

**TOWN**  
*Of*  
**PARADISE VALLEY**



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**STAFF REPORT**

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**TO:** Mayor Mark Stanton and Town Council Members

**FROM:** Andrew Ching, Town Manager  
Leslie DeReche, Chief Financial Officer

**DATE:** February 12, 2026

**DEPARTMENT:** Finance  
Leslie DeReche, 480.348.3696

**AGENDA TITLE:**  
**Permanent Base Increase and Capital Accumulation Fund**

**SUMMARY STATEMENT:**

Discussion on permanent base adjustment and capital accumulation fund.

**BACKGROUND:**

The Town is subject to an expenditure limitation by state legislation based on 1979—1980 funding levels adjusted for inflation and population growth. The Town has several options available to add more flexibility in spending including permanent base increase, capital accumulation fund, and bond financing. At the January 22<sup>nd</sup> study session, the Council indicated support for a permanent base adjustment and the creation of a capital accumulation fund. Draft resolutions a permanent base adjustment and a capital accumulation fund are presented for discussion along with required permanent base adjustment summary and detail analysis.

**ATTACHMENT(S):**

- A. Staff report
- B. Resolution 2026-01 – Permanent Base Adjustment
- C. Permanent Base Adjustment Summary Analysis
- D. Permanent Base Adjustment Detail Analysis
- E. Resolution 2026-02 – Capital Projects Accumulation Fund
- F. Presentation