

**TOWN OF PARADISE VALLEY
MINUTES
TOWN COUNCIL WORK STUDY SESSION
MAY 10, 2005**

CALL TO ORDER

A work-study session of the Town Council of the Town of Paradise Valley, Arizona, was called to order by Mayor Clarke at 3:00 p.m. on Tuesday, May 10, 2005, in the Public Safety Auditorium, 6433 East Lincoln Drive, Paradise Valley, Arizona, 85253.

COUNCIL MEMBERS PRESENT

Council Member Ron Clarke
Vice Mayor Ed Winkler
Council Member Rick Coffman
Council Member Mary Hamway
Council Member Scott LeMarr
Council Member Dan Schweiker
Council Member Virginia "Jini" Simpson (arrived at 3:10 p.m.)

STAFF MEMBERS PRESENT

Town Manager Thomas M. Martinsen
Town Attorney Andrew Miller
Management Services Director Lenore Lancaster
Town Engineer William Mead
Police Chief John D. Wintersteen
Lt. Karl Emberg
Public Works Director Andrew Cooper
Building & Zoning Director Hamid Arshadi
Planning Director Eva Cutro
Court Services Manager Elsa Lynch
Accounting Supervisor Karen Gregoire
Information Technology Administrator Carl Hollish
Management Analyst Duncan Miller
Human Resources Administrator Jill Boehm

WORK STUDY SESSION ITEMS

Mr. Martinsen stated that the Budget Work Study Session would include an update on the five-year financial forecast, a discussion of open budget issues, and finally a review of the fiscal year 2005-06 budget by department.

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Ms. Lancaster presented the five-year financial forecast. She stated that the Town's financial position is healthy. She noted that the forecast assumes the following impacts: the temporary closure of Mountain Shadows Resort and La Posada; increase in construction sales tax revenues and building permits due to redevelopment of Montelucia, redevelopment of Mountain Shadows, and development of Sinclair Oil property; addition of revenue from plan review program and associated Town Hall remodeling; and purchase and renovation of Fire Stations and associated equipment.

She stated that at the end of five years the funds available for General Government and Capital Projects will exceed the Council's previously stated goal of maintaining a fund balance that would equal or exceed the Town's operating expenses.

Mr. Martinsen started the discussion of open budget issues with a review of potential fire services expenses. He noted that the operating cost for fire service would be paid by subscription fees. The Town would be responsible for the capital costs. Those costs include \$1.1 million to purchase and improve Fire Station 1; \$450,000 to purchase fire engine 2; \$75,000 for architectural services for fire station 2; and \$75,000 for fire consulting services.

The next open budget issue was presented by Jill Boehm regarding employee compensation and benefits. She provided Council with a matrix of Valley cities and towns indicating their proposed market adjustments. There was Council consensus to include a 3% market adjustment in the budget to be inline with other Valley cities and to address the increase in ASRS employee deductions next fiscal year.

Ms. Boehm stated that the Town's healthcare provided quoted a 17.4% increase for next year. An employee committee recommended some plan design changes which will reduce the increase to 12.02%. The dental plan renewal will increase by 6%.

The final open budget issue concerned the building plan review program. Ms. Lancaster stated that Council support was expressed during the policy retreat for the new program. A five-year analysis projects that the Town will have cumulative revenue in excess of expenditures.

Next, the Council reviewed the proposed Fiscal Year 2005-2006 Budget. Ms. Lancaster stated that the budget was developed using the same zero-based strategy used in previous years. The budget was presented in layers: the base budget is comprised of administrative and ongoing operating costs; enhanced services are proposed new programs or increased service levels that would be folded into the base budget in future years; special projects are one-time costs for services or projects that can be completed in one-year; and, finally, capital projects are major physical improvements to the Town's public infrastructure.

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The first departmental budget discussed was Mayor and Council. This budget includes \$15,500 for the 2005 Special Census.

The Management Services Department budget was discussed next. Enhanced and special projects for the next year include phase 2 of Permits Plus enhancements including telephone and internet modules used for scheduling inspections; an audit of Rural/Metro; printing of a publicity pamphlet for the anticipated expenditure limit override; and hiring an investment advisor to increase interest revenues.

The Council then discussed the Non-Departmental budget. This budget includes funds the Kiva School athletic field renovation and annual maintenance; the continuation of the Water Utility Advisor; the proposed Town Hall Improvements; the purchase of a fire truck; and a fire services advisor.

The Community Development Department was split into the Planning Department and Building & Zoning Department in the Budget. The Planning Department's budget includes funds for a consultant for the Zoning Code Update, a contract planner; and an advisor with expertise in resort developments.

The Building & Zoning Department's budget includes funds for the in-house plan review program, anticipated overtime expenses associated with the redevelopment of Montelucia; and temporary help. It was stated that the Council would discuss building inspection services for the Montelucia project in a future work study session.

The Engineering budget was considered next. The department's emphasis in the next fiscal year will be on project management of Invergordon Road construction, purchase of additional sewer capacity from Scottsdale, and Lincoln Drive Sidewalk construction. The department budgeted funds for NPDES implementation.

Enhanced programs in the Municipal Court included the installation of an ATM in the Town Hall lobby; credit card services; new information interfaces; and the establishment of a court enhancement fund to offset future capital costs.

The Public Works budget included funds for stamped asphalt cleaning; new landscape and grounds maintenance; pavement management and NPDES compliance.

The Police Department budget proposed replacement of the police department security system, enforcement of fire subscription requirement, enhanced burglary prevention and investigation, enhanced identity theft prevention and investigation; and two red light cameras for the Tatum Blvd/McDonald Drive intersection. It was stated that funds for an administrative manager was included in the budget as a contingency only subject to future Council consideration.

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Mayor Clarke adjourned the meeting at 5:15 p.m.



Ronald B. Clarke, Mayor

ATTEST:

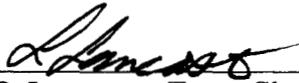


Lenore P. Lancaster, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the work-study session of the Town Council of Paradise Valley held on the 10th day of May 2005. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of May, 2005.



Lenore P. Lancaster, Town Clerk



OFFICIAL SEAL
OFFICE OF TOWN CLERK
TOWN OF PARADISE VALLEY
LENORE LANCASTER, TOWN CLERK

