

**TOWN OF PARADISE VALLEY
MINUTES
TOWN COUNCIL SPECIAL MEETING
TOWN HALL MEETING
APRIL 16, 2005**

CALL TO ORDER

Mayor Clarke called the special meeting of the Town Council of the Town of Paradise Valley, Arizona, to order at 10:00 a.m. on Thursday, April 18, 2005, in the Town Hall, 6401 East 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 MEMBERS NOT PRESENT

Council Member Scott LeMarr
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
Police Chief John Wintersteen
Public Works Director Andrew Cooper
Management Analyst Duncan Miller

DISCUSSION ITEMS

Discussion of Future Fire Service

Mayor Clarke stated that this was the second Town Hall meeting devoted to discussion future fire service in the Town. He restated the importance of gaining as much feedback from the residents prior to making a decision.

Mr. Martinsen reviewed the history of fire service in the Town. He reviewed the viable alternatives: continue service with Rural/Metro or enter into an intergovernmental

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agreement with the City of Scottsdale. He stated that other options had been investigated, however, after evaluation, those options proved to be problematic. The options included establishing a Town fire department, a joint Rural/Metro and City of Scottsdale arrangement, establishing a special fire district and establishing a Town subscription financing system.

He stated that the first alternative was to continue with Rural/Metro. The advantages of Alternative 1 were:

- There would be no change in service provider
- Financing structure is in place
- Rural/Metro is experienced and familiar with Town
- There is Resident satisfaction with service
- The Town would retain control through license agreement

The disadvantages with Alternative 1 were:

- A second fire station is needed immediately
- Staffing and equipment is needed for a second fire station immediately
- A subscription rate increase would be necessary
- There would be limitations on mutual aid from Phoenix and Scottsdale
- There would be service parity issues with municipal departments
- Rural/Metro's long term stability is uncertain
- There is an inequity in subscription non-payments

The Costs of Alternative 1 were:

- A second fire station would cost approximately \$1.5 million (not including land)
- Purchase and improve existing fire station - \$1.1 million
- Existing fire station operations - \$1.4 million annually
- Equipment and staffing second fire station - \$1.3 million annually
- Average rate impact at least 50% increase

He stated that the second alternative was to enter into an intergovernmental agreement with the City of Scottsdale. The advantages of Alternative 2 were:

- Paradise Valley would be easy to add to Scottsdale's operation
- There would be a seamless Automatic Aid Consortium
- It would be a stable long term arrangement
- There would be a high standard of service
- There would be prompt response to the northeast and southwest quadrants of Town

The disadvantages with Alternative 2 were:

- A second fire station would be needed in the long term
- There would be a direct Town cost and no subscription payments
- There would be less Town control
- There might be challenges in negotiating an IGA
- An expenditure limit override would be necessary
- New revenue source would be required

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- There is a potential for cost increases in start up of service

The costs for Alternative 2 were:

- Purchase and improve existing fire station for \$1.1 million
- Second fire station - \$1.5 million (not including land)
- Initial fire equipment purchase - \$900,000
- Annual service cost - \$2.1 million
- Potential communications equipment needed \$75,000

Mr. Miller reviewed the requirements for a fire district and a community facilities district. He reviewed the issue of a fee/subscription-based payment for service.

Ms. Lancaster reviewed the impact on the expenditure limitation of a master contract with the City of Scottsdale. She reviewed two alternatives for payment for a master contract: property tax or increase in sales and use tax rate.

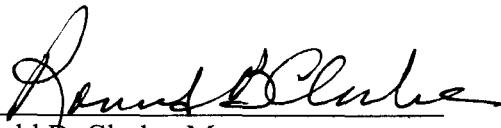
Mr. Martinsen said there were three options for the Council to consider over the next 6 weeks.

1. Continue with Rural/Metro Service with a new license agreement beginning July 1, 2006
2. Contract with the City of Scottsdale beginning July 1, 2006.
3. Allow Rural/Metro one year to demonstrate effectiveness of subscription financing and make decision by July 1, 2006.

At this point in the meeting the Mayor opened the floor for questions from the audience.

Adjournment

Mayor Clarke adjourned the meeting at 12:10 p.m.



Ronald B. Clarke, Mayor

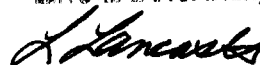
ATTEST:



Lenore P. Lancaster, Town Clerk



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



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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 16th day of April 2005. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 3RD day of May, 2005.



Lenore P. Lancaster, Town Clerk