

**TOWN OF PARADISE VALLEY
MINUTES
TOWN COUNCIL SPECIAL MEETING
JUNE 5, 2006**

CALL TO ORDER

Mayor Clarke called the Special Meeting of the Town Council of the Town of Paradise Valley, Arizona, to order at 7:00 p.m. on Monday, June 5, 2006, at Town Hall 6401 E. Lincoln Drive, Paradise Valley, Arizona 85253

COUNCIL MEMBERS PRESENT

Mayor Ron Clarke
Vice Mayor Ed Winkler
Council Member Rick Coffman
Council Member Mary Hamway
Council Member Scott LeMarr (5:21 pm)
Council Member Dan Schweiker
Council Member Virginia "Jini" Simpson

STAFF MEMBERS PRESENT

Town Manager Thomas M. Martinsen
Town Attorney Andrew Miller
Management Services Director Lenore Lancaster
Public Works Director Andrew Cooper
Planning Director Eva Cutro
Town Engineer William Mead
Police Chief John Wintersteen
Court Services Manager Elsa Lynch
IT Administrator Carl Hollish
Human Resources Administrator Jinnett Hancock
Capital Projects Administrator Bob Ciccarelli

PLEDGE OF ALLEGIANCE

Council Member Coffman led the Pledge of Allegiance

MANAGERS REPORT

Mayor Clarke asked if anyone was going on vacation, they should fill out a vacation watch form and bring it in person to the Police Department.

DISCUSSION / ACTION ITEMS

Consideration of Alternatives for Future Fire Service

Mr. Martinsen said the Council has held two prior town hall meetings on fire service. He said Rural/Metro decided unilaterally to end its contract with the City of Scottsdale. There are four small towns that surround Scottsdale that were dependent on the specialized equipment that was in Scottsdale. When the Rural/Metro contract was terminated, the Town decided that it needed to take control of its future. We have taken a number of steps to prepare the Town for its fire service. It purchased land for a second fire station and a station is now operating just east of the town hall. The Town has a long-term lease on fire station number 1. The Town has ordered two fire engines, one to be delivered in late 2006 and one in early 2007. The Town's FY 2007 budget includes funds to purchase fire station 1 and to design and begin construction for two new stations. The Town will also be buying a fire tender.

Mr. Martinsen reviewed the Town's options. It could continue with Rural/Metro with a master contract. The current subscription system is flawed because not everyone pays. The second option is to have its own department. The cost would be about \$3.6 million per year. The third option is to partner with a neighboring city. At first Scottsdale was thought to be a good fit, but it became apparent there would be some difficulties. In mid-2005 we asked Phoenix and Scottsdale for mutual aid. They agreed to a one-year mutual aid agreement. Earlier this year, Phoenix and Scottsdale notified the Town that they would not renew the mutual aid agreements. Phoenix noted that the Town's two fire stations were a benefit to some areas of Phoenix. Phoenix indicated that they would be willing to enter into an agreement to share the cost of the two fire stations if the Town would provide the infrastructure.

Mr. Martinsen reviewed a comparison of service providers. The City of Phoenix and the Town would try to reach a 4 minute response time as prescribed in NFPA 1710. We probably would not meet that objection. Rural/Metro is required to have a 6 minutes response time per license agreement. In reality, all three entities would have about the same response time. The major difference is the automatic or mutual aid. This is important to a small town like Paradise Valley. A two engine response is not adequate for a house fire for the size houses in Paradise Valley. With Phoenix or a Town fire department, we would have automatic aid consortium. However, Rural/Metro does not have automatic/mutual aid. For communication, Phoenix has the automatic aid dispatch center. The Town, if it had its own department, would seek to join the automatic aid dispatch center. Rural/Metro would use its own dispatch center. Regarding cost, the joint effort with Phoenix would cost between \$1.5 and \$2 million per year. The Town department would be about \$3.6 million, and Rural/Metro has given the Town an estimate of \$2.76 million.

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Mr. Martinsen reviewed the pros and cons for each option. For the Phoenix Fire Department option the pros are:

- Highest level municipal fire service
- Will share operational costs with the Town
- “Win/win” opportunity for both Phoenix and Town
- Can hire Rural/Metro employees
- Comprehensive professional management structure
- Town becomes part of Automatic Aid System
- Service parity with other valley cities
- Stable long-term arrangement
- Economies of scale
- No new revenue source is needed
- End of subscription fee method.

For the town department the pros are

- Direct control of fire service
- Service parity with other valley cities
- Stable long-term arrangement
- High standard of service
- Can hire rural/Metro employees
- Town becomes part of Automatic Aid System
- Stable long-term arrangement.

The cons are a

- Very high cost of service
- Major organizational management burden
- New revenue source needed
- No economies of scale.

The pros for Rural/Metro

- No change in service provider
- Resident satisfaction with service
- Familiar with Town.

The cons for Rural/Metro:

- Moderately high cost for service
- Uncertain long-term stability
- No city mutual aid available
- New revenue source required.

