in departmental expenditures. Vacated personnel positions were not replaced which resulted in significant savings. Additionally there were savings in the fire service contract, outside legal services, recruitment, training, and travel.

The savings in capital leases were the result of a reduction in the FY 2008 principal amount for the Police Department radio project and a change in the FY 2009 capital lease program whereby the Town made a 0% down payment on the three year lease instead of the usual 33%.

The fund balance position was \$1.3 million higher than budgeted. This was a result of aggressively reducing expenses at a rate higher than falling revenues and utilization of the Alarm Fund balance to support General Government.

Discussion of Human Services Funding

Mr. Bacon explained that the Town provides human services funding to organizations which benefit not only Town residents but also members of the greater metropolitan area. At the December 10, 2008 Budget Retreat, Council direct staff to limit the Human Services budget to \$80,000 down from \$119,598 the previous year. A list of proposed expenditures was brought to Council in July 2009, but Council asked to review the proposal in a work session.

Ms. Lancaster explained that in addition to Town funds, the Town utilizes state collected LTAF II money to fund the Central Arizona Shelter Services (CASS) and the Regional Public Transportation Authority (RPTA). Use of LTAF II money is restricted to transportation related programs. This year the Town is eligible to receive \$20,044.61 in LTAF II funds which require a Town match of \$5,011.16.

Council was presented with three options for distributing funds based on the following: budgeted amount of \$80,000, Suggestion 1 totaled \$62,511.16, and Suggestion 2 totaled \$50,611.16.

Council's preference was to create a subcommittee made up of Council Members Kirby and Hamway to review the agency funding requests and the Town's historic level of funding for each agency. Council asked that this item be brought back for approval on October 8, 2009.

Discussion of Master Fee Schedule Update

Ms. Lancaster stated that the Master Fee Schedule is a Town Council approved list of all fees imposed by the Town Code and administrative fees assessed to recoup costs for performing certain services. Periodically the fees are reviewed and updated. The current fee schedule became effective March 1, 2008.

In 2002, Council asked staff to develop a new methodology for setting fees. Council approved a full cost recovery method for determining appropriate fees. The fees include a portion of administrative expenses as well as departmental expenses including salary and benefits.

This year, staff re-evaluated the direct hours involved for staff. In some instances, this resulted in an increase in fees. She said the fees related to special use permits were re-calculated to take into consideration the proposed four tier SUP process.

Staff presented Council with two alternatives for Planning & Building Department related fee changes. The first alternative was calculated based on direct hours required by the Planning Director and Town Engineer. The second alternative treated the hours as indirect cost which was consistent with the methodology used in the previous year's schedule.

Council directed staff to conduct a fee schedule comparison with neighboring communities. There was also interest by some of the Council in revisiting the full cost recovery methodology.

Motion and vote – Council Member LeMarr moved to go into Executive Session at 5:09 P.M. Vice Mayor Simpson seconded the motion with passed by a vote of 6-0.

EXECUTIVE SESSION

- a. Discussion and consultation with the Town Attorney regarding **noise mitigation agreement related to the Montelucia Resort and Spa** as authorized by A.R.S. §38-431.03.A.4.
- b. Discussion and consultation with Town Attorney **regarding pending or potential litigation and/or potential contract negotiations with NewPath Networks, LLC** as authorized by A.R.S. §38-431.03.A.4.
- c. Discussion and consultation with the Town Attorney regarding pending or potential litigation and current and/or future development agreement with **Potomac Hotel Limited Partnership and/or MTS Land LLC and/or HB Equities related to Mountain Shadows** as authorized by A.R.S. §38-431.03.A.4 and legal advice as authorized by A.R.S. §38-431.03.A.3.

RECONVENE FOR REGULAR MEETING

CALL TO ORDER

Mayor Parker reconvened the meeting of the Town Council at 7:00 P.M.

COUNCIL MEMBERS PRESENT

Mayor Vernon B. Parker
Vice Mayor Virginia "Jini" Simpson
Council Member Bernie Barry
Council Member Mary Hamway
Council Member Pam Kirby
Council Member Scott LeMarr

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 Chief John J. Bennett
Planning & Building Director Eva Cutro
Public Works Director Andrew Cooper, Jr.
Management Services Director Lenore Lancaster

PLEDGE OF ALLEGIANCE

Paradise Valley residents Sam Fink and Joshua Fink led the Pledge of Allegiance.

PRESENTATIONS

Recognition of Armando Rivas

Mayor Parker recognized Armando Rivas for his 30 years of service to the Town on the occasion of his retirement. The Mayor presented him with a proclamation and a gift from the employees.

CALL TO THE PUBLIC

There were no public comments.

MAYOR / COUNCIL / MANAGER REPORT

Mayor Parker announced that tomorrow is the ninth anniversary of the September 11th attacks. He encouraged everyone to keep those who lost their lives on 9/11 and those who protect the nation in their thoughts.

CONSENT AGENDA

- a. Minutes of Town Council Meeting July 9, 2009**
- b. Minutes of Town Council Special Meeting August 27, 2009**
- c. Cancellation of Town Council Meeting for September 24, 2009**
Recommendation: Cancel the regularly scheduled meeting of September 24, 2009.
- d. Report on Investments**
Recommendation: Receive and file the report.
- e. Adoption of Notice of Intent to Increase Sewer Rates and Hold a Public Hearing on October 22, 2009**
Recommendation: Adopt notice of intent to increase sewer rates and hold a public hearing on October 22, 2009.
- f. Authorization to Apply for LTAF II Grant**
Recommendation: Authorize an LTAF II Grant Application for fiscal year 2009-2010, which will provide \$20,044.61 for contributions to the Central Arizona Shelter Services (CASS) for their transportation program, with 25% or \$5,011.16 Town matching funds.
- g. Adoption of Resolution Number 1196 Transfer of Funds within the 2008/09 Budget**
Recommendation: Adopt Resolution Number 1196 finalizing the Fiscal Year 2008/09 budget by transferring funds from contingency funding to the Debt Service Fund.
- h. Approval of Resolution Number 1197 Authorizing Participation in the Governor's Office of Highway Safety Click It or Ticket Safety Belt Enforcement Program**
Recommendation: Adopt Resolution Number 1197, authorizing the Chief of Police to enter into a contract with the Governor's Office of Highway Safety for participation in the safety belt enforcement program.
- i. Approval of Appointments and Reappointments to Boards, Commissions and Committees**
Recommendation: Make appointments and reappointments to various boards, commissions and committees as indicated in the Action Report.

Mr. Bacon summarized the items on the Consent Agenda.

Council Member Kirby asked to remove item 11f. Mayor Parker asked to remove item 11i. Vice Mayor Simpson asked to removed item 11h

Motion and vote – Council Member LeMarr moved to adopt the Consent Agenda with the exception of items 11f, 11i, and 11h. Council Member Hamway seconded the motion which passed by a vote of 6-0.

11f. Authorization to Apply for LTAF II Grant

Recommendation: Authorize an LTAF II Grant Application for fiscal year 2009-2010, which will provide \$20,044.61 for contributions to the Central Arizona Shelter Services (CASS) for their transportation program, with 25% or \$5,011.16 Town matching funds.

Council Member Kirby stated that a Council subcommittee will meet to discuss Human Services funding for the current fiscal year. The committee would like to preserve their options regarding funding for Central Arizona Shelter Services. This grant application must be approved tonight in order to receive funding but the subcommittee would like the opportunity to consider additional funding for CASS once more historical funding information is known.

Motion and vote – Council Member Kirby moved to appropriate no less than \$5,011.16 from the Human Services budget and the use of the LTAF II grant in the amount of \$20,044.61 for CASS to provide transportation services to persons with disabilities, for welfare recipients, and for low income employment activities. Vice Mayor Simpson seconded the motion which passed by a vote of 6-0.

11h Approval of Resolution Number 1197 Authorizing Participation in the Governor's Office of Highway Safety Click It or Ticket Safety Belt Enforcement Program

Recommendation: Adopt Resolution Number 1197, authorizing the Chief of Police to enter into a contract with the Governor's Office of Highway Safety for participation in the safety belt enforcement program.

Responding to a question from Vice Mayor Simpson, Chief Bennett explained that the *Click It or Ticket* program is designed to increase seat belt usage in Arizona. The grant funds will provide funding for police overtime which will allow for enhance patrols. He said that a seat belt violation is a secondary offence meaning that officers only issue citations when another violation has occurred. He said another goal of the program is to gather statistics on seatbelt usage in Arizona.

Motion and vote - Vice Mayor Simpson moved to adopt Resolution Number 1197. Council Member Hamway seconded the motion which was approved by a vote of 6-0.

11i Approval of Appointments and Reappointments to Boards, Commissions and Committees

Recommendation: Make appointments and reappointments to various boards, commissions and committees as indicated in the Action Report.

ACTION ITEMS

Approval of Ordinance Number 615 Amending Section 2-1-4 of the Town Code Regarding Council Vacancies

Mr. Andrew Miller stated that the Town Code currently provides that when a vacancy occurs in Council it shall be filled by appointment for the unexpired term. He said the Town has used this procedure in the past. Recently, state law was amended to allow municipalities the option of holding an election to fill a council vacancy in addition to its power to appoint. Proposed Ordinance 615 simply mirrors state statute.

He said the election option may only be used when a vacancy occurs more than 30 days prior to the candidate filing deadline for the next regularly scheduled election. Candidates wishing to run for the vacant seat would declare their intention and circulate petitions like candidates for the four year term.

Motion and vote – Council Member Hamway moved to adopt Ordinance Number 615. Vice Mayor Simpson seconded the motion which passed by a vote of 6-0.

ADJOURNMENT

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

Mayor Parker adjourned the meeting at 7:25 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 10th day September 2009. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8 day of October, 2009.



Duncan Miller
Duncan Miller, Town Clerk