

TOWN
of
PARADISE VALLEY



**TOWN COUNCIL MEETING
6401 E. LINCOLN DRIVE
PARADISE VALLEY, ARIZONA 85253
MINUTES
THURSDAY, MAY 9, 2024**

1. CALL TO ORDER / ROLL CALL

Mayor Bien-Willner called to order the Town Council Meeting for Thursday, May 9, 2024 at 3:00 PM in the Town Hall Boardroom, 6401 E. Lincoln Drive, Paradise Valley, AZ 85253.

COUNCIL MEMBERS PRESENT

Mayor Jerry Bien-Willner
Vice Mayor Mark Stanton
Council Member Ellen Andeen
Council Member Christine Labelle
Council Member Scott Moore
Council Member Julie Pace attended by telephone conference call
Council Member Anna Thomasson

STAFF MEMBERS PRESENT

Town Manager Andrew B. Ching
Town Attorney Andrew McGuire
Chief of Police Freeman Carney
Town Clerk Duncan Miller
Community Development Director Chad Weaver
Public Works Director Isaac Chavira
CFO Leslie DeReche
Attorney John Gaylord
Human Resources Director Gina Monger

2. EXECUTIVE SESSION

- 24-169** **Discussion and consultation with the Town Attorney, as authorized by A.R.S. §38-431.03(A)(3), for legal advice regarding the Paradise Valley Employee Handbook update.**
- 24-154** **Discussion of Town Manager annual performance review as authorized by A.R.S. §38-431.03(A)(1).**

Note: Minutes of Town Council meetings are prepared in accordance with the provisions of Arizona Revised Statutes. These minutes are intended to be an accurate reflection of action taken and direction given by the Town Council and are not verbatim transcripts. Video recordings of the meetings along with staff reports and presentations are available online (www.paradisevalleyaz.gov) and are on file in the Office of the Town Clerk. Persons with disabilities who experience difficulties accessing this information may request accommodation by calling 480-948-7411 (voice) or 480-348-1811 (TDD).

- 24-155** **The Town Council may go into executive session at one or more times during the meeting as needed to confer with the Town Attorney for legal advice regarding any of the items listed on the agenda as authorized by A.R.S. §38-431.03(A)(3).**

3. STUDY SESSION ITEMS

- 24-164** **Discussion of Police Pension Funding Policy, Financial Management Policy, and Budget Follow Up Items**

Chief Financial Officer Leslie DeReche introduced Bill Davis and Erika Coombs from Piper Sandler who were asked review the Town's current debt obligations and Public Safety Personnel System pension obligations and make a recommendation related to funding status.

Mr. Davis stated that the Town's existing debt is secured by excise tax revenue, it has an interest rate of 1.09%, and will be paid off in August 2026. The Town's current debt service coverage is extremely high. The recommendation was not to pay off the debt early.

Mr. Davis briefed the Council on how police pensions are funded and the many variables used to project future obligations for retired officers in tiers 1 and 2 and tier 3. He discussed strategies to fund pensions and unanticipated events such as plan changes, life expectancy, salary levels, and disability claims.

The Council discussed the current policy goal to fund pensions at a level of 90% to 110%. The Town's current funding status is 88%. Ms. DeReche stated that making an excess pension fund contribution this fiscal year of \$4 million would increase the funding status to 95% and a \$5 million contribution would increase the funding status to 98%. She recommended a \$5 million excess contribution. The Town has the expenditure limitation capacity to make the contribution this year, thereby freeing up budget capacity in future years.

The Council discussed the pension funding policy and funding status goal. There was consensus that the first priority is meeting the Town's obligations to current and retired police officers. The second priority is to be good fiscal stewards of the Town's finances, which includes pension obligations among other priorities. The Council discussed increasing the minimum funding status to 95% and creating a restricted fund in the General Fund reserve account for pension costs. Staff was directed to develop recommendations on a pension reserve account including definitions or guardrails on the use of the restricted funds and the minimum and maximum amount to maintain in the account. There was interest in maintaining flexibility to set aside funds in the reserve account to fully fund pensions but not necessarily transfer the funds to the pension system. There was further direction to update the Town's policy to target the actuarial rate and not market rate.

The Council asked for additional information on how the Town's funded status compares to other municipalities and the likelihood of intervention by the state legislature.

EXECUTIVE SESSION

A motion was made at 4:15 PM by Vice Mayor Stanton, seconded by Council Member Thomasson, to go into executive session to discuss item 24-169 regarding the Paradise Valley Employee Handbook update. The motion carried by the following vote:

Aye: 7 - Mayor Bien-Willner
Vice Mayor Stanton
Council Member Andeen
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

24-161 Discussion of Town of Paradise Valley Employee Handbook Update

Mayor Bien-Willner reconvened the study session at 5:06 PM.

Human Resources Director Gina Monger and Attorney John Gaylord presented a recommendation to update the Town of Paradise Valley Human Resources Policy & Procedure Handbook (Handbook). It was noted that the focus of this update was to reorganize and consolidate the Council-adopted Handbook and various administrative policies that have been created over the years. The new Handbook would also clarify the delegation of authority to the Town Manager to create certain administrative policies to carry out the policy goals of the Council.

The entire Handbook was rewritten to update language, ensure current legal requirements are met, and best practices are formalized. Mr. Gaylord stated that the majority of content in the Handbook and administrative policies remained unchanged but some content was relocated to eliminate redundancy and contradictions. The draft Handbook was shared with staff to receive feedback prior to the Council presentation.

Ms. Monger summarized the revision highlights:

- Inclusion of Town mission, vision, and employee values statements.
- New format and reorganized to align with employee lifecycle.
- Opportunity to review supporting administrative policies
- Opportunity to reinforce employee understanding of workplace rules and procedures.
- Chapter 10: Miscellaneous Leaves – new parental leave benefit.
- Chapter 11: Miscellaneous Benefits – new performance bonuses.

The Council discussed the revised Handbook. Staff was directed to develop a matrix to show the revisions to the Handbook and highlight any new budget impacts and any potential increases in legal exposure.

Mayor Bien-Willner recessed the meeting at 5:54 PM.

4. BREAK

5. RECONVENE FOR REGULAR MEETING

Mayor Bien-Willner reconvened the meeting at 6:06 PM in the Town Hall Boardroom.

6. ROLL CALL

COUNCIL MEMBERS PRESENT

Mayor Jerry Bien-Willner
Vice Mayor Mark Stanton
Council Member Ellen Andeen
Council Member Christine Labelle
Council Member Scott Moore
Council Member Julie Pace attended by telephone conference call
Council Member Anna Thomasson

STAFF MEMBERS PRESENT

Town Manager Andrew B. Ching
Town Attorney Andrew McGuire
Town Clerk Duncan Miller
Police Chief Freeman Carney
Community Development Director Chad Weaver
Public Works Director Isaac Chavira
CFO Leslie DeReche

7. PLEDGE OF ALLEGIANCE*

Council Member Labelle, in honor of her daughter who graduated *sum cum laude* from ASU, led the Pledge of Allegiance.

8. PRESENTATIONS

24-158 Discussion and Possible Action to Recognize 3228 E San Miguel Place as an Historic Property

This item was withdrawn from the agenda.

9. CALL TO THE PUBLIC

There were no public comments.

10. CONSENT AGENDA

Town Manager Ching summarized the Consent Agenda.

24-156 Minutes of Town Council Meeting April 25, 2024

24-162 Discussion and Possible Action to Adopt Resolution 2024-06 Designating the Town’s Filing Agent for the Annual Expenditure Limitation Report for FY 2024-2025

Recommendation: Adopt Resolution 2024-06 designating a Chief Fiscal Officer for the submission of the annual expenditure limitation report.

A motion was made by Council Member Moore, seconded by Vice Mayor Stanton, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Mayor Bien-Willner
Vice Mayor Stanton
Council Member Andeen
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

11. PUBLIC HEARING

**24-163 Discussion and Possible Action to Adopt Resolution 2024-07
Approving the Final Budget for Fiscal Year 2024/2025**

CFO DeReche presented the final budget for Fiscal Year 2024/25. She stated that the final budget is a result of Management and Town Council’s collective efforts to identify, communicate, and fund priorities for the operating and capital budgets during the upcoming fiscal year. Discussions informing the development of the Final Budget for FY2025 were held with Council on March 14, 2024, March 28, 2024, and April 11, 2024. The total budgeted expenditures for FY25 equaled \$57,795,948.

Mayor Bien-Willner opened the public hearing. There were no public comments.
Mayor Bien-Willner closed the public hearing.

SPECIAL MEETING

Mayor Bien-Willner recessed the regular meeting and convened a special meeting.

There was no further discussion.

A motion was made by Council Member Thomasson, seconded by Council Member Labelle, to adopt Resolution 2024-07 approving the Final Budget for Fiscal Year 2024/2025. The motion carried by the following vote:

Aye: 7 - Mayor Bien-Willner
Vice Mayor Stanton
Council Member Andeen
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

Mayor Bien-Willner adjourned the special meeting and reconvened the regular meeting.

12. ACTION ITEMS

There were no action items.

STUDY SESSION CONTINUED

24-160 Discussion of FY 2024 Community Services Program and FY 2025 Homelessness Initiative Funding Recommendations

Town Clerk Duncan Miller presented the Fiscal Year 2024 Community Services Program recommendation to enter into funding agreements with Central Arizona Shelter Services (CASS) in the amount of \$55,000 and Duet: Partners in Health and Aging in the amount of \$ 10,000.

On March 14, 2024 the Town Council directed staff to conduct a needs assessment and bring back a recommendation to Council. An advisory committee made up of the Town Manager, Town Clerk, Community Resource Officer, and Code Enforcement Officer met on April 8 and 26 to discuss options and finalize a recommendation. It was agreed that CASS and Duet provide valuable services to Paradise Valley and the broader community. There was Council consensus to schedule FY24 funding for a vote on May 23, 2024.

Mr. Miller also presented a proposal to partner with the Maricopa Association of Governments (MAG) on homelessness services in FY25 in the amount of \$200,000. He noted that the Council awarded the same amount to MAG in FY24. MAG issued an RFP and a contract was awarded the City of Phoenix Rio Fresco Healing Center operated by Community Bridges, Inc. There was Council consensus to support homelessness initiatives in the County, but additional information was requested comparing the return on investment between CASS and Rio Fresco. Mr. Miller stated that recommendation is to partner with MAG because they have the industry connections, experience, and expertise to ensure that the Town’s funding is managed and directed to agencies where they will have the greatest impact. It was agreed that Staff would bring back a recommendation defining the Town’s priorities for homelessness support to be included in the funding agreement with MAG.

13. FUTURE AGENDA ITEMS

24-157 Consideration of Requests for Future Agenda Items

Town Manager Ching summarized the future agenda schedule.

14. MAYOR / COUNCIL / MANAGER COMMENTS

Council Members provided comments and updates on current events.

EXECUTIVE SESSION

A motion was made at 7:15 PM by Council Member Thomasson, seconded by Vice Mayor Stanton, to go into executive session to discuss item 24-154 Town Manager annual performance review. The motion carried by the following vote:

Aye: 7 - Mayor Bien-Willner
Vice Mayor Stanton
Council Member Andeen
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

15. ADJOURN


A motion was made at 9:15 PM by Council Member Labelle, seconded by Mayor Bien-Willner, to adjourn. The motion carried by the following vote:

Aye: 7 - Mayor Bien-Willner
Vice Mayor Stanton
Council Member Andeen
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

Mayor Bien-Willner adjourned the meeting at 9:15 PM.

TOWN OF PARADISE VALLEY

SUBMITTED BY:


Duncan Miller, Town Clerk