Michael Bernstein 6729 E. Horseshoe Rd., said his family has supported Rural/Metro (R/M) for about 30 years. In the last few weeks they had an emergency at their home, and it took them 15 minutes to respond. They were told that they could not find the residence. He felt the Town has grown and he endorses Phoenix because of their track record and

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they are well qualified. If at some point you had to impose a tax he feels the residents would be willing to pay for it.

Nancy Mario, 5429 E. Solano Drive, said she has lived here for twelve years. Rural/Metro sales growth was a C, profitability c+, financial health F, the financial health of R/M is abysmal. She feels R/M is the wrong company to run our fire service.

Colin Williams, 7101 E. Lincoln Drive, said he served in the public affairs department of Rural/Metro. Automatic aid is very important. Partnering with Phoenix benefits the Town as well as our neighbors in Arcadia. He is concerned with stability and the high rate of turnover. He thinks with Phoenix we would have long-term firefighters here and they would know the community. He recommends Phoenix.

Ginger Renner – she feels the decision has already been made and she would not be able to add to it.

John Lusson, 4630 E. Charles Drive, said he is a retired Phoenix firefighter. During holidays, Phoenix will beef up the stations with personnel. About 20 years ago there was a fire on Mummy Mountain. He responded as part of the Phoenix department. Phoenix put an engine company at every house that was in harms way. He recommended a property tax.

Dolf Strom, 6543 E. Meadowlark Lane, asked Tom Martinsen if the non-recurring expenses are the Town's responsibility and if the recurring expenses would be shared?

Mr. Martinsen said the terms discussed thus far are that the Town would be responsible for the infrastructure costs and the Town and the City of Phoenix would share the operating costs 50-50.

Mr. Storm said believes R/M should not be considered because of their inability to join in automatic aid agreements. He stated that only 12% of R/M's business is fire fighting, the rest is medical transportation. He asked who in Phoenix controls personnel, maintenance, etc. He questioned the Town's fire department cost study. He said there were a lot of chiefs – a chief, an assistant chief, and a battalion chief. With regard to response time, he feels response time should start when the phone call is answered versus when the equipment rolls. He doesn't believe the location of the fire stations is optimal. The majority of calls for Station 1 go to Phoenix. He thinks we should have only one optimally located fire station where the Goldwater Memorial is now located. In addition, there is no guarantee that the fire personnel would be staying at the fire stations and not rotating off.

Bob Rasmussen, 6102 N. Quail Run Rd., said the Town should not be held hostage by Phoenix. He would like to establishment of more direct control. He would like to see more control on the \$2 million cost and all costs should be 50-50.

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Mayor Clarke said about two years ago the Town decided it wants to control its own trucks and fire stations.

Oscar Butt, 5434 E. Lincoln Drive, #14, said R/M has served the Town well. We had direct control indirectly when he was here. He doesn't believe the current arrangement it is broken. The Town was formed on the basis of the least control. He believes private enterprise can do a better job than government.

Joe Heinz 4525 E. Pescard Drive, said he lost his home to a fire several years ago. It took 40 minutes for R/M to respond to the fire. He believes the issue is service. If we can align with Phoenix we can control what we are getting, the service we would get from Phoenix would be better than any other service. There is more boundary with Phoenix than there is with Scottsdale. Scottsdale has its hands full setting up its own fire department. He doesn't think the Town should set up its own department. The issue should be service, not cost. He would pay what he has to pay to get the service.

Barb Sorget, Colonia Miramonte #42, asked if R/M would have an opportunity to respond and specifically address the automatic aid issue.

Chief Gary Morris, Rural/Metro, said he has been fire chief for two years. During that time they have been very active in improving service. They have doubled their service to the Town. They believe in community choice and if the community chooses to go with a different option they will accept that decision. He proposed a modification of having a contract with Phoenix by providing for direct oversight of the Town's fire service by hiring a fire chief for the Town.

Chief Kahn said that the Town and the City of Phoenix are good neighbors and that providing service in the Town will be beneficial for both communities.

Council Member Schweiker said he has been pleased with Rural/Metro but became very concerned when R/M pulled out of Scottsdale after they won the election in Scottsdale. There is no guarantee that R/M will be here in the future. That decision will be made in the corporate board room. The risk of staying with a private company outweighs the benefits. He feels the option of going with Phoenix is preferable to having our own department. If we have our own department our Town will be dealing with a professional fire fighters union. We will be looking at the contract numbers very closely.

Council Member LeMarr said that there are a lot of benefits to getting service from a large urban fire department. The Town would have faster access to such services as a hazardous material unit, aerial support for a fire on the mountain, ladder trucks. In response to earlier comments, he stated that we control our destiny if we own our assets.

Vice Mayor Winkler thanked Chief Morris and Chief Bob Kahn for their attendance. He agrees that this is not a dollar issue but a service issue. The decision before Council is the

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granting of authority to staff to begin negotiations with the City of Phoenix for an IGA. If Chief Morris has another proposal, it should be given to staff immediately for evaluation.

Council Member Simpson said she toured the station on Tatum and toured a Phoenix station and noticed there is a significant difference. Historically the Town did not have the same demands as a large metropolitan fire department. We didn't think it mattered if we had a 3 man crew and Phoenix had a 4 man crew. Today we have to be more demanding of our fire service. We are going to spend a lot of money. We should ask for the very best service. When we first started discussion, there was discussion that we should have a property tax. She was happy that there is a way to have the service without a property tax.

Council Member Coffman said the automatic aid provides a better level of service to our residents. He thinks the cost component is significant. It has been a particularly good fit. Because we will own the real estate and the rolling stock, if this doesn't work with Phoenix, we could look at other options.

Council Member Hamway said we have worked very hard to work with the Rural/Metro to make it a better relationship. We realized that the subscription requirement has been difficult to enforce and not a viable option in the future. She is pleased a solution was found that did not include the need to raise revenues. But she heard tonight that there is support for a property tax if there becomes a need. We can't compromise on automatic/mutual aid. She feels a relationship with Phoenix will serve both communities well.

Mayor Clarke said we should move ahead as quickly as possible to try and develop an intergovernmental agreement. He said Councilman Greg Stanton has been very supportive. Mayor Clarke said he has work with Mayor Phil Gordon.

Mayor Clarke moved to direct Town Staff to move forward in negotiations with the City of Phoenix on an intergovernmental agreement for fire and emergency services, said agreement to become effective as soon as possible. The motion was seconded by Vice Mayor Winkler and approved by a vote of 7-0.

Award of Contract for Town Hall Carpeting

Mr. Cooper recommended that Council award a contract to Continental Flooring Company to carpet three major areas in the Town Hall. The first is the new conference room and the new offices. The second area is the council chamber and the area behind the counter. The third area is the Management Services area. The contract takes advantage of the competitive prices on state contract.

Council Member Simpson moved to award a contract to Continental Flooring Company to carpet the three major areas of Town hall in an amount not to exceed \$23,678.16. Vice Mayor Winkler seconded the motion, which carried 7-0.

Approval of Town Hall Improvements Change Order

Mr. Mead said that the change order involves increasing the size of the windows in the new conference room and upgrading the cabinets to match those in the rest of the building.

Mr. Ciccarelli said there was concern about mold and weather if the windows were cut now. However, if the windows were cut now, it would save money and time. He stated that the Town would pay only for the known costs and not the estimated costs. There would be some costs for touch up. Mr. Mead said we should not be charged much of the \$1,475 for the internal repairs to the building.

Responding to a question from the Council, Mr. Miller stated that the Town could pay time and materials not to exceed a certain amount.

Mr. Ciccarelli said we could do a fixed contract for the first 3 items and then time and materials and 15% mark-up for the external and internal repairs. The contractor is asking for an additional 30 days.

Council Member LeMarr made a motion to approve a change order with Niche Contractors, Inc., for extending the windows in the Conference Room and upgrading cabinets and address the external internal items later. Council Member Simpson seconded the motion. Council Member LeMarr amended the motion to grant a 30 day contract extension but that the Town would not be liable for any penalty for the 30 day extension. Council Member Simpson agreed to the amendment. The motion carried by a vote of 7-0.

Mayor Clarke moved to go into executive session. Vice Mayor Winkler seconded the motion which carried by a vote of 7 – 0.

EXECUTIVE SESSION

The Town Council may vote to go into executive session at one or more times during the Special Meeting. Executive Sessions are not open to the public.

- a. Discussion and consultation with Town Attorney regarding **agreement for fire and emergency medical services** as authorized by A.R.S. §38-431.03.A.4.
- b. Discussion and consultation with Town Attorney regarding **state law concerning timing of selection of mayor and vice mayor** as authorized by A.R.S. §38-431.03.A.3.

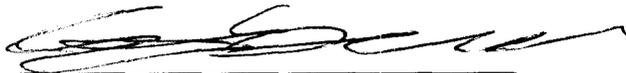
**Consideration of Ordinance Number 582, Amending Chapter 2, Mayor and Council,
Regarding Selection of Mayor**

Mr. Miller stated that a question had been raised concerning whether the Council must choose a Mayor at its first meeting in June or if it could wait until a later meeting date. He reported that currently state law and the Town Code require the Council to meet within 20 days of the election to choose a mayor. In order to provide the Council with the option of selecting a mayor at a later date it would be necessary to amend Section 2-2-1 of the Town Code. He stated Ordinance Number 582 provides such a mechanism.

Council Member Schweiker move to approve Ordinance Number 582. Mayor Clarke seconded the motion which carried by a vote of 7 – 0.

Adjournment

Mayor Clarke adjourned the meeting at 9:28



Ed Winkler, Mayor

ATTEST:

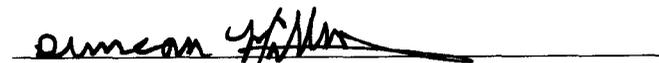

Duncan Miller, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Town Council of Paradise Valley held on the 5th day of June 2006. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 30 day of June, 2006.

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


Duncan Miller, Town Clerk